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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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CONTENTS

Wednesday, March 8, 2006
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Routine Proceedings

	Page
Introductions by Members	2819
Introduction and First Reading of Bills.....	2819
Forests and Range Statutes Amendment Act, 2006 (Bill 9)	
Hon. R. Coleman	
Supply Act (No. 1), 2006 (Bill 7)	
Hon. C. Taylor	
Statements (Standing Order 25B)	2820
International Women's Day	
K. Whittred	
C. James	
Awards to Parksville citizens	
R. Cantelon	
International Women's Day	
C. Trevena	
IIG-All Nations Institute project in support of aboriginal women	
R. Lee	
Role of women in society	
B. Simpson	
Oral Questions.....	2822
Government computer system security and role of Information and Privacy Commissioner	
C. James	
Hon. M. de Jong	
M. Farnworth	
Government liability in security of personal information records	
L. Krog	
Hon. M. de Jong	
Investigation into release of government records on personal information	
H. Lali	
Hon. M. de Jong	
Ban on sale of government computer equipment	
B. Ralston	
Hon. M. de Jong	
Appointment of Brian Berglund as chief information officer for Community Living B.C.	
A. Dix	
Hon. M. de Jong	
Raw log exports	
S. Fraser	
Hon. R. Coleman	
B. Simpson	
Eligibility of forest workers under Forestry Revitalization Trust	
B. Simpson	
Hon. R. Coleman	
Petitions.....	2827
G. Coons	

Throne Speech Debate (<i>continued</i>)	2827
Hon. O. Ilich	
G. Coons	
Hon. P. Bell	
C. Puchmayr	
Hon. J. van Dongen	
C. Evans	
G. Hogg	
H. Lali	
Hon. L. Reid	
A. Dix	
Hon. S. Bond	

Proceedings in the Douglas Fir Room

Committee of Supply.....	2868
Estimates: Ministry of Finance (<i>continued</i>)	
J. Kwan	
Hon. C. Taylor	
G. Gentner	
D. Chudnovsky	
G. Robertson	
D. Cubberley	

WEDNESDAY, MARCH 8, 2006

The House met at 2:04 p.m.

Prayers.

Introductions by Members

C. James: I have the pleasure of introducing a constituent from my riding. Tara Ehrcke is a teacher at Spectrum high school, a very fine high school that I also graduated from. She teaches information technology to students in grades nine to 12, and she's involved in the BCTF as a member of the Professional Issues Advisory Committee. Would the House please make her welcome.

[1405]

Hon. J. van Dongen: I'm pleased to introduce in the House today two friends of my ministerial assistant, Bill Hepburn. Visiting us are Adam Defala and Steve Taylor, two bright young men studying in eastern Canada and visiting our capital today. I'd ask the House to please make them both welcome.

J. Brar: I am pleased to introduce Victoria Bartlett. Victoria is a resident of the Surrey-Panorama Ridge constituency. Victoria is also a provincial media and legislative liaison for the Christian Science Church in British Columbia. Please make her feel welcome.

Hon. C. Taylor: I'm very pleased to welcome a number of members of the public affairs bureau who are visiting us today. They're attending our parliamentary procedure workshop to understand better how the Legislature works, and the budgeting process. So I'd like you all to give a very warm welcome to Brian Decker, Ron Lees, Julianne McCaffrey, Sherri Patterson, Grace Van den Brink and Deanna Krywy. Please make them welcome.

B. Ralston: I'd ask the House to welcome Glen Lucas, the general manager of the B.C. Fruit Growers Association, who is in the precinct today for meetings.

B. Lekstrom: It is my pleasure today to introduce to this House Ms. Charlene Hodgson, who is a teacher from my riding. Charlene is down with the BCTF and is a member of the Professional Issues Advisory Committee. Charlene has been a teacher for 26 years, 16 of those in my hometown of Dawson Creek. Certainly both of my daughters have gone through the system, and Charlene has done a tremendous job for us on behalf of school district 59. Will the House please make her welcome.

M. Sather: Joining us in the galleries today are Gerald and Beverly Wells, who are successful farmers from the Peace River country. I have known them since childhood. They're down visiting friends here on the Island. We had the pleasure of having lunch and talk-

ing about some of the challenges in agriculture today. Will the House please make them welcome.

I. Black: I have four guests in the gallery today. It is with distinct pleasure that I welcome back my mom and dad, visiting from Cobble Hill on Vancouver Island, and two guests — old family friends visiting from Winnipeg, David and Noreen Henderson. Would the House please join me in making them feel most welcome.

D. Routley: Joining us today in the precinct and currently touring the buildings are many of the staff, parents and students of Crofton Elementary. I'm feeling safe, with the new tenor, to invite the children in to witness democracy done differently. I hope we'll all welcome the students of Crofton Elementary School.

S. Hawkins: Mr. Speaker, I have the pleasure of making an introduction on your behalf. A constituent from Penticton-Okanagan Valley, Karen Litke is with us in the gallery. She's a resident of Penticton, who teaches grade four at Uplands Elementary School. Mrs. Litke has been teaching since 1980 and is the chair of the Teacher on Call and Underemployed Teachers Advisory Committee. I would ask the House to make her welcome on your behalf.

[1410]

Hon. G. Abbott: It's my pleasure to welcome today three visitors in the gallery from the Ministry of Health. They're here to drink up the civility and decorum that is now so inherently a part of this chamber, as part of the parliamentary procedure workshop. Allow me to introduce Craig Fuchs, Leanne Warren and Scott Barillaro. I ask the House to please make them all welcome.

Mr. Speaker: I would like to take this opportunity to introduce 28 public servants seated in the gallery, who are participating in a full-day parliamentary procedure workshop offered by the Legislative Assembly. This workshop provides a firsthand opportunity for the public service to gain a greater understanding of the relationship between the work of their ministries and how their work affects this Legislature. Would the House please make them welcome.

Introduction and First Reading of Bills

FORESTS AND RANGE STATUTES AMENDMENT ACT, 2006

Hon. R. Coleman presented a message from Her Honour the Lieutenant-Governor: a bill intituled Forests and Range Statutes Amendment Act, 2006.

Hon. R. Coleman: I move that Bill 9 be introduced and read a first time now.

Motion approved.

Hon. R. Coleman: Bill 9 proposes amendments to five forest statutes to deliver sustainable forest and range resources in an efficient and effective manner. Amendments to the Forest Act will create a forest revenue audit program enabling government to inspect and audit records to ensure the correct amount of stumpage is being collected, protecting revenues from the Crown forest to the taxpayers of British Columbia.

Two other changes to the Forest Act will streamline administration as a result of changes to interior log grades and will provide regulation-making authority specifying how and when government may enter into a master licence to cut. Amendments to the Forestry Revitalization Act will extend the current deadlines for ministers' orders relating to area-based tenures. This will provide more time to consult with first nations about new tenure opportunities.

Bill 9 also proposes amendments to the Forest and Range Practices Act to provide a smooth transition from the former Forest Practices Code and the Forest and Range Practices Act.

Changes to the Wildfire Act will clarify that the act applies to cultivated grasslands and will further clarify the obligations of those who carry out fire hazard assessments. Compensation for forest licensees who carry out fire control will also be addressed.

In June 2005 the Ministry of Forests was renamed the Ministry of Forests and Range. Bill 9 updates the name in the Ministry of Forests Act and other acts to reflect the importance of the range management to the ministry's mandate.

Hon. Speaker, I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 9, Forests and Range Statutes Amendment Act, 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

SUPPLY ACT (No. 1), 2006

Hon. C. Taylor presented a message from Her Honour the Lieutenant-Governor: a bill intituled Supply Act (No. 1), 2006.

Hon. C. Taylor: Mr. Speaker, I move that the bill be introduced and read a first time now.

Motion approved.

Hon. C. Taylor: This supply bill is introduced to provide supply for the continuation of government's programs until the government's estimates for 2006-2007 have been debated and voted upon in this assembly. The bill will provide interim supply for government operating expenses for the initial two months of the 2006-2007 fiscal year. This will allow time to debate and pass the estimates.

This interim supply is required because the existing voted appropriations expire on March 31, 2006. This

bill will also provide interim supply for other financing requirements. This bill seeks supply for two-thirds of the year's financing transaction requirements for capital asset expenditures and loans and investments, and 100 percent of the year's financing transaction requirements for revenues collected for and transferred to other entities. This will allow time to debate these requirements. This interim supply is also required because existing voted appropriations will expire on March 31, 2006.

Mr. Speaker, I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

[1415]

Bill 7, Supply Act (No. 1), 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Statements (Standing Order 25b)

INTERNATIONAL WOMEN'S DAY

K. Whittred: Today is International Women's Day. It is a day for all of us to reflect on where we've been and where we're going. Women across the globe — although separated by ethnic, language and cultural differences — all strive to achieve similar goals of peace, equality, justice and opportunity.

No celebration of International Women's Day would be complete without acknowledging the contribution of women who open doors. We are reminded of Lysistrata, who initiated a strike against husbands in ancient Greece in order to end war; the women of Paris, who marched on Versailles to demand women's suffrage; the suffragettes, who had the temerity to hold up a banner calling for votes for women.

In Canada we have Alberta's Famous Five — Emily Murphy, Henrietta Edwards, Louise McKinney, Irene Parlby and Nellie McClung — nation-builders who changed the destiny of Canadian women by changing the definition of one word: person. Imagine the significance of that. A woman is a person. They opened the door so that in British Columbia today, women participate in all aspects of the economy, the community and government.

B.C. women have one of the highest rates of small business ownership. Today women make up 57 percent of students in universities and are increasingly joining the trades. Over \$6 million is provided for early learning and child care opportunities. For women with challenges, there are employment and bridging programs. Programs have been expanded for women who are escaping violent situations.

Today those of us who live in the western world generally enjoy freedoms and opportunities free from discrimination. But there is still work to be done.

C. James: I also rise to recognize today as International Women's Day. Thirty years ago the United Na-

tions set aside March 8 as the day to pause and consider the condition of women in our global society. An important milestone in the struggle for the equality rights of women, the U.N. charter in 1945 marked the first international agreement to proclaim gender equality as a fundamental human right.

It's the day we honour the social, economic, political and spiritual contributions that women make to our communities. It's the day to mark our progress, to reflect on how far we've come and to reflect on how far we have yet to go. Women have made great strides in the last 30 years. From voting rights to abortion rights to the participation of women in politics and the economy, women have come far in three decades.

But there are huge challenges yet to overcome. Poverty and oppression continue to mar the progress made by women around the world. Wars and informal armed conflict now kill more civilians than soldiers. The international trafficking of women and children is on the increase.

Here in Canada, women have yet to close the gap in wages and employment. B.C. also has the highest child poverty rate in Canada, and as we know, with women being the primary caregivers, that means too many women in British Columbia are also living in poverty.

Today we celebrate and honour women and reflect on the progress we've made. But today is also a reminder that we have much work to do to achieve equality. We must continue the efforts of the women and men who have worked hard to build fairer and stronger communities. International Women's Day is a day and a reminder that we must continue the work today and into the future.

AWARDS TO PARKSVILLE CITIZENS

R. Cantelon: The Parksville and District Chamber of Commerce recently honoured eight of its citizens for outstanding achievements in their community — for achievements in business, to be sure, but also for their significant contributions to the greater good of the community. They were feted, and their efforts were properly recognized at a gala community awards dinner which was attended by several hundred citizens of the Parksville community.

[1420]

Paulina Alexander received the Outstanding Service award for providing blue-ribbon customer service at the Tigh-Na-Mara Seaside Spa and Resort.

Alex Frasn received the Entrepreneur of the Year award for taking a risk and seizing an opportunity with his new business, Island Low Cost Movers. His business has been thriving as people are moving back into Parksville.

Bill Ormiston received the Small Business of the Year award for Parksville Home Hardware. Bill combines a personal, friendly approach with a great product selection and consumer advice.

Don Hirsch received a Big Business of the Year award. Again, it was the Tigh-Na-Mara Seaside Spa and Resort — a double winner. This business is big on

its commitment to community projects as well as being an outstanding resort. Make a note of it. It's a great resort.

The Society of Organized Services was declared Newsmaker of the Year for the society's leadership of the Crystal Meth Task Force. This group led the province as one of the founding organizations to lead the charge against this scourge.

Charlotte Robertson, a student at Ballenas Secondary School, received the Youth of the Year award for a long list of community and school events that would wear out most adults.

Louise Wall was awarded Volunteer of the Year award. Louise founded the Parksville Garden Society, which is beautifying the old railway station as a 2010 project — the railway gardens.

Bill McKinney best epitomized the can-do, let's-get-it-done attitude of this community and received the prestigious Citizen of the Year award. Whatever the community event, Bill will be there leading but also rolling up his sleeves to do whatever it takes to get the job done.

I ask the House to add their congratulations to those of the Parksville chamber in honouring these outstanding citizens.

INTERNATIONAL WOMEN'S DAY

C. Trevena: I too, like my colleagues, rise to mark International Women's Day, because International Women's Day is a time to make statements to talk about the importance of women in our society, about equality and about women's rights.

The day, as we have heard, took root in the early years of the last century, where women were becoming more vocal, demanding our rights — rights which many women still strive for around the world. It is a political event, but it's also a celebration. It's a celebration of all women.

I grew up in England, and there we had Mothering Sunday — a day in late March when kids across the country would give burnt toast to their moms in bed. Here we have Mother's Day, a day in May when kids across the country give burnt toast to their moms in bed. It's great for the mothers.

But International Women's Day is a day for mothers and for all women. During the communist era in Europe, March 8 celebrations would lead the newscasts. Still, in homes and offices across eastern Europe, it seems a chance to celebrate women — by children, by husbands, by partners, by colleagues, by friends. Women are given flowers, often a single stem by male colleagues. It is not seen as sexist. It's seen as right.

I felt embarrassed the first time this happened to me in the Balkans, when a Bosnian colleague gave me a flower. But a few years later in Kosovo, I was out buying flowers for a Serbian team member who couldn't risk going into the streets of Pristina, nor could he go home without flowers for his mother and his girlfriend.

In the often drab days in the end of the winter in eastern Europe, March 8 is a sign of hope as flower

stalls spring up across the cities. Women display the flowers they've been given on their desks or proudly in the streets, and March 8 is a day for all women to celebrate.

IIG-ALL NATIONS INSTITUTE PROJECT IN SUPPORT OF ABORIGINAL WOMEN

R. Lee: Burnaby is home to an increasing number of excellent education facilities. Recently, students in Montecito Elementary School topped the B.C. Foundations Skills Assessment, and students of Burnaby North Secondary School performed the best in the Advanced Placement programs in North America.

Simon Fraser University and BCIT continue to expand their skill training programs, research, as well as physical facilities. Last week I attended the launch of the BCIT aerospace technology campus project and the grand opening of the Institute of Indigenous Government-All Nations Institute with many of my colleagues. IIG-All Nations Institute provides a first- and second-year university program, with a focus to aboriginal students.

[1425]

I had the opportunity to talk to Gloria Larocque, a student in the criminology program. She has been working on a special project to raise awareness regarding the missing and murdered aboriginal women. Her studies and personal experience led her to voice concerns about the treatment of aboriginal women in Canadian society generally. She is currently organizing a conference known as The Gathering to be held on the 2006 spring equinox. The Gathering is intended to remove any stigma these women face in choosing their fates, promoting a more humanized, generalized societal view toward aboriginal women. This day would be known as indigenous women's empowerment day.

On this International Women's Day, I would like to commend the women for their contribution to our education system and to pay tribute to the aboriginal women for their efforts to remove stigmas in our society.

ROLE OF WOMEN IN SOCIETY

B. Simpson: I was born in Scotland where, to quote Robbie Burns, "a man's a man for a' that, an a' that." I was raised in a household of five boys, an uncle and my dad. The fact that my mother survived that testosterone-laden environment with her sanity intact is a testament to her intestinal fortitude.

It took many years of travelling the globe and university schooling to chip away at my chauvinistic view of the world. It also took the patience and courage of many women along the way, who challenged my thinking and took me to task about my unconscious attitudes and beliefs about women, and to them I owe a debt of gratitude. Some of those women....

[Applause.]

I've only got two minutes.

Some of those women were leaders in the public and not-for-profit sectors whom I had the pleasure of working with as an independent management consultant. These women showed me that leadership was more than simply overpowering people with your will or your intelligence or the fact that you had a title that ought to demand respect independent of your actions. These women taught me that leadership was really about giving people space to grow, and it was about bringing out the best in people through true collaboration and consultation.

Shortly after joining Weldwood of Canada in 1996, I had to give a speech at our managers' conference in Whistler. As I stood at the podium and scanned the audience, I knew something wasn't quite right, but I couldn't place my finger on it. A few minutes later it dawned on me what was wrong.

After years of working with women in various leadership roles, I was now looking out on a sea of white male faces. The entire management group at all of our mills and at our head office was made up of only white males. The only two women in the room were in the far back corner. One was taking notes, and the other was responsible for the logistics of the meeting — i.e., getting coffee and snacks.

Unfortunately, the circumstances have not changed in B.C.'s forest sector in the intervening ten years. In too many companies and in too many boardrooms, women still have a long way to go.

Oral Questions

GOVERNMENT COMPUTER SYSTEM SECURITY AND ROLE OF INFORMATION AND PRIVACY COMMISSIONER

C. James: Yesterday the Minister of Labour and Citizens' Services suggested in this House that there had been previous successful attempts to breach the security of government data. My question to the minister: could he please outline for the House how many successful attempts have been made?

Hon. M. de Jong: The furthest back I was able to get records was for 1997. I can advise the House that according to those records, attempts similar to what was raised by the opposition yesterday apparently took place with this degree of regularity: on January 15, 1997; January 27; February 13; February 25; April 4; April 15; April 29; July 22; July 24; July 25; July 29; July 30; August 5; October 28; October 29.

In fact, there are apparently nefarious people out there who, on a regular basis, try to gain unauthorized entry to other people's records. What I'm proud of is the fact that this government has put in place a system whereby we're able to detect and prevent that from taking place and people's privacy being compromised.

[1430]

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

C. James: Well, I'd like to remind the minister and government that the reason the public found out about this is because it was on the front page of the newspaper on Saturday morning, not because the government in fact informed the public that this was an issue.

I appreciate the history that the minister provided, but my question is the same question to the minister. How many successful attempts have this government and this minister followed up on when breaches have occurred?

Hon. M. de Jong: If the Leader of the Opposition would like, I will take her on a delightful journey, picking up where I left off. The fact of the matter is that people attempt to gain entry. We prevent....

Interjections.

Hon. M. de Jong: Members don't want to hear this. But I'm happy to share it....

Interjections.

Mr. Speaker: Members. Members.
Go ahead, minister.

Hon. M. de Jong: The Leader of the Opposition, I'm sorry to say, is trying to portray as a failure the fact that we have systems in place. In fact, since we became government, a common information technology system for the entire government — not the ad hoc system that was in place under the previous administration — whereby we are better equipped to detect where those attempts are made and to prevent them from occurring....

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

C. James: Once again, we see from this minister the same thing we've seen from this government for the last five years, which is that they never come clean with the truth for the public. This was very serious information that was breached. We learned about this information from the media, not from government itself.

Yesterday we learned of another breach of computers that, again, we did not hear about from the government itself. There is no accountability from the government. We found out, as well, yesterday that the Office of the Privacy Commissioner knew nothing about the case yesterday. In fact, it looked like the government was busy trying to cover its tracks instead of coming clean with the public.

So my question is again to the minister. Can he tell us why the Privacy Commissioner was not brought in to investigate as soon as it became clear that there was a breach in government security?

Hon. M. de Jong: You know, I spent a few years in opposition. Sooner or later, the Leader of the Opposition is going to learn that if you're going to cast about allegations of the sort that she is today, she'd better be

prepared to back them up. The reason the Privacy Commissioner wasn't notified is that there was no breach of privacy.

The Leader of the Opposition may be desperate enough to want to play cute politics with something that this government and British Columbians take very seriously. But if she is not prepared to make those specific assertions.... There was no breach of people's privacy. It was an attempt by someone from outside to deposit material onto the government's network. We have passed that information on to the police, and they are investigating that individual and the attempts they made. Hopefully, the opposition's recklessness hasn't put that investigation in jeopardy.

M. Farnworth: What is reckless is making statements that privacy was not compromised. The minister cannot guarantee that, because one thing is for sure. If you can write a program to access a system, which in this case was done — that access was obtained for two months — then you can read the files on that program. You can read the files that you have accessed. So let's be clear about that, and the government should be up-front about that.

[1435]

Yesterday the minister said that the Privacy Commissioner was not told, because there was not a serious breach of privacy information. Can the minister tell this House who advised him that no personal information was at risk and whose contract would be on the line if personal information was at risk? And can he explain why the government, when computers were open for hackers to do who knows what — that he did not, to be on the safe side, personally insist that the Privacy Commissioner be called in at that time...?

Hon. M. de Jong: As I have, of late, spent considerable time tracing some of the history of how governments present and past have dealt with these matters, it is interesting to see how attitudes have changed. The reason I can provide the House, as I always try to do, with the best information I have at my disposal is because we have a system in place staffed by professional, dedicated civil servants whose task is focused on protecting the security of the private information that the government holds on behalf of British Columbians.

Something took place last week, or was reported last week, that no one was proud of. But to suggest, as the opposition is trying, that the constant attempts by hackers to intrude and deposit viruses somehow mean that the computer network that this government maintains on behalf of British Columbians isn't secure is a stretch and is completely out of step with the tack they took when they were in government.

We've spent \$6 million upgrading the security of our system, and we're proud of the work that those people do.

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

M. Farnworth: We're all proud of the work that those people do, but what we're talking about is not an attempt. We're talking about a successful penetration of the government's computer systems that lasted for more than two months and allowed illegal criminal activity to take place. What I said before was that if you have the ability to write a program to access the system, you have the ability to read the information on that system.

The minister said yesterday that the Privacy Commissioner should only come in when it's appropriate. Well, we know that there was an intrusion. We know that if you intrude into the system, you have the ability to read the information. We know that the minister said that the files were erased. If that's not an appropriate time to call in the freedom-of-information commissioner, I don't know what is.

Again, will the minister tell us when it is appropriate for the freedom-of-information commissioner to come into an investigation?

Hon. M. de Jong: Well, the Opposition House Leader seems to be in possession of a great deal of information, seems to have drawn a great number of conclusions. I suppose the question I am obliged to ask is whether or not he...

Interjection.

Mr. Speaker: Member.

Hon. M. de Jong: ...and his colleagues have provided that information to the police investigating this matter.

He has drawn certain conclusions about the nature of the criminal activity taking place. I presume, therefore, that he has a basis upon which to draw those conclusions and assume that he has provided that information to the investigating authorities.

GOVERNMENT LIABILITY IN
SECURITY OF PERSONAL
INFORMATION RECORDS

L. Krog: In 2002 this government lost confidential documents on the softwood lumber dispute. Four years ago government hard drives were sold, and confidential information on them was read by the buyer. More recently we learned of a long-term access of the supposedly secure government computer network by outsiders. This weekend we learned of the auction of the taped records of 77,000 British Columbians containing private health records and other personal information.

Has the Attorney General conducted any assessment of the government's liability around these issues?

[1440]

Hon. M. de Jong: The reference to matters in the Forests Ministry is interesting, given that it was only in 1998 that the Ministry of Forests was hacked into. The computer in that case was used....

Interjection.

Hon. M. de Jong: Members don't want to hear this stuff, Mr. Speaker, but they asked the questions.

Interjections.

Mr. Speaker: Members.

Hon. M. de Jong: Again, it's an interesting example because it is similar. No personal information was accessed, but the computer system was utilized to disseminate information — again, similar to what we're dealing with in that case. The interesting thing there was that the issue was first noticed by a computer consultant in Maryland, who tried to contact the government of the day, got no response and ultimately turned the situation over to the media.

The point is this. The member wants to conjure up this notion that people are willy-nilly gaining access to the computer network and gaining access to private information. That is not so. Further, the government has introduced and established a far more effective way of coordinating security for our computer network than was ever in place under the previous administration.

Interjections.

Mr. Speaker: Members.

Member for Nanaimo has a supplemental.

L. Krog: Seventy-seven thousand British Columbians' personal information — 77,000. We may hear the term "willy-nilly" in this House, but it's not very satisfactory to British Columbians.

Having heard the response, my question is to the Crown's senior legal adviser once again. What liability does the government now face in relation to these gross breaches of security? I would like to hear it from the Attorney General.

Interjections.

Mr. Speaker: Members. Listen to the answer.

Hon. M. de Jong: The member has asked the question. The member is learned counsel. He knows what the provisions of the Freedom of Information and Protection of Privacy Act are. It's there. There was a contravention not just of the provisions when, inadvertently, tapes were sold containing the information of private British Columbians, but no one is proud of that fact.

The member takes an incident that is very serious and attempts to link it to a challenge that computer networks of the size operated by the B.C. government face on a daily basis — and that is the nefarious attempts by people to gain access — and conjures up this notion that somehow people are walking in at will to gather information on individual British Columbians.

It's not the case. We've got dedicated professionals. If anything, the incident the opposition raised regarding February 3 of this year proves how vigilant those officials are and the success of the system that's in place.

INVESTIGATION INTO
RELEASE OF GOVERNMENT RECORDS
ON PERSONAL INFORMATION

H. Lali: What started out as sensitive personal information of 77,000 British Columbians on 41 computer tapes being sold by this government at an open auction for a fistful of dollars turned into more tapes and more sensitive personal information being sold for a few dollars more.

Hon. Speaker, it is shockingly evident that the government has no handle on the security of personal information in its possession, that it is ignorant of what equipment and what information they're really selling. Under this Liberal government, the security of sensitive information of British Columbians has been breached — has seen breach after breach after breach followed by cover-up after cover-up after cover-up.

Will the minister stop covering up and finally tell this House: how many more computer tapes containing more sensitive information has this Liberal government auctioned off since taking office, after 2001?

[1445]

Hon. M. de Jong: I was wondering when the opposition was going to let the critic get in on the act today.

Interjections.

Mr. Speaker: Members. Members.

[Applause.]

Hon. M. de Jong: That's interesting. I usually have to make a response before they clap, Mr. Speaker.

Mr. Speaker: Minister continues.

Hon. M. de Jong: Look, I appreciate that at a certain point in the session, the opposition will cling to an issue if they have nothing else in their reservoir of questions. I understand all that. In fairness, I have heard from a number of British Columbians with ideas, in the aftermath of what has taken place. I had a call the other day from someone who suggested we employ the new DBC-designed fifth-generation synaptic lock-out technology with 4000 series mainframe interface. But of course I wouldn't do that without first canvassing the views of the opposition critic.

Interjections.

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

H. Lali: It seems that from the government side of the House, they don't want to take this issue very seriously. It also appears that cover-up and denial are the order of the day. All we get from this Liberal government is denial after denial after denial.

Yesterday we learned that government BlackBerrys containing sensitive information were also sold without purging. This House wants assurance, the people of British Columbia want assurance, that their government and the minister responsible for safeguarding their most personal and sensitive information have not further breached the security of that information or auctioned off any other tapes at fire-sale prices.

This government and this minister have failed to live up to their collective responsibility by allowing breach after breach and cover-up after cover-up. Will the minister responsible for safeguarding the people's sensitive information commit today to investigating this matter pertaining to any additional tapes being sold at fire-sale prices since 2001, and bring back the findings to this House?

Hon. M. de Jong: I am at a loss to explain how the member would not accept or understand that not only does the government take this seriously.... And I would have hoped, from the nature of the response that was offered in the immediate aftermath, that that would have been abundantly clear. But I would also hope that the member and his colleagues would derive some comfort from the fact that we have moved to eliminate all of the risk by imposing a ban on the sale of any of this equipment — in ways, quite obviously, that didn't exist previously. That's in place. That's how seriously this government takes the privacy rights of British Columbians.

BAN ON SALE OF GOVERNMENT
COMPUTER EQUIPMENT

B. Ralston: The minister refers to a ban on the sale by the government of computer equipment, and in a radio interview he said this ban applied to government departments within the control of government. As the minister knows, much of the personal information that British Columbians have is stored in the hands of private contractors. Will he commit today to extend that ban to private contractors like Maximus?

Hon. M. de Jong: To the member: thank you for the question.

To the extent that the various partners and contracted agents are bound by the terms of contracts that we have an ability to amend and in which we have the ability to extend that kind of ban, we certainly will and have.

[1450]

So the intention is to ensure that the private information that government holds — and needs to hold, quite frankly — on behalf of British Columbians is secured and that notwithstanding any of the technology that's out there — any of the scrubbing, any of the sani-

tizing — never again do British Columbians have to fear that through the mistake of some hard-working public servant, their information will be inadvertently sold into the open market.

Mr. Speaker: Member for Surrey-Whalley has a supplemental.

B. Ralston: I just wanted to clarify what the minister's answer was. Is the minister now saying, and he's committing, that the contracts with private contractors...? He's made those inquiries, and those contracts will be amended to include that ban? Is that what the minister is committing to here today?

He referred at the end of his question to public servants. My concern is with those private contracts and those private contractors. So can the minister confirm that and clarify that answer here today?

Hon. M. de Jong: Again, fair question, and to the extent I created any ambiguity.... The intention is to extend the ban as far as we can into the network of partners that we have delivering the service, and where that requires alteration to contract, we're committed to so doing.

APPOINTMENT OF BRIAN BERGLUND
AS CHIEF INFORMATION OFFICER
FOR COMMUNITY LIVING B.C.

A. Dix: My question is to the Minister of Labour in his responsibilities as minister responsible for information systems in the government. This week Community Living B.C. announced that Brian Berglund had been appointed their chief information officer. Mr. Berglund was a principal actor in the Doug Walls affair, mentioned some 62 times in the Pricewaterhouse inquiry into the scandal.

I recommend in particular to the minister appendix D28 of the inquiry, which shows Mr. Berglund and Mr. Walls invoking the Premier's office to successfully pressure government officials to write off a private debt owed to the taxpayers.

My question to the minister is this. Why was Mr. Berglund hired as chief information officer, and what is the value of his contract?

Hon. M. de Jong: Actually, this member's expertise with computer technology is well known to this House, so I'm....

The member has questions relating to the appointment of an individual to a chief information officer position. It's an important position, and I'll take the question on notice.

RAW LOG EXPORTS

S. Fraser: Yesterday in the House, the Minister of Forests and Range stated that he'd spoken to communities regarding coastal forest policy. What he failed to do was listen to those communities.

This morning in Port Alberni there was a substantial protest on the highway — 200-plus people in the rain. These were environmentalists. They were forest workers — displaced forest workers — and community members. They were walking because raw logs are being shipped out of the region — a lot of raw logs — while forest workers have lost their jobs, and while mills are operating with great uncertainty and with sustainability and environmental issues being raised.

To the minister: will the minister agree to meet with the workers and residents of Port Alberni and listen to what they have to say about the impacts of this government's forest policy on coastal communities like Port Alberni?

Hon. R. Coleman: The protest today was with regards to some private land issues on private land forests within the farm licences. They're managed under forest development plans. Once removed from a tree farm licence, private lands are managed under the Private Managed Forest Land Act. The Private Managed Forest Land Council is an independent provincial agency established to administer the managed forest program and has held talks with the alliance that has some concerns about this.

The council is investigating the complaints about the effect of the logging trucks and the issues in and around water quality, as I understand it, and I understand that process is continuing.

Interjection.

Mr. Speaker: Member.

The member for Alberni-Qualicum has a supplemental.

[1455]

S. Fraser: Yes, I do. I take it that is a no, so I'll try something different.

In Port Alberni, logs are being shipped out at record high levels from private lands. Members of our caucus met with the Private Forest Landowners Association. They informed us that they will be lobbying the federal government to remove the surplus test requirements around raw-log exports. Will the minister be supporting the private forest landowners in lobbying the federal government to remove the surplus test requirements on private lands, essentially allowing unfettered exports?

Hon. R. Coleman: The member is referring to Notice 102, which is a federal statute that has to be removed by the federal government. I understand the private land owners are talking to the federal government, and they have spoken to me. I've made no undertaking to go to the federal government to have Notice 102 removed with regards to log exports from private lands.

There have always been issues in and around log exports in British Columbia. As the member knows, there is an export test. There is a test on the Vancouver

Log Market with regards to pricing and the amount of logs that can be exported and for what reason.

That has always been a fairly dynamic situation in British Columbia, long before this government came to office. But it isn't an unfettered access to an export market anywhere in British Columbia.

B. Simpson: The previous member's question was very specific, and what this side of the House would like is a specific answer. Will the minister be supporting the lobby efforts on both private and public lands to remove the surplus test from whole-log exports from this province?

Hon. R. Coleman: Well, it's two questions in one. The export test is Notice 102 for the federal government on the private lands, as the member knows. We haven't said either way that we would go and support that because, frankly, it's a federal jurisdiction, and they're going to have to deal with that and come back to us at some point in time.

We've never said, and.... We have no intention of opening log exports in British Columbia. We have an export log market in B.C. It is established on the Vancouver Log Market. There's a test that's put and applied to that with regards to whether there's a surplus to market. If somebody comes in and bids for the lumber and has a use for the log, it isn't exported. But there are sometimes logs in B.C. — which, frankly, are not applicable to a particular market or use within our forest sector and our milling capacity — that do get exported, and there are some logs that actually get imported into British Columbia for other uses.

The reality is that we do not have a policy that says we're going to export logs in B.C. We're continuing the policy that has been in place for many years, and we're not about to change it.

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

ELIGIBILITY OF FOREST WORKERS UNDER FORESTRY REVITALIZATION TRUST

B. Simpson: Well, thank you for the mini-lecture on whole-log exports. The issue is that the federal government will at some time ask the minister what the minister thinks about removing the surplus test on federal jurisdiction, and I'm hoping the minister at that time has an answer.

The other question in the Port Alberni situation is not just whole-log exports. There's a question of TFL 44 and whether or not 150 crew members of the Franklin River crew are eligible for compensation under the forestry revitalization trust. The minister has been asked that question by both the trust administrator and by Steelworkers. Will the minister answer that question today in the House? Are those 150 workers eligible under the trust? If not, why not?

Hon. R. Coleman: I will look into the details of the second part of that question. But let's be clear about

something. We support jobs for British Columbians. Maybe the other side of this House doesn't want to see any capital investment and jobs for loggers to work in the bush and cut down trees and feed their families, but we support people that work in the forest sector in British Columbia.

[1500]

[End of question period.]

Interjections.

G. Coons: I seek leave to present a petition, hon. Speaker.

Mr. Speaker: Leave granted. Proceed.

Petitions

G. Coons: I have a petition from over 1,300 citizens of Prince Rupert, Port Ed and region asking to open all the necessary beds at Acropolis Manor to accommodate seniors that are on the wait-list.

Orders of the Day

Hon. M. de Jong: Mr. Speaker, I have to consult my hard drive.

We're going to have throne speech debate in this chamber. In Committee A, it will be continued Committee of Supply — for the information of members, the Finance Ministry estimates.

Throne Speech Debate

(continued)

Hon. O. Ilich: I appreciate the opportunity to address the House and comment on this year's throne speech, which was delivered on February 14. This is an exciting time for our province. With the 2010 Olympic flag flying proudly in B.C.'s skies, the international spotlight has now turned squarely upon us.

Rather than shying away from the attention, though, now is our time to shine, to show the world we are leaders not just in the sport arena but in the cultural and social arena as well. It's our time to show the world we've got what they're looking for in terms of infrastructure, natural assets, employment and quality of life.

British Columbians are known for our ability to capture the positive energy of transformative change, and this year will be no exception as we prepare to mount a provincewide celebration in 2008 to celebrate British Columbia's proud 150-year history. We'll also be preparing for that worldwide celebration in 2010.

So I'm pleased to see that the throne speech outlines a vision of transformative change that includes my ministry's vision for further developing a creative economy in our province. A creative economy is one that attracts innovative, skilled, well-trained workers and thinkers to our province. It's vibrant and inclusive, and it thrives on arts and culture.

I'd like to focus on those areas of the throne speech that are of particular interest to our ministry's many partners in the tourism, sport and arts sector, as well as those that benefit my constituency of Richmond. As a British Columbian and a mother, it gives me great comfort to see a renewed focus on support for our province's greatest asset. That's our children and our youth. As we strive to maximize our creative potential across the province, we must not overlook our young. They are the source of new insights, fresh ideas and uninhibited creativity. New measures outlined in the throne speech will help ensure they are safe, healthy and ready to learn.

Health care also figures prominently in the throne speech. As our population ages and technology improves, our health care system requires the very type of innovative management and solution-finding that a creative economy can provide.

I believe that our forward thinkers, with the input of British Columbians, will come up with a workable solution to keep us at the top of Canada's health care system. I know that both health care and children's services are priorities the people of Richmond share with our government.

[1505]

I'd like to move now to talk a little bit more about our government's vision for the B.C. economy. It can be summed up in two words: innovation and creativity. We believe that in all types of endeavours, success is built on creative and innovative ways of doing things better. We are committing significant resources to help build and grow our knowledge sectors throughout British Columbia. The lower mainland and some other parts of the province are already leading in this area, and we would want to extend its benefits to all regions.

Our creative industries now include film and television production, video game development, software, satellite communication, medical technologies, biological research and more. I'd like to note the recent success of some of our homegrown talent at the Academy Awards the other night, when one of our companies got the best picture award for a homegrown film.

In this new economy, our greatest assets are not our natural resources or buildings or machinery. Our greatest assets are our creative people. In that respect, our high-quality British Columbia lifestyle and world-class natural environment are major advantages in making this province a desirable destination for talented and well-trained people.

It takes competitive tax policies to create a competitive business environment, but it takes strong, progressive communities featuring desirable lifestyle opportunities to attract and retain the best creative people. Our Ministry of Tourism, Sport and the Arts has a vital role to play in strengthening culture and innovation across the province. The quality lifestyle activities and cultural opportunities provided by these sectors help make B.C. a place where creative people want to live and work.

This year's throne speech supports our vision for B.C.'s creative economy by identifying it as a provincial priority. For example, to encourage emerging indus-

tries and to attract, train and support highly skilled researchers, this throne speech provides an additional focus on research and innovation. We are also establishing a world centre for digital media education. In partnership with industry, the throne speech provides for the development of a new graduate program in digital media to capitalize on B.C.'s position as Canada's largest digital media hub.

Innovation is not restricted to these new knowledge-based industries. Many companies and entrepreneurs in tourism, manufacturing and resource industries are also highly creative and cutting-edge. Research and development, creativity and innovation are essential in all sectors of our economy if British Columbia hopes to compete with the best in the world. Tourism, sport and the arts, by their very nature, are highly competitive endeavours. The pressures of the entertainment and travel marketplace demand a creative and innovative response and do not allow for any other way of doing business.

[S. Hawkins in the chair.]

As Minister of Tourism, Sport and the Arts, I am pleased to note that the throne speech includes many new priorities that will help us develop these vital sectors of our economy. British Columbia aims to double the tourism industry by 2015 and take advantage of its international exposure as host of the 2010 Winter Olympic Games, and Balanced Budget 2006 adds more money over three years to help meet that goal.

Key investments include: new funding for tourism investments; new money to build Gateway tourism centres at the Peace Arch and Merritt border crossings; \$5 million more to help develop all-season resorts, adventure tourism and public recreation opportunities as part of the provincial resort strategy; and \$3 million more to support hosting major international, national and community-based sporting events.

As well, the throne speech sets out a plan to promote foreign direct investment in B.C. and take advantage of economic opportunities presented by the 2010 Olympic and Paralympic Winter Games as part of our government's Asia-Pacific focus. More precisely, it calls on the province to make B.C. the destination of choice for Asian tourists and to open our airways with direct flights to India, China and other Pacific nations. This is great news for the tourism industry, and it's great news for the city of Richmond.

To bring this closer to home, more than 15 million passengers annually pass through Vancouver International Airport in Richmond. YVR is the most important gateway in our province, and it's a vital component of my community's economy, providing jobs for many Richmond residents. Any increase in traffic through YVR is good news for Richmond and for British Columbia's tourism industry.

We believe we are in the beginning stages of a major increase in the number of visitors from China. The number of Chinese travellers coming here is expected to continue to skyrocket once Canada receives ap-

proved-destination status, which will allow Chinese travellers to obtain tourist visas for Canada.

[1510]

Beijing agreed last year that it would grant the special status, and negotiations are underway about the details of the federal government level. With the approved-destination status, the Greater Vancouver area is expected to see half a million Chinese visitors in 2015, an increase of 600 percent from what we now receive in the greater Vancouver area. Vancouver International Airport has already seen air capacity jump last year to accommodate growth in Chinese travellers, and it will continue to be prepared for that.

As we prepare for that influx of visitors from China, the B.C. tourism industry has told us that one of their major concerns is the growing labour shortage in our tourism sector. As my colleague the Minister of Finance said a few weeks ago, it's a nice problem to have. Instead of people looking for jobs, we've got jobs looking for people. She pointed out that B.C.'s unemployment rate, already at a 30-year low, is expected to stay that way for another decade.

The demand for labour is ahead of supply in many sectors, particularly in tourism, and it's a challenge we are going to be very aggressive about as a government. With its focus on skills and training, the throne speech provides a direction to help meet this demand for skilled and trained people, particularly in tourism but in other sectors of our economy as well.

On the supply side, by providing major new funding for training, the provincial government will help more British Columbians connect with opportunities and achieve their potential. Our government, for example, will create 25,000 new student spaces in post-secondary institutes by 2010. That's the largest expansion in advanced education in 40 years. Many of these spaces will be in tourism-related programs offered in our post-secondary institutes, like the Richmond campus of Kwantlen University College.

In the same week as the throne speech was delivered, B.C.'s tourism sector kicked off a \$500,000 campaign to recruit an additional 84,000 workers. That's about 23 jobs a day over the next decade. This demonstrates the magnitude of the challenge we must meet in order to be ready for the 2010 Winter Games and beyond, as B.C.'s tourism industry makes a quantum leap in growth.

Balanced Budget 2006 includes good news for our resort industry. The budget allocates \$6 million to enhance capacity in the Ministry of Environment to assess permitting requests and to increase the ability of the environmental assessment office to conduct assessments in a timely manner.

Our resort industry employs 26,000 British Columbians and generates about \$2 billion in direct and indirect spending every year across the province. Time truly is money, and while environmental assessment is important to preserving B.C.'s natural assets, time saved in that approval process helps ensure that the industry remains strong and competitive on the international playing field.

As the tourism sector grows toward doubling by 2015, keeping up with transportation infrastructure will be important. I'm pleased to note that the throne speech and the budget speech continue to recognize the significance of public and private sector investment in such projects as the Sea to Sky Highway, the Bennett bridge in Kelowna, the Cariboo connector in northern B.C. and the Trans-Canada Highway through Kicking Horse Canyon.

All of these are major arteries that open our province both for tourism and industry. Major improvements in the Sea to Sky Highway are of particular importance to our tourism industry, as this route is the key land link between greater Vancouver and the Winter Olympic sites in Whistler.

Of course, the province's \$435 million commitment to the RAV line will play an important role in our Olympic hosting capacity, while also directly benefiting the people of Richmond by reducing congestion in our community. Our government's ongoing commitment to improve traffic flow in the lower mainland's Gateway region will also greatly improve travel for visitors and residents alike.

With 2010 now approaching faster than ever, sport performance is a growing priority here in B.C., and I know that goals of owning the podium are spreading at the federal level as well. Our government recognizes the inherent value of amateur sport, from beginners to the elite ranks, and I'm proud that our government continues to make sport participation a priority.

We have found innovative ways to direct more resources to our amateur sport system in all parts of the province. Through Sport B.C., PacificSport and other provincewide sport organizations, we will dramatically expand funds available for Kidsport, sport travel assistance programs, support for coaches and coaching, and new resources to give our most competitive young athletes a winning edge.

[1515]

We are hoping that those programs will translate into more medals for British Columbia and for Canada at the 2010 Olympics. We know we were very proud of the athletes these past few weeks in Torino, and we want to give them all the support we can for the Olympics coming up.

Cross-ministry programs like ActNow B.C. continue to encourage all British Columbians to pursue active lifestyles. Our government is also increasing funding this year by \$1.2 million for the sport, recreation and volunteer section of the ministry. That funding will help boost sport events hosting, sport tourism and volunteer capacity across the province. Again, this will help B.C. communities prepare for the 2010 Winter Olympics and Paralympics and the opportunities for longer-term growth that this event will create in regions across the province.

Art and culture are well provided for in the throne speech. In fact, plans to celebrate B.C.'s 150th anniversary as a colony in 2008 are featured prominently and early. This will be a birthday to remember. Starting this year, we will be aggressively marketing this event throughout the province.

This is going to be a provincewide celebration, and you can be sure we're going to be showcasing B.C.'s strong creative talent. British Columbians of first nation, Asian, European, Sikh and Punjab descent, along with all other people, young and old, who've had a hand in making B.C. a better place to live over the past 150 years, are invited to the table. We want to make sure every British Columbian has a chance to share and participate.

Last year our government supported artistic and cultural programs in 225 communities across the province through the B.C. Arts Council grants. These included everything from art galleries to symphony performances to literary festivals to book publishing.

My own community of Richmond is rich in diverse culture, with a wealth of recreation facilities, heritage sites, parks, trails, libraries, galleries and performance spaces. Many of these have been supported over the years by the B.C. Arts Council, and I am pleased that this year's throne speech continues to recognize the importance of arts and culture in our province by setting directions to initiate projects like the new Asia-Pacific museum of trade and culture, a northwest aboriginal art and culture centre and a new world women's history museum.

In 2005 our government provided a grant of \$25 million to establish the B.C. arts renaissance fund under the auspices of the Vancouver Foundation. The purpose of this fund was to provide matching funds for arts and culture organizations to help secure their future by helping build permanent endowment funds.

The response to this fund has been tremendous. Nearly \$5.5 million was distributed in the renaissance fund's first year of operation. That happened just last week. I'm very proud that the money has gone out to community arts organizations. We're going to be seeing that fund continue to be a positive force over the next number of years. Forty new permanent endowments for B.C. arts organizations have been created as a result of that fund in this year alone.

From Vancouver to the Kootenays to our northern communities, these endowments will help secure the future for these vibrant cultural organizations. It's the right kind of investment, and it recognizes the need for partnerships, reward, innovation and long-term vision while also helping provide stability.

British Columbia's tourism, sport and art sector are more than just multimillion-dollar contributors to our provincial economy. They are the foundation for the kinds of creative cities and towns where the most talented and creative people from around the world will want to live, work, play and invest. They help provide British Columbians with a quality of life based on good health and fitness, a rich culture and heritage, and unmatched natural beauty.

It is a way of life that creative people around the world want to share, as I found out recently when I had the honour of representing British Columbia in our official delegation to the 2006 Winter Games in Torino, Italy. The hit attraction at the Torino games was B.C.-Canada Place, our log house pavilion. It was a huge draw.

In the few weeks I was there, it drew more people to the log house than attended the opening ceremonies of the games. There were long lineups to get in, and everybody was very much impressed not just by the log house but by the technology inside the log house.

[1520]

As I see the response to that log house, I can see we're going to have a lot of visitors in 2010. People are willing to stand in line to see a log house. I can imagine how many people are going to come to visit us. This suggests to me that as B.C. prepares for the next Winter Games in 2010, we already have great momentum to work with. It's a great example of the synthesis that can occur when tourism, sport and the arts work together.

The throne speech gives us direction to create more of this kind of international presence and a high profile for British Columbia. The 180,000 people and the more than 50,000 families in my community of Richmond understand that transformative change is both necessary and desired if British Columbia is to maintain its leadership position in Canada and the world.

Our province is rich in culture and vibrantly creative. We claim many natural assets that attract visitors from all over the world, and we strive for athletic excellence. I'm glad to see that this year's throne speech continues to set a vision that builds on these strengths and recognizes our leadership capacity within the greater creative economy, but only by building on the innovative, creative economy will we reach our future prosperity.

Madam Speaker, esteemed colleagues and honoured guests, I appreciate this opportunity to comment on the 2006 throne speech.

G. Coons: Members, fellow British Columbians, those in the gallery, I rise today on the occasion of responding to the government's throne speech and how it impacts on a diverse riding such as the North Coast, and I would like to take this opportunity to thank the constituents of the riding for allowing me to represent them.

I would also like to recognize that today, March 8, is International Women's Day. Today is an occasion marked by women's groups around the world, commemorated at the United Nations, and is designated in many countries as a national holiday. When women on all continents — often divided by national boundaries and by ethnic, linguistic, cultural, economic and political differences — come together to celebrate this day, they can look back to a tradition that represents at least nine decades of struggle for equality, justice, peace and development. Let us take today to honour the work of the women that have come before us to build stronger communities and a stronger society.

Madam Speaker, being new to the political scene, it is one with many ups and downs. The learning curve is more of a brick wall, it seems, as one struggles to find outcomes that best represent where we all really want to be. It's interesting that when someone walks into my constituency office or phones my ever-talented constituency assistant in Prince Rupert, Pauline Woodrow, it seems it's not big business and the well-to-do but the component of our society that needs and deserves the

most help and support. We are forever running into the policies and regulations that seem to assault the rights of the most disadvantaged. Whether it is the poor, the students, seniors or workers, we need to treat people with dignity and respect.

The Speech from the Throne delivered on February 14, 2006, outlined the direction of the provincial government for this year and identified a number of priorities relevant to B.C. first nations: regionalization of aboriginal child and family service delivery; modernization of the provincial curriculum to give students a better understanding of aboriginal heritage and culture; creation of new incentives to help aboriginal students complete high school; establishment of an aboriginal internship program to provide learning opportunities in the public service; recruiting of qualified aboriginal people in the public sector; and providing new options for housing.

The speech also described new courts for communities and first nations, stating that the provincial government will work with aboriginal leaders to examine the potential for correctional facilities that better meet aboriginal cultural needs. As a member of the Select Standing Committee on Aboriginal Affairs, I commit to working on the advancement of these vital issues with the minister responsible to ensure that first nations throughout this province have advocacy when and where they need it.

The only indication of the plight of seniors in the throne speech is the government's intentions to deal with the transformational force of our aging population and create a Premier's Council on Aging and Seniors Issues. I can imagine the makeup of this B.C. Liberal hand-picked advisory council. This government seems to favour those with few dissenting opinions, as is evident with the Premier's Progress Board, consisting basically of CEOs and big business and with little representation from labour, communities, youth, first nations or seniors.

[1525]

The Minister of Transportation made it quite clear to British Columbians in last week's question period that he does not represent those constituents who are not card-carrying B.C. Liberal members. He wouldn't meet with concerned ferry-dependent community members from Quadra and Cortes islands, because he thought the protest was organized by someone who was not a Liberal.

Mr. Jim Abram, the electoral area director for area J of the Comox-Strathcona regional district, was accused of partisan politics by the Minister of Transportation, and he, along with many others throughout British Columbia, found that offensive — so offensive that Mr. Abram penned a letter to the Premier. I'd like to share a few of those comments. These are Mr. Abram's comments to the Premier:

Your minister felt it necessary to turn the valid concerns of more than 200 people, many of them my constituents, that were gathered outside of the Legislature in peaceful and respectful protest into a partisan mockery, dismissing their valid concerns while trying to bring personal politics of individuals to the forefront. I found this behaviour to be absolutely unacceptable and despicable.

When the public is forced to deal with the providers of their marine highway service requirements and that entity refuses to be accountable for their actions and decisions, then the public expects to go to the body that created that entity — our government — no matter what their political stripe may be. When they go to their government and are told that they cannot meet with the appropriate party in that government — your Minister of Transportation — I would like you to tell me where they are supposed to have their concerns addressed.

They, of course, come to me and other local representatives as their voice to other levels of government, but this is not the jurisdiction of local government. So I ask you once again, Mr. Premier, where are they to have their legitimate concerns addressed?

Madam Speaker, this is a vital question that both the Premier and the Minister of Transportation need to address, and I hope they do, to the satisfaction not only of Mr. Abram but of all British Columbians.

Just a side note. Both the Premier and Mr. Abram had the honour and privilege of being presidents of the UBCM. I would hope that the Premier answers his letter.

If I can get back to the Premier's Council on Aging and Seniors Issues, I would like to consider the chances that the members of the Premier's advisory council are going to be geographically and income-neutral. That is probably as good as hearing the Premier say he wouldn't rip up contracts. As a tribute to seniors, I would hope that all seniors groups and organizations are involved in the seniors council — from every region of the province, not just those whose current B.C. Liberal memberships are up to date.

During the provincial campaign I was approached by many seniors with numerous concerns. Issues of health, housing and income for seniors were high on the priority list. I continually heard about the negative impacts of this government's policies on seniors, and the views of seniors were based on the promises made by the Premier and his government.

Seniors and seniors organizations throughout British Columbia reported on this Liberal government's term in office in three areas. They reported on health, housing and seniors' income. In the case of health, the Premier and this government closed public intermediate and long-term care facilities, closed hospitals and emergency rooms, cut home support and home care.

In the case of housing, they separated married couples who lived in intermediate care facilities. They froze seniors supportive housing projects. They used federal money dedicated to housing for private assisted living.

In the case of seniors' income, the Premier and this government increased Medical Services Plan premiums by 50 percent. They dramatically hiked the cost of prescription drugs to over 80 percent for seniors. They increased energy bills and forced 80 percent of seniors to pay for medical services previously covered.

Madam Speaker, seniors throughout this province have indicated that this government has failed on every test in these three areas. What is even worse is that these cuts came as a complete surprise to seniors, because the Premier and his government were elected on the promise of improving health care, seniors housing and increasing their income.

Seniors deserve better than not being told the truth about having their retirement plans substantially undermined. Never before in our province have seniors gone through humiliating situations where couples are being separated or lack sufficient income to pay the deductible on vital prescriptions. Something has gone terribly wrong in this province if a government allows situations like this to occur, and this government has failed seniors. If you are a senior who is healthy and lucky enough to escape the impact of these policies, I would consider that senior fortunate.

Seniors deserve respect and security. A friend of mine who is a senior reminded me of an appropriate Franklin D. Roosevelt quote:

Governments can err, Presidents do make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the coldblooded and the sins of the warmhearted on different scales. Better the occasional faults of a government that lives in a spirit of charity than the consistent omission of a government frozen in the ice of its own indifference.

[1530]

Seniors throughout the province, prior to the last election, let all candidates know that B.C. Liberals promised to deliver health care when and where British Columbians need it. The Liberals also promised to protect society's seniors and the most vulnerable. But the seniors tell the real story of the Liberal record on health care.

They promised 5,000 new intermediate and long-term care beds for seniors by 2006, but they closed many beds. They closed 1,270 hospital beds from 2002 to 2004. They closed or downgraded services in over a dozen hospitals, including hospitals in Kimberley, Delta, Sparwood, Enderby, Lillooet, Summerland, Vancouver, New Westminster, Richmond, Kootenay Lake, Castlegar, Ladysmith, Burnaby, Shuswap Lake, Victoria and Cumberland.

Wait times increased by 30 percent on average since 2001. The Vancouver Coastal Health Authority alone reduced home support services to over 5,000 residents requiring assistance in their homes. We're seeing that in my home community of Prince Rupert, as cuts are taking effect as we speak.

Pharmacare costs increased for over 400,000 seniors; 17 drugs from Pharmacare were cut; MSP premiums increased by 50 percent. This government raised Pharmacare deductibles for the poor. They privatized MSP billings to Maximus, an American company, potentially making private B.C. records subject to disclosure under the USA Patriot Act.

They delisted physiotherapy, chiropractic, acupuncture and eye exams for MSP coverage. Diagnostic services like MRI and CT scans were contracted out. Also contracted out were more surgeries to private, for-profit clinics after promising to make this unnecessary. Seniors continued to see further undermining of our public health care.

This government also cancelled bus passes for seniors but later reinstated those after intense public outcry. They cancelled the audio book program for the blind. Mind you, Madam Speaker, they partially re-

stored the funding — again, after public outcry. Our seniors are too important to be pushed aside and treated as a commodity, as they have been for the last five years.

There was also an indication in the throne speech that several steps had been taken to protect women against violence, and more steps will be added. After years of cuts to government and social programs into women's centres, this is far too late — far too late for the 34 missing and murdered young women along the highway of tears.

It is clear that the recent murder of a 14-year-old aboriginal student has not only stunned aboriginal communities in the city of Prince George, but it has also brought to the forefront the critical issues of race, poverty, women's rights, the isolation of youth and our justice system.

Professional criminal profilers have recently stated publicly that many of the murders that have occurred along the highway of tears may be the work of a serial killer, and the Lheidli T'enneh Nation is issuing an urgent call for a community symposium about the highway of tears. This symposium will be March 30 and 31 in Prince George.

I call on this government to take a leadership role, not just another band-aid approach, concerning the deaths along Highway 16 from Prince George to Prince Rupert before any further atrocities occur to young aboriginal women in the north.

I must also acknowledge a courageous woman who is partaking on the highway of tears awareness walk, which will be leaving Prince Rupert March 11 — this weekend — and arriving in Terrace on March 17. Florence Naziel is a 56-year-old grandmother who has two daughters and six sons. She is Frog clan from the Wet'suwet'en Nation, and she lives in Moricetown.

One of Florence's cousins has a daughter who is missing from Highway 16. Florence plans on walking from Rupert to Terrace, challenging herself to walk 20 to 30 kilometres per day in honour of the families of the missing women on the highway of tears and to keep the awareness and concern in the forefront.

Florence states: "As an aboriginal person, my heart goes out to all the missing women of all nationalities throughout British Columbia and across Canada." She challenges any aboriginal or non-aboriginal to continue the walk with her, as they will tag off with teams walking not only from Rupert to Terrace but from Terrace to Prince George later on in May. "People can pitch in and help us walk," she says.

I participated last September in the highway of tears walk organized by the Hope Haven Transition House in Prince Rupert, and I will be joining Florence in her brave struggle to raise awareness.

[1535]

I remember way back — way back — when the B.C. Liberals and their supporters ran ads claiming "B.C. is back." Unfortunately, they were right. Under the Liberals, B.C. has moved back. It's disturbing to realize how far back we've moved. B.C. is back to 1993, the last year the minimum wage was \$6 per hour. B.C. is back to

1987, the last time there were no class-size limits for grades four to 12. B.C. is back to 1979, the last time people had to work more than 40 hours a week without overtime. B.C. is back to 1927, the last time employers could hire 12-year-old children.

Where we really need to get back to is making our public education system the highest priority. Children cannot and should not have their education depend on how well the economy is doing while they are in school. The education we provide in the K-to-12 system is a foundation for the life and future of the individuals in our classrooms at any given time. Funding for that education must be stable and adequate to ensure that every student gets the resources and necessary support that he or she needs to be a successful learner and future citizen.

Over the last five years of this government, the Liberals have underfunded public education; downloaded major costs of school boards, forcing them to cut services; changed school calendars; closed 113 schools; increased class sizes; reduced the services of specialist teachers; and terminated the employment of over 2,500 young and able teachers. The Liberals didn't have to do that. The decision of this Liberal government, immediately after the election in 2001, to give tax cuts to a well-to-do segment of the population set the stage for the underfunding and resultant cuts in education that are the hallmark of their five years in office. And 28 one-time education funding announcements in 26 months are symbolic of this government's inability to manage secure and stable funding for one of our most important public services.

I may add that in the throne speech, I was disappointed about where the direction is heading with education. The Liberal government has been unapologetic about its attacks on the rights of British Columbia teachers — their bargaining rights as employees, their professional rights as teachers and their citizens' rights as parents. In five short years the government has taken away the right to full and free collective bargaining by removing the right to strike and by making it illegal to bargain major terms and conditions of their employment.

When there were minor legal victories against this Liberal assault, the Liberals simply changed the law. They have created an imbalance at the bargaining table in favour of the employer that takes us, again, back 20 years. There were favourable rulings against this government's actions from the International Labour Organization of the United Nations, but the rulings have been ignored by the Liberals.

Key to its education funding cuts was government legislation that stripped from teachers' collective agreements existing provisions on class size and composition and specialist teacher staffing ratios. That forced school boards to cut services to students that were protected by the agreement. The government also completely eliminated collective agreements in a number of teacher locals in amalgamated school districts.

Respect comes when rights are recognized and accepted. It is not possible for a government to say that it respects teachers and the work they do in the class-

room, when it is not prepared to grant the basic rights accessible to other organized employees and professions in society. This government needs to go back to the classroom and learn how to work with teachers and elected trustees to ensure that public education is a highest priority.

The Minister of Education may want to tighten the leash, if she controls it, on her deputy minister as he sneaks around the province giving secret and covert workshops on how to create schools as corporations. This, coupled with a hidden agenda of eliminating or regionalizing out of locally elected trustees.... The importance of locally elected trustees is that they know what is happening in their communities and make decisions based on the needs that are out there. In northern B.C. decisions for regionalized areas do not work for health care, and they certainly will not work for educational decisions.

[1540]

I'm truly disappointed that a key missing component of the throne speech was how this government was going to protect and oversee our environment — not one mention of the impact of climate change, despite having it as one of its five great goals: to lead the world in environment management. The brief reference to alternative energy forming an integral part of the government's expanded energy, in my mind, will hopefully put to rest the pipe dream of offshore oil and gas exploration along our pristine coast lines.

Water and oil do not mix. The unanimous coastal first nations report concerning offshore exploration highlighted the need for all levels of governments to respect cultural heritage and tradition. First nations communities up and down the coast say no to any seismic testing and any exploration. The moratorium must stay in place.

Two weeks ago the Tofino-Long Beach Chamber of Commerce passed a unanimous motion opposing the lifting of the moratorium that bans drilling for oil off the west coast of Vancouver Island. This motion also follows the same sentiments passed by the district of Tofino earlier in the week. The Tofino-Long Beach Chamber of Commerce, which represents over 240 businesses on the west coast of Vancouver Island and is one of the largest regional business organizations on the Island, opposes the moratorium. Local Vancouver Island artist Gail Ryon sums it up quite well with the comment: "Oil belongs on canvases, not on beaches."

The Priddle report, which the federal government undertook, clearly echoes the sentiment of the majority of British Columbians. Over 75 percent say we must maintain the moratorium. The B.C. public has been pretty consistent about their desire to avoid the environmental disasters that would come with offshore oil and gas development along B.C.'s rugged, wind-swept, earthquake-prone coast. It's time to end the uncertainty and legislatively ban offshore oil and gas development on Canada's Pacific coast.

I found it...

Interjection.

Deputy Speaker: Order, members.

G. Coons: ...an interesting presentation, as I mentioned before to the minister responsible, at the Waves of Opportunity conference last October. This government, under the integrated land management bureau, presented a workshop or a presentation on oil spill risks in B.C. from hydrocarbon exploration and development. "Separating Myth from Reality" was the name of the presentation. The statement "the B.C. coast is globally significant, and therefore offshore oil and gas activity should be prohibited" had this conclusion from the government:

B.C.'s marine communities are not globally significant in terms of biological composition, structure and vulnerability to oiling. However, they are globally significant in terms of their intactness and importance to first nations.

It continues, saying:

In addition, coastal complexity may magnify the impacts of a spill on first nations as resources are concentrated in a small geographical area.

I trust that the Minister of Aboriginal Relations and Reconciliation, whose responsibility it is, will include this information in his response or the ministry's response to the consultation process about the possible impacts of offshore oil and gas.

Other environmental priorities that I believe need to be addressed over the next few years, as do many others throughout the province, include enacting provincial endangered species legislation. We must also keep public lands in public hands. Through our opposition caucus, the member for Maple Ridge-Pitt Meadows has brought forth a very progressive motion that underlies the true principles that should guide park management.

In addition, we must consider a ban on the B.C. grizzly bear hunt. Also, many think that salmon farms must be kept out of the ocean and on the land in an ecologically responsible manner. That is something that we need to work towards in our select committee.

In my conclusion, I'm thankful for the opportunity to speak to the throne speech, and I look forward to working with all the members in the House in making British Columbia the best place in the world for all of us to be.

[1545]

Hon. P. Bell: I'm very pleased to be able to follow the member for North Coast. It's no wonder that the initials of this member's party are NDP — which as we all know stands for negative, destructive and pessimistic — because that's all we've heard from him. Here's an individual that comes from a riding where we put \$185 million in a northern development initiative to allow all of the northern communities to work and develop industries and expand their resources and look at new economic initiatives not fettered by government but actually physically controlled by local communities.

Here's a member who doesn't even know that on Monday of this week in the Port of Prince Rupert, phase one for a new container facility — \$130 million

— broke ground. Did we hear that? I didn't hear that from him. I didn't hear that from him at all. Why is he so negative? Why is he so destructive? It's a \$130 million project — tons of jobs, potential for lots of economic activity. He never even mentioned it. Monday this week.

What about the new college in Prince Rupert that was built under this government? I didn't hear him comment about that. I guess he doesn't want the new college. Is that what we're hearing?

What about the legislative reform that we've implemented as a result of this government's activities — a half-hour question period now...

Interjections.

Deputy Speaker: Order, members.

Hon. P. Bell: ...and all of the various initiatives around the special legislative committee? He did comment briefly, although I see he has come to the conclusion already that aquaculture is a bad thing.

I'm surprised he would waste his time, because he just indicated to us a few seconds ago that, in fact, his view of the world is not to be tainted by the notion that there may be a successful aquaculture industry out there, if science is able to substantiate that. He just indicated that the only aquaculture industry that he would find acceptable would be a land-based one. So I'm not sure why he's wasting his time.

What about the new LNG plant in the member for Skeena's riding — the new LNG plant that's going ahead?

I simply don't understand why this member is so negative, so destructive and so pessimistic. There are so many good things going on in that member's riding as a result of activities of this government: finally, diversification; a container port that will bring literally hundreds of millions of dollars of investment; the northern development initiative; the physician training that's now happening in the north, which will finally enable us to retain the types of physicians we need.

I just don't get it. I don't understand why he's so negative, why he's so destructive and why he's so pessimistic. Clearly, that member does not look at a water glass and understand that it's far more than half full; it's virtually full in his riding.

I have a challenge for him. I have a challenge for him and all of the members of the opposition. We're going to vote on the throne speech later on tonight, and I want to know something. I want to know if they actually stand up for the five principles of the Canada Health Act or not.

They're going to have an opportunity tonight. That's clearly articulated in the throne speech. They are going to have an opportunity tonight to decide whether or not they stand for the Canada Health Act or not and whether they stand for the addition of a sixth principle, for actually adding the principle of sustainability to the Canada Health Act. I don't want to presuppose what these members are going to vote for.

Interjections.

Deputy Speaker: Members, order, please. Members, the minister has the floor.

Hon. P. Bell: Let them get it off their chest, Madam Speaker. They just don't understand how the dynamic of this is supposed to work. They actually have an opportunity tonight....

Interjections.

Deputy Speaker: Order, members.
Minister, please.

Members, we listened to the member for North Coast. I would appreciate if we could hear the minister speak.

Hon. P. Bell: They actually have an opportunity to tell us tonight whether or not they stand for the principles of the Canada Health Act. Do they think that they should be enshrined in legislation in this province? Do they think we should add "sustainable"? If they do, then they will stand up and vote in favour of the throne speech tonight. We're going to find out just in a matter of hours, and I throw that challenge out to them to find out whether or not they actually do stand up for the Canada Health Act.

I am proud of what's been represented in the throne speech, specifically around health care but collectively around many different issues, and I want to spend a few minutes talking about these individual issues because I think they are very, very important.

British Columbia has a tremendous history over the last number of years around health care — the fact that we've added physician training seats and nurse training seats around the province, and the fact that we haven't been afraid to think outside the box and look at new opportunities in health care. I want to talk about one of them that actually is located in my riding, and that's in the district of Mackenzie, a community of about 5,500 people.

[1550]

They had a very nice hospital in Mackenzie — underutilized, inefficient in the way it was being utilized. We went back and took a serious look at it under a previous Health Minister — how we could approach a new and innovative set of services and provide those to Mackenzie. They did some renovations in the hospital. They added some physician offices in the hospital, so the doctors actually work in the hospital, but I'll tell you a couple of other things that happened. They have added an office now so that a chiropractor can come up from Prince George, on a weekly basis, and actually work inside the hospital and provide those services — very innovative; never had access to chiropractic services before, and now a very efficient way of delivering those services.

Physiotherapy. The hospital has been able to partner up with industry in the Mackenzie area and actually bring in a physiotherapist on a regular basis as

well. Instead of people having to drive two hours from Mackenzie down to Prince George to get those services, they're actually able to have them in the community. It's brought some very real stability to physicians in Mackenzie, because they know that they have a series of services being provided to them.

It was difficult to make that change. It was not easy, but the district of Mackenzie pulled together and realized that they needed to start thinking out of the box, and they brought those suggestions to us. We took them to the Minister of Health. He reviewed them. He looked at the opportunities, and we moved ahead and developed a model — through a partnership with constituents in Mackenzie — that is providing exceptional health services at this point. I'm telling you, it's worked extremely well and can work well in many other communities around the province.

The throne speech asked a question.... I think this is another interesting challenge out to the members opposite. It asked the question: does it really matter to patients where and how they obtain their surgical treatment if it's paid for with public funds? So is this actually about how you pay for services or who provides the services?

I think members on this side of the House think that's an appropriate question to ask of our constituents. We're going to find out tonight, in a couple of hours, whether or not members opposite believe that's an appropriate question to ask, because they're going to have an opportunity to vote on it. I think it's going to be interesting to see whether they actually want to engage their constituents and ask those questions and see if it is appropriate or not to go out and talk about: is the issue who pays for the service or who provides the service? I think it'll be interesting to find out where they sit on that question.

There have been some very good, positive shifts, I believe, in the education system just over the last few months in particular — certainly articulated in this throne speech. The Premier and the Minister of Education have committed to visiting every single school district in the province and talking to educators, students, administrators, school trustees, parents and everyone in the education system, and really getting a sense on the ground of what the key issues are. I know my colleague from Prince George—Mount Robson, the Minister of Education and Deputy Premier, has already relayed some very interesting comments to me that she's received in the education system — simple things we can do that will make a huge difference to the quality of education that we're providing.

We should be proud of our education system. We've got a great education system, and we're continuing to increase the amount of money in the system year over year over year. Certainly, each individual student is receiving far more funding than they ever have historically. Even though there's reduced enrolment, we're seeing the expansion of education funding.

The new virtual school that's being brought forward by the Minister of Education, I think, will be an excellent example of how you provide technical ser-

vices to remote communities. I represent a riding that's almost 400 miles long from bottom to top — very, very small communities located in isolated areas; communities that we've been able to link up through high-speed Internet services. This virtual school will make the difference between some of those students being able to take something like a physics 12 class at home or having to travel 300 or 400 miles to a secondary school where they can get that class.

The notion of a virtual school is something that is very appealing to MLAs such as myself, who have very small, diverse communities throughout their riding. I think it's going to be a fantastic service.

I'm also very excited in the B.C. Hub for technology strategy to integrate research and commercialization. This is something that is very near and dear to my heart. I think it's extremely critical that we look at how we continue to build sustainable resource industries.

[1555]

In my riding there are no fewer than five pulp mills, six sawmills, a chemical manufacturing plant, an oil refinery and — my favourite — a brewery. It is a very diverse riding. A tremendous amount of industrial activity takes place in the riding, but the vast majority of it is related to the resource sectors. We need to continue to build those resource sectors if northern British Columbia is going to be strong. That means a focus on mining technology, a focus on energy technology and a focus on forest technology.

The member for North Coast actually came clean, and I'm kind of glad he came clean, because not more than 15 minutes ago he told us that he's against offshore oil and gas under any circumstance. That's good. We now know that the member for North Coast does not support offshore oil and gas under any circumstance.

I can't understand why a member would have such a closed mind, why he wouldn't want to look at the science and the technology. I'm not sure that he actually wants to have big oil tankers going up and down the coast. Maybe that's the alternative to offshore oil and gas, as opposed to being able to extract it in an environmentally friendly way. So why not think outside the box? Why not take a look at the science? But that member has clearly closed his mind to any of those opportunities — again very negative, destructive and pessimistic. I guess that stands for NDP, if I'm not mistaken, Madam Speaker.

The notion around the launch of the B.C. foundation for natural resources and engineering research is very positive, I think. It will pay big dividends to my communities as we continue to work in the resource sectors, whether it be mining, energy, forestry or agriculture.

One of the other points that was made in the throne speech — which I guess we're going to find out in just a couple of hours whether or not the members opposite support — is our commitment to push for a longer minimum sentence to serious offenders. It's going to be interesting to me, because we're going to have an opportunity to find out where they stand on this issue.

I can tell you where I stand. I stand for longer sentences for criminals who commit serious crimes. There is no question about that. I'll stand all day and defend that. We're going to find out in a couple of hours whether the members opposite actually agree with that notion or whether they think that perhaps there should be shorter sentences. Maybe that's their view of the world.

We're going to find that out in a couple of hours, because every one of them is going to have an opportunity to stand up and tell us whether or not they think it's appropriate to ask the federal government to support longer sentences for serious criminals. Again, it's something that I'll support and defend all day long. I haven't actually heard any of them, whether they think that's appropriate or not.... So we're going to find that out tonight in just a couple of hours.

Maybe they're going to surprise us. Maybe they're going to stand up and join us and say: "We stand for stiffer sentences for serious criminals." We'll find out in just a couple of hours.

Another thing that's very, very innovative and that I'm excited about is the initiatives around the new housing strategy that the Minister of Forests and Range and Minister Responsible for Housing will be bringing forward. You know, this is about actually providing services for people, and one of the things I've noticed about the NDP is that it doesn't actually seem to matter, from their perspective, whether or not you're providing services to people. It seems like it's more about the service provider than it is about the services that you provide to people.

I think what they don't understand is that it's actually the electorate, the people we provide those services to, that we're responsible to. It doesn't really matter who it is that provides those services, as long as those services are provided in a way that meets the individual constituent needs. The new housing strategy that's aimed at providing far more choice, far more flexibility and a greater level of services will be, I think, a very, very positive thing.

Another thing that we're going to find out is whether or not the members opposite support our effort to launch a new federal-provincial action plan to provide for increased skills, training and development through national collaboration. Now, I know they've been talking, on the opposite side, about the importance of expanding skills training, and we're going to find out whether their words really are shallow and hollow or whether they actually mean something. A couple of hours from now, they're going to have a chance to stand up and say whether or not they think it's a good thing that we actually try and work with the federal government to develop a national strategy.

I think the focus on the Pacific gateway is critically important. There is a huge shift taking place internationally right now. The economic power base of the world is shifting from North America and Europe to Asia, and we'd better grasp that and understand it, because if we don't, we're going to get left behind. Just think of that for a second, because British Columbia is

the only Pacific province in Canada and is located in a very logical place to take advantage of this economic shift.

[1600]

I've actually never heard any of the members opposite talk about the Pacific gateway, talk about the notion that this is an important strategy. You'd think they would come out and support that in their attempt to actually be non-partisan and identify key strategies.

I'm just amazed that the member for North Coast didn't bring up the fact that the Port of Prince Rupert actually broke ground this week for construction of the new container facility. That is incredibly good news, a key part of our Pacific gateway strategy. Yet the member never even mentioned it, never even bothered to mention the good news that was being made there.

[S. Hammell in the chair.]

Another key component of the throne speech that I am very proud of — to a new Madam Speaker; we have multiple Madam Speakers — is the fact that we are going to make the spirit bear our new official provincial animal. This is a very exciting opportunity for us. The kermode bear is located throughout the world, but the dominant area of occupancy is on the north and central coast.

What an exciting land use plan that we were able to create just a few months ago — just an incredible resource up and down the coast; 6.4 million hectares in the planning area. We have protected 1.8 million hectares of that. This is an accomplishment, and I actually give credit to both sides of the House for this, because the initiative started under the previous government around 1996, I believe it was — '95 or '96, in that range. They started moving forward with the central coast land use plan. When we came to government in 2001, we added the north coast, as well, to that. There were actually six different ministers that were engaged in that file over time.

Finally, we were able to achieve consensus, and what a remarkable feat. As I said, I give credit to everyone on this particular initiative, because I think it was extremely important. If you think about the total planning area, it was twice the size of Belgium. The protected area is three times the size of Prince Edward Island. That is a huge area to have protected. It makes a significant difference to the total protected area in the province, which I think is just short of 14 percent now.

The planning area on the central coast is now.... Twenty-nine percent of it is protected or will be protected in parks and different forms of protected areas. On top of that, there will be an additional 3 percent that will be out of bounds for log harvesting. So fully 32 percent of the central coast area will be protected. In the north coast area, there's 24 percent of the Crown land, and the planning area will be set aside for protection — a further 10 percent for mining and tourism. So in that part of the world, 34 percent will be protected from log harvesting.

This is a significant initiative. One of the reasons why it's very significant is the representations of the

first nations up and down the coast. I think this is what really makes it important. I have a couple of quotes I want to read from.... Actually, I believe they're constituents of the member for North Coast. At least one of them is a constituent of the member for North Coast, but I guess he's not representing this particular constituent because he seems particularly happy with this plan.

The quote is actually from Heiltsuk Chief Ross Wilson, who I've gotten to know quite well — an excellent gentleman, very forward-thinking. He says: "I commend the provincial government for its commitment to this land use planning process. We're looking forward to finalizing and implementing our land use agreements. Completion of the government-to-government land use agreements will ensure the well-being of the lands, the waters and the peoples of our traditional territory."

A comment from Dallas Smith, who represents the KNT first nations, which actually come out of northern Vancouver Island as well as the southern part of the central coast — a quote from him: "This agreement brings an end to the longstanding resource use conflicts over this land." It's pretty significant for Mr. Smith to say that. "Now our people have a more active role in how and where business is done in our traditional territories, and we can move toward cultural, ecological and economic stability in this region." Testimonies about the importance of this land use plan, fully 25 different first nations either have signed off or we believe will sign off on the land use plan in the north and central coast — the protection of the kermode bear, but still the opportunity for significant economic activity.

[1605]

Again, I know we just heard from him, but the member for North Coast didn't mention any of that stuff in his speech. I didn't actually hear him talk about any of those great-news announcements that came out just a few weeks ago. That all leads to the primary focus, which is the protection of the spirit bear.

Another key component, I believe, of this particular throne speech was the expansion of the Dream Home China project. I mentioned earlier in my comments the notion that the economic base of the world is shifting from Europe and North America into Asia. We're seeing just an incredible expansion of the economy, particularly in China and India, and we're seeing Japan start to move forward as well.

We have made a commitment to expand the Dream Home China project — which we initiated a number of years ago in partnership with the forest industry in British Columbia; I think it was about \$17 million — to Beijing and Guangzhou. This provides significant opportunities for us to look to other marketplaces to expand the use of our forest products. I think it's a very exciting initiative.

You know, in China they're building 10 million new homes per year right now. In all of the United States, in a big year they build 1.8 million homes — 1.8 million; 10 million. Just think of the size of that economy. In

fact, in all of Canada there are only 10 million homes, and yet that's what they're building in China each and every year. There's huge potential for our forest industry, our mining industry and our energy industry. It is significant and something that we cannot turn a blind eye to if we want to be intelligent. It's something that we have to stay focused on.

As I mentioned earlier, in the throne speech one of the highlights for me is the continued commitment to the development of the Port of Prince Rupert, the containerization port. I can tell you that when I meet with my agriculture minister colleagues from Alberta, Saskatchewan and Manitoba, they are very excited about the opportunity of shipping, especially grains, out of the Port of Prince Rupert. The notion of actually having that container port develop and provide that extra access into Asia will shift the economy of British Columbia, and in fact all of the prairie provinces, a little bit north. Now you'll no longer need to be along that southern corridor to maximize the benefit of your shipping.

It struck me, when I was thinking about the 1990s, that the government of the day, the negative, destructive and pessimistic government that we had at that point in time — that stands for NDP, by the way, if you missed that — became known as the government that would increase taxes. There was rarely a budget that would go by when the government of the day did not increase taxes or fees in some way, shape or form. There was just a staggering number of increases.

We did a little tally, because as much as the government of the day became known back in the 1990s as the tax-and-grab government, we've become known as a government that actually reduces taxes. I think it's worth looking back at what some of those tax reductions have been. I just happen to have a list, as luck would have it. I didn't come in prepared for it, but it happened to be sitting in my desk, so I thought I'd pull it out and talk a little bit about it.

Since July 30, 2001, we've had 62 different tax reductions. In fact, if you look....

An Hon. Member: Sixty-two?

[1610]

Hon. P. Bell: Yes, 62. That's an incredible number. If you look, Madam Speaker, at a family of four with an income of \$30,000, a low-income family in British Columbia, they actually have had their total taxes — including income taxes, PST, all of the various fees and taxes that they pay in a year — reduced from \$3,739 to \$2,385. That's a substantial reduction — \$1,350 less. A senior couple making the same amount of money, \$30,000, has gone from \$3,391 in taxes down to \$2,373.

The opposition would like to tell you that there have been changes. Yes, there have been changes, but there have been significant reductions. It all started back on July 30, 2001, with a 25-percent cut in personal income taxes, giving us the lowest personal income taxes for people in the bottom two tax brackets anywhere in Canada. That's a pretty remarkable accomplishment.

At the same time, dividend tax credits were reduced. The general corporate income tax was reduced from 16½ percent to 13½ percent, which has created tremendous economic activity.

Clearly, what the members opposite don't understand is that if you're not competitive on the global stage, industry will go elsewhere to invest. There is nothing that is compelling them to invest here in British Columbia except for appropriate regulatory reform and an appropriate taxation strategy. If they can invest their dollars somewhere else because they're more competitive, they'll do that.

That's what the members opposite just don't get. They just don't understand that, and that's why they keep coming back and saying: "You should increase the corporate income tax rate and increase personal income taxes." It's all about tax and spend. We're not about tax and spend.

I have to admit that there have been two tax increases since we've come to office. There have been 62 reductions, and there have been two tax increases. I think, in being fully transparent, it's important for me to make sure I have indicated that.

The two tax increases. The first one came on February 20, 2002. That tax increase moved tobacco taxes from \$22 a carton to \$30 a carton. That was one of the two tax increases that we implemented.

Interjection.

Hon. P. Bell: The member for Nelson-Creston has indicated that that really hurt.

Well, I'm going to have to hurt him again, because much to his chagrin, there was a second tax increase. I suspect the member will know where that tax increase was. He's probably got that date marked down in his calendar. On December 20, 2003, there was an increase in tobacco tax from \$32 a carton to \$35.80 a carton. I'm hoping that the member actually has an opportunity to speak next, because I know he's going to want to address some of those key tax changes that we made — 62 tax reductions, two tax increases.

Significant activity in the economic sector is being driven by a competitiveness that we have not seen in this province since the 1980s. I heard a few of the members opposite talk about cycles. I mentioned this in my response to the budget speech as well, but I feel compelled to do it again. What I have noticed about economic cycles in British Columbia is that they appear to revolve around the times that the NDP were in government.

From '72 to '75 the mining industry left B.C. It took ten years to rebuild that industry, to finally get it back to a point where you started to see the economic activity happening again. You know what happened when they were elected in 1991? The same thing.

They'll tell you that it's all about commodity prices, but through the 1990s we had the strongest economic environment globally of any time in our history. Yet British Columbia got left behind. The debt was doubled, and it was doubled because they couldn't control

their spending and maintain the economic growth and activity that is necessary to have a sustainable long-term economy in this province.

I have three children. Those three children today are 20, 22 and 24 years old. One of the things that I committed to them was not to leave them with a debt that would burden down their ability to deliver services as I get older. Because you know what? It's not going to be the members in this chamber that are going to be paying for the debt that was accrued through the 1990s. It just won't be us. We're going to be retired, or we're going to be passed on. It's going to be all of our children.

Isn't it our responsibility to make sure that we contain our spending and invest strategically where we have to? But let's be honest about this. Isn't that important? Isn't that what this is all about? Isn't that why we all come to this House — to provide for a better environment for our children for future generations? I know that's why I came here, and the day that I feel we're not delivering that is the day that I'll be gone.

I think that being in government is about providing a future for our children. It's about being positive. And I can tell you what it's not about, Madam Speaker. It's not about being negative, destructive or pessimistic. Unfortunately, that's all I hear from the members opposite.

We won't follow that road. We have a very bright future in British Columbia. Agriculture has huge potential. I'm excited about going forward this year with our service plans and our new budgets. I think we are going to have an industry that will pay big dividends to all of us down the road, deliver high-quality food products throughout British Columbia, maintain a healthy environment and provide the services to children that we need to.

[1615]

I want to see young people get involved back in the industry. I know the member for Nelson-Creston has a long and rich history around agriculture, and I want his kids and my kids and their grandchildren to be able to enjoy that too.

C. Puchmayr: First of all, I'd like to take this opportunity to wish my wishes for International Women's Day to all the women who are watching this telecast right now — a very momentous day. The struggles of women that we have seen over history are still struggles today, and I anticipate that someday there will be true equality in this country and on this planet.

I would like to say that it's an honour, again, to rise on the throne speech, on what is called the children's budget. This is all about children. As we recall, the last one was labelled the seniors budget, and we saw what that did. We saw in the last little while what we've been saying all along — what's been happening to the treatment of our seniors in the twilight of their life. When they're in need of care, when the pioneers that built this country, built this province, are in need of some compassion in the last years of their life, we've seen what happens. We've seen what happens when

they're forced into the first-available-bed strategy and they're separated. We've seen the tragic results of that.

So I'm a little troubled when I hear the children's budget. I look at what is being offered up, and it doesn't even come close to what was taken away by this government in the Ministry of Children and Families, the front-line workers that are there to protect children in need. It's very little that is being restored, and it doesn't equal what was taken away.

In my community I've certainly seen the effects of the seniors budget, with the closure of an entire floor of the Queen's Park Care Centre prior to any alternative beds being built. We've seen the impacts that this has on seniors, where they're basically told: "Your beds are gone. You've got until the end of March to get out. We're going to try to put you on the second floor. In the meantime we're going to put out an RFP and contract you out — some to the private sector." People are bidding on our grandparents, on our parents. "What will you bid to take these parents and put them into your homes?" If those homes are out of the region, that's just the way it goes.

We've heard denial after denial from this government that this is going on, and now we are seeing more and more that this is the case. For the Health Minister to say: "Please, why don't the members just bring me the information...?" I think a week ago he had 200 requests from this House from members who had individual requests about assistance for seniors, and I think last week he had 500. I'm sure that today he probably has 600 or 700.

That is not the way health care is to be delivered in any society, least of all in one as prosperous as ours. That is not the way health care should be delivered. I wonder: why would a minister offer to the opposition a remedy in their community to assist a senior or to assist someone needing surgery who is being denied surgery in a timely manner? Why would he do that? The reason is because it creates an embarrassing situation. It's a health care system that is reactionary to those public opinion pieces, so they will try to resolve those that come forward.

But what about the people that don't know of this new advocacy delivery model that is proposed in this province? Where do they go? What do they do? They suffer. They end up being split up. They end up dying apart. They end up away from their children, their families. That is not the health care system that the pioneers that built this province deserve today.

[1620]

In the last budget, half a billion dollars was given to corporations. That's a lot more than was given to seniors. It's a lot more, even combined, than is given to children today. I called the last budget the corporate budget. The member on the other side who spoke about the taxation and the fear that the NDP will tax everything away has some understanding to do on some of the statistics of those days in the economy when the NDP was going through some very trying times. It was not the NDP; the province was going through some trying times.

We remember the Asian flu. The Asian flu was when the Asian markets collapsed, and that, of course, happened during 1998-1999. There were many reports written on it. There's an executive summary from the state comptroller of New York. "The East Asian financial and economic crisis is a forceful reminder that the increasingly global economic and financial system is subject to sudden disturbances that can reverberate rapidly around the world." It goes on to say: "The U.S. is expected to absorb the bulk of the increase of Asian exports, particularly since the Japanese economy is now mired in recession as well."

One of our biggest contracts other than the United States was the Japanese economy. They predicted that there would be a revised down trend in growth for '98-99. Well, we were in government in '98 and '99, and I want to tell you a little bit about the economy in what the other side called the dismal 90s, that dismal decade that they always like to talk about.

The economy had the greatest job growth in Canada from 1991 to 2000, up 24 percent. I remember reading an article in the newspaper one time — it was on the back pages, of course — and it said: "Jobs, jobs, jobs." B.C. was having record job growth in Canada — hidden in the back pages of a newspaper. We were creating jobs, and we were creating good jobs. What the NDP did during the times....

I'm not taking credit for this, because I wasn't in the government. They like to blame me for everything that's happened in the past, and I'll try not to blame them for anything that the Social Credit and the Conservatives and the Liberals and whatever else they called themselves in those days.... I won't blame them for that, but I will take them on, on the issues that they have full responsibility for today. I will remind them of their obligations to the people of British Columbia.

The economy grew 3.4 percent in 2000. This was during this era of the Asian flu when the revised economies all over the western world were reducing due to this incredible financial crisis. We had a booming film industry, and we were investing in that, because we knew we had to diversify. We had the second- and third-lowest income taxes in Canada for ordinary families. In 1995 there was an \$800 million tax cut. This NDP that taxes everything to death had an \$800 million tax cut.

We had the lowest small business income taxes in Canada. Think about that. Small business — 80 percent of all jobs are created by small business. Small businesses are people like you and me. Some have lost their jobs in the forest sector because of these atrocious policies introduced by this government — the new reinventing of the forest industry. A lot of those people become small business people. Some were former union people. They worked for a union and had a good wage, a good income. They're now out of work, so they become creative, and they become small business people; 80 percent of job growth is in the small business sector, not in the big business sector. Small business growth in Canada from 1991 to 2000 was 6.8 percent.

The second-lowest provincial debt per person anywhere in Canada was during that dismal decade that we always hear about. Books were balanced in the last three budgets. The second-highest average wage in Canada: \$17.48 an hour. That helps your community. That sustains your community — a decent wage — and also pays taxes back to this government.

We had the third-lowest hydro rates in North America, and we're now seeing the dismantling of our hydro system. We had car insurance rates among the lowest in Canada. They're increasing now. All this was during the dismal decade, during the Asian flu.

That's what the NDP did. They diversified. We diversified during the era where we needed to diversify so that we weren't any longer dependent on the economies that were resource-driven, just as the comptroller general of New York City states.

We're not there anymore. We're now heading under those same blankets. We're heading into that global economy. We heard from the member across the floor how we need to compete globally. I'll tell you what it means to compete globally.

I was in Cowichan and in Duncan yesterday, speaking to the families who are affected by the demise of their good-paying jobs in the logging industry. Some were told: "Buy the logging truck. You drive the logging truck now. I don't want to pay WCB premiums. You drive it." Those trucks are now sitting in their yards because somebody else came to the logging company and said: "I'll take your logs out for cheaper." That's the global economy: the race to the bottom. That's the global economy.

[1625]

Thousands of trucks a day in that region drive by mills that have been closed — mills that can't get wood.

D. Jarvis: No.

C. Puchmayr: The member across says: "No, no, no." Well, we spoke to a mill owner yesterday who can't get the wood. He has a reman mill. It's a small community mill. He can employ 33 people right now. He can't get the wood, while logs are going past his mill on a daily basis, exported out of this country.

China built a lot of homes last year. Well, they built them with our wood, with our raw logs that they re-manufacture in their country at the expense of the people who live in those communities. Those communities are suffering. We heard it from business people. We heard it from small contractors. We heard it from mill owners. We heard it from people who are working in the industry.

Now, the last budget — the corporate budget, I will call it — gave tax breaks of almost half a billion dollars to large corporations. There's nothing wrong with tax breaks, but you need to take tax breaks and define them into areas and look at where a tax break will benefit a business. What sector of the economy do we need to prop up to ensure that we have some sustainability?

I asked the Minister of Finance during the estimates debate about the tax breaks. I said to the minister: do

the tax breaks go to the oil companies? She didn't know. She said: "I will have to get back to you on that question." A few days later I received a letter from the Finance Minister that said: "Yes, oil companies do benefit from that tax break."

Well, wouldn't it be prudent to understand that before you give it? An oil company that can raise the price of your gas at the pump more than 10 percent a day at any given time.... Did they need another tax break, or could we have put that into a small business tax break?

We have excellent energy initiatives. There are energy initiatives that are trying to get off the ground here. They could use tax relief. Green energy can use tax relief. We can develop green energy initiatives in this province and export them all over the world. We can be leaders in that field. If there is a will, there is a way to do that. But there's not a will when people want to drill for oil off the coast of British Columbia and exploit that resource. They're not concerned right now about green energy. Maybe once the oil's gone and our shores are gone, people will talk about it. But that's a creative way of where we can put tax breaks — into renewable and reusable energies.

Did you know that last year, and every year, oil companies were subsidized nationally by \$1.4 billion? It doesn't change. When the price per barrel is \$13 a barrel, it's \$1.4 billion. When the price of oil is \$60 a barrel, it's \$1.4 billion. They already get subsidies; they did not need that tax break. That could have gone to our children, to the homeless, to the people in our communities who are in despair, who are in need.

Yesterday we were honoured by the presence of the Governor General. I was very moved by her speech to this chamber. I'm going to read just a paragraph of it, because it reflects and refers to the needs of protection for vulnerable children. She said:

The marginalization of any human being is a loss to us all. Nothing in our affluent society is more disgraceful than our failure to nurture and support those who are most vulnerable. Children and youth represent not only our future but also our present.

[1630]

We have a profound duty to them, not only to pass on a better world but also to ensure that they have the capacity to embrace it and each other with respect and responsibility. This, too, is part of our collective dream — she went on to say

— an achievement that has eluded many societies. Close to realizing it in so many ways, we cannot afford to take it for granted. We cannot afford to assume that it's someone else's task. Every one of us, every action we take and every attitude we express, has an opportunity to foster respect, to promote dialogue and to nurture cooperation.

Do you know, I want to say to the members across that I understand their zeal and their excitement about these five great goals — most of them that aren't even coming to fruition and never will. I understand that they're very excited about this budget, and I hope they read between the lines a little bit. I hope they join us at the end of this day and vote against this budget for real, because it does not address the needs of children.

British Columbia is number one in child poverty in Canada — number one. How can we say that we have such a great economy and such a great society when our children are number one in child poverty? We used to be number two. We were trying to get better. We used to be the second-highest — second-best to Prince Edward Island. Now we are the worst. We have the lowest rating. It saddens me to think that this is a children's budget and that we lead the country in child poverty.

Child poverty goes on. You know, I'm pleased that this side was very respectful of the budget speech, and some of the members on the other side are maybe contemplating voting with us. They're starting to have some discussions on it, and I anticipate that maybe they will defeat this, that they will defeat this because it does not address the needs of children. It is not a children's budget. It is a budget that respects nothing to do with children and families.

One of the five great goals.... I love that — five great goals. It reminds me of something like the Red Book of Chairman Mao, only it's totally to the other extreme. One of them is to have the most literate society in the world, or something along that line. And you know, I believe literacy is very important, and I think that every child in this province should be able to read and write. But what message are we sending to those children after secondary education, after high school, when they can't get into colleges, when they can no longer afford an education? We have more young people going to college but fewer full-time-equivalents. Some that have come to speak to me in my office are working two and three jobs. Two and three jobs to try to get an education — that's shameful.

We have seen increases in post-secondary education. We have seen decreases in the quality of apprenticeship training. We saw the dismantling of ITAC, which, I tell you, was a model of apprenticeship training in Canada. It was a model copied even by Alberta. The Red Seal program was second to none. Now we are seeing.... My nephew has moved to Alberta, and he wanted me to ask the Premier why there is nothing in place for him here in his town of Campbell River, why he couldn't advance and get Red Seal training here, why the hurdles and obstacles were put in place.

They talk about people that left in the '90s to go to Alberta. Our skilled trades, our children that are supposed to be here to embrace these jobs and to help this economy are now leaving, and then we're trying to attract other people. We're trying to attract Mexican workers on a part-time basis. I heard the head of the independent contractors association saying that the throne speech missed the point, that it should have had more signals towards being able to bring in workers from other countries. Well, I believe in bringing in workers from other countries. I believe in bringing in citizens to Canada. We know there's an increasing need to have citizens in Canada, but to merely go to another country to borrow workers while you need them and then send them back away is counterproductive.

We saw the example with the farm in Maple Ridge where the Mexican workers went on strike because the

working conditions in Mexico were better than the working conditions on that farm. Isn't that shameful?

[1635]

What kind of message are we sending to people in Mexico? "We want you to come up here and be our trades. We want you to be our cheap labour." But they're going back and saying: "I wouldn't go there, if I were you." What kind of an example is that that we're sending? Who would want to come here and take this course and become an apprentice here, when they can go to Alberta and be guaranteed a Red Seal certificate diploma at the end of their course?

We have gone from the best apprenticeship program to one of the worst. In this throne speech, of course, there are some overtures about some money that is going to be put back into it. "Whoops," somebody said. "I guess we should have listened. I guess we should have done a better job of the core review. I guess we should have realized what we already had."

Now we're trying to rebuild something that we already had. How much does that cost? It's like if you need a roof on your house and you tear down the whole house to build the roof, you're going to pay a lot of money when all you have to do is fix the roof. So what is it going to cost in order to do that, Madam Speaker?

Interjections.

Deputy Speaker: Sit down, please.

Members, we listen to each other respectfully. That's what's been happening.

C. Puchmayr: I know some of this is painful for the other side, and I understand that. I hope the pain that I'm feeling from them while I make these overtures is going to result in them voting against the throne speech.

Young people leaving to Alberta to get an education — unbelievable.

Yesterday we met with some forestry workers, as I said. We certainly have been very active on this side of the House in bringing forward the safety concerns in the forest industry. They're not just in the forest industry, but the forest industry had an unusually high number of deaths. One death in the industry is too high. This side of the House certainly began to work and tried to work constructively with the Labour ministry. I think we have put forward some directions and some positions that are being looked at by the Labour ministry, and I appreciate that. I want to continue on to work towards those goals.

But one of the things people are saying is: "Well, there have only been three deaths in the industry this year. Have things changed?" Of course, we haven't seen any changes taking place through legislation or through an action or actions by the government. There are some things that we're looking at. WorkSafe is looking at putting more inspectors in the forests, and the Labour Minister has assured me that the forestry coroner position is going to be filled soon. We're still

trying to understand and get an understanding of what the chain of command is — who he or she answers to, what the protocol and process of that position is, and what powers that position has.

The other is the ombudsperson for that field. We're trying to see how that's different than what already exists in the WorkSafe or the Workers Compensation Act, and we would certainly not want to duplicate services already being performed. When there were the 30 percent reductions in regulations that were sort of commanded by the Premier when they took government, I think some of those cuts.... I'm sure everyone will agree that those cuts were too severe.

Now we are again looking to put back and deal with consequences of decisions that were made quickly, that were made with poor consultation and that were made without public transparency or public disclosure. All we can see is the impacts of that, and I look forward to working with the other side on ensuring that we put back what was taken away so that people can work safely.

I'm told by logging truck drivers that extreme hazards still exist. There is the fear of competition; there is the fear of losing these contracts. Fallers who have been forced to become independent and dependent contractors — a dependent contractor being someone that is now, when the company says: "We are no longer falling trees. Tomorrow you can buy the chainsaw and the truck and be a faller for us. You look after your WCB costs, and you now work for yourself...."

[1640]

So there are certainly some serious issues with that. The fallers are saying there is pressure on them to produce in order to keep those contracts, and God help them if they get hurt in the field because now they're a private company. They get their coverage on net earnings, and their coverage is also averaged over a year.

In some cases there is an incredible reduction in income once that faller is hurt on the job. One has told me that if he's not able to return to his job, he is going to have to sell his house, which he spent many years building, and he's going to have to move out of the community. That's really sad that we have, in combination with the sort of deregulation of the workers compensation system, the vocational rehab system and then the deregulation in the forest industry.... It all nets out to huge savings by multinational forest companies, and it's passed on to small companies that are actually small independent workers.

If we respect entrepreneurship and we expect this belief — which we do on this side, apart from what the opposite side would like to think.... If we're going to do this, at the very least let's put back those coverages and those protections so that those people — if they have the misfortune of a job accident or an injury, or if their widows have the misfortune of losing a spouse, that there is respect and that we put back the coverage that used to exist....

Last year we saw a decrease in the occupational rehab budget from \$170 million to just over \$1 million. What's shocking about this is people are getting long-

term pensions for permanent partial disabilities where they are no longer able to work in that industry, and sometimes they're getting as little as \$50 a month. I've heard as little as \$3 a week, which is \$12 a month. They're not able to go back to work in that industry, and they're not getting wage loss compensation. They're given a six-week training course, they're kicked off the system, and they have to fend for themselves.

What often happens is those people end up using other social services that the government now has to provide. So again, the windfall to the large multinational companies, the pain that's inflicted on communities, on the resource base in the communities, and then again the government has to come to the plate to assist those that used to be covered by the Workers Compensation Act.

The other glaring change to the WorkSafe and Workers Compensation Appeal Tribunal is that at one time the supremacy of law rested in the Legislature. The supremacy of law now rests in the board of governors. A challenge of a decision that an officer or adjudicator will impose will go back to the board of governors to have them change it, when they wrote it in the first place. That is very troubling that we, the elected lawmakers of this province, no longer have the supremacy of law when it comes to dealing with vulnerable workers who are injured on the job.

That is a drastic change that I think even a lot of members on the other side aren't aware of. Certainly, if any of them would like to discuss this with me, I would be more than happy to sit down with them and show them how people in their communities are affected, the pain and suffering in those communities that this is causing, and the economic removal of income in that community — all while money is being returned to corporations. There has to be a balance. There needs to be a fair balance of the adjudication system, and the supremacy of law should lie in the Legislature.

[1645]

I see my time is running out, and so I just want to end with this thing. I hope my colleagues will join me later in voting against the throne speech. If this is called the children's budget, after what we saw from the previous budget, which was called the seniors budget, all I can say is: please tell the bad man to stop.

Hon. J. van Dongen: I'm pleased to stand today in support of the throne speech that was given on February 14. I'm honoured to be here as the MLA for Abbotsford-Clayburn, one of the most rapidly growing areas in British Columbia. Abbotsford is the fifth-largest city in British Columbia, with some 130,000 people. Abbotsford is well known for its agriculture but also enjoys a thriving small business sector; an active sports, recreational and arts community; a rapidly growing airport and aerospace industry; and a significant and enterprising university college.

Our community has caring and dedicated people and organizations that deliver a wide range of social services and assistance to people who need help. I

want to acknowledge the commitment of all citizens of Abbotsford-Clayburn in their chosen line of work and in their service to the community. I also want to acknowledge and commend the skill and dedication of my constituency assistant Sherri Wacker, who has served the people of Abbotsford-Clayburn well for eight years.

The intergovernmental relations secretariat is an integral part of this government's vision as laid out in the Speech from the Throne, and I am pleased to represent the interests of British Columbians as Minister of State for Intergovernmental Relations. Intergovernmental Relations has cross-government responsibility to coordinate our relationships with the federal government, other provinces, neighbouring western U.S. states and British Columbia's international connections. In addition, I want to mention that I have the responsibility to deliver the francophone affairs program in partnership with the federal government and the francophone community.

In my role as Minister of State for Intergovernmental Relations, I act in a support and coordination role for most ministers in cabinet and the Premier. We strive to have a common message to the federal government on behalf of British Columbia. We seek to develop constructive and productive relationships with our federal, provincial, U.S. states and international counterparts. The work of this ministry is important in advancing the progress on our government's overall vision as set out in the throne speech and our government's five great goals.

As I've indicated, intergovernmental relations responsibilities fall under five headings: federal-provincial, provincial, international relationships through the consular corps in Vancouver, representation to our U.S. neighbours through an organization called the Pacific NorthWest Economic Region, and the francophone affairs program.

Speaking to federal-provincial relationships, intergovernmental relations will continue to advance B.C.'s partnership with the federal government to promote an equitable distribution of federal spending and benefits for British Columbia. British Columbia encourages the government of Canada to adopt a bold vision for Canada that builds on B.C.'s strategic assets: our location on the Pacific, our ties to Asia and our unique mix of world-class industries.

At the 2005 provincial congress the Premier shared a document with the participants entitled *British Columbia, Canada: A New Partnership for British Columbia Within Canada*. The document contained proposals for joint federal-provincial action in key areas, including realizing the full potential of British Columbia's Pacific gateway transportation system and mitigating the impact of the mountain pine beetle epidemic.

[1650]

The federal government came through with a down payment of \$100 million to fight the spread of the pine beetle and has started to take action in a number of areas that enhance the competitiveness of Pacific gateway facilities including: airport rent reductions, a lib-

eralized air agreement with China, approved-destination status to expand tourism opportunities with China, increased borrowing powers for the Port of Vancouver and a \$30 million investment in the port of Prince Rupert. British Columbia's approach is to advance our interests in a constructive, cooperative manner to maximize benefits to British Columbians.

Another area that intergovernmental relations continues to work on is the elimination of duplication and overlap with the federal government. Improvements have been made in the areas of environmental assessment, food inspection, generic drugs, youth employment programs, pharmaceuticals, foreign animal diseases and multiculturalism. Despite certain successes to date, the work to streamline federal-provincial regulatory systems continues.

Examples of further areas where we are looking to improve effectiveness with the federal government include fish habitat protection, immigration and settlement, and social services for aboriginal people. Under the leadership of the Minister of Aboriginal Relations and Reconciliation, planning with aboriginal organizations and federal, provincial and territorial governments is in progress. The focus is on initiatives that will improve conditions for aboriginal peoples.

A new relationship with first nations is key to closing the gap between aboriginal and non-aboriginal people. Our Premier's leadership in this area has been the catalyst for national action. The intergovernmental relations secretariat worked with the Ministry of Aboriginal Relations and Reconciliation, the Ministry of Health and other ministries in supporting the Premier for the first ministers meeting November 25, 2005, in Kelowna. British Columbia was co-chair, with the federal government, of the planning process, which included representatives from the five national aboriginal organizations.

I now want to mention the francophone affairs program, because it's part of our relationship with the federal government. Intergovernmental relations will continue working to advance the francophone affairs program, a federal-provincial partnership to increase our government services to the francophone community and to increase federal contributions to our francophone programming in British Columbia.

French is one of the two official languages in Canada. There are 270,000 French-speaking people in British Columbia, and for 63,000 of them, French is their first language.

Now with your indulgence, hon. Speaker, I would like to deliver a few comments in French in recognition of our francophone community.

Comme vous le savez, le français et l'anglais sont les deux langues officielles du Canada. En tant que Ministre d'Etat aux Relations Intergouvernementales, je suis responsable de l'Entente de collaboration Canada-Colombie-Britannique en matière de langues officielles. Notre gouvernement travaille en collaboration avec les Franco-colombiens et le gouvernement fédéral en matière de langues officielles. Nous voulons mieux servir la communauté francophone dans des domaines clés

tels que la santé, le développement économique, les services sociaux et la justice. Je veux remercier la communauté et les groupes francophones de notre province pour leur effort à préserver la langue et la culture française. Je les encourage à continuer. Dans mes nouvelles fonctions, je souhaite travailler avec la communauté, les ministères provinciaux et fédéraux pour améliorer l'accès aux services disponibles à la communauté franco-colombienne.

[French text provided by Hon. J. van Dongen.]

[1655]

What I was attempting to say, hon. Speaker, is as follows. As you know, French and English are Canada's official languages. As Minister of State for Intergovernmental Relations, I am responsible for the Canada-B.C. cooperation agreement on official languages. Since 2001 our government has collaborated with the B.C. francophone community and the federal government on official languages. We want to better serve the francophone community in key areas such as health, economic development, social services and justice.

I want to thank the francophone community and their associations for their commitment to the French language and culture, and I encourage them to continue. In my role I wish to work with the community and with provincial and federal ministries to continue to improve access to services available to the B.C. francophone community.

Canada and British Columbia have signed a one-year cooperation agreement on official languages. The goal of this collaboration is (1) to enhance the vitality and support the development of British Columbia's French-language community and (2) to offer key government services and information in French. This one-year agreement expires shortly, on March 31. Canada and British Columbia have had discussions to sign a new agreement on official languages, and we look forward to dialogue and signing with the newly elected federal government.

Some of our accomplishments to date include the translation into French and promotion of the *B.C. HealthGuide*, a first in Canada; maintaining a bilingual social support worker position in Vancouver, in partnership with the city of Vancouver, at an organization named La Boussole; and providing legal information sessions and terminology workshops to the French-speaking community and legal professionals in order to improve access to justice for B.C. francophones.

We have more work to do to fully implement the Canada-B.C. agreement, and I look forward to working with the francophone community in this effort.

In summary, in terms of our federal-provincial relationship, I'm pleased to respond in support of the throne speech and the role of intergovernmental relations in achieving the goals set out therein. We will continue to emphasize, in terms of our relationship with the federal government, a focused and professional approach in delivering the message of the goals and aspirations of British Columbians.

Turning to provincial relationships with our neighbouring province. Intergovernmental relations

works with cabinet on proposals for additional co-operation in our agreement with our closest neighbour, the province of Alberta. Alberta and British Columbia continue to work together to develop cooperative measures and agreements that demonstrate leadership in Canada through joint initiatives that expand provincial trade and investment opportunities, that improve government efficiencies and reduce costs of public services, that identify best practices and innovations and that influence the federal government's policies and decisions in areas of mutual interest.

Finally, it's always great to see the level of support we get from the province of Alberta for the Pacific gateway initiative and that program, because they recognize that it is a program of western and national interest. At the last B.C.-Alberta joint cabinet meeting in Cranbrook on March 17 and 18 of last year, agreements included the mountain pine beetle control, expanding export gateways to Asia, water management negotiations, sharing of Olympic training and competition facilities, students with special needs and labour market program cooperation.

[1700]

In terms of our international priorities, as a small open economy, British Columbia's economic prosperity depends on market access for our international exports and on attracting foreign direct investment. Export sales and foreign investment create income and job opportunities for British Columbians.

The provincial government is committed to a forward-looking vision of British Columbia as a globally competitive location of choice for trade, investment, tourism, education and immigration. Getting people around the world to recognize British Columbia as a globally attractive place to visit, study, work and invest will require long-term commitment and consistent messaging to our key international partners that we are open for business; we are open to tourism, immigration and cultural exchange.

One of British Columbia's top priorities is supporting strong Canada-U.S. relations, and in this respect we do have, as a country, an opportunity for a fresh approach in terms of our relationships with our closest neighbour, the United States. Resolving trade disputes such as softwood lumber and cattle exports is vital for North America's continued economic progress, and all of the economic analysis has shown that having an open border and having trade both ways is good for our consumers and good for our economies.

We're also working with the federal governments of the United States and Canada and with neighbouring U.S. states to strengthen continental security while at the same time ensuring the free flow of legitimate trade and travel.

British Columbia is also committed to a long-term vision of engagement with the Asia-Pacific region that builds on our historical, cultural and social links and our rapidly growing economic partnerships.

British Columbia's international commodity exports are valued at over \$28 billion, approximately one-quarter of provincial GDP. In addition, export-oriented

secondary manufacturing and services exports have also increased to nearly \$9 billion over the last decade. One in five jobs in British Columbia depends on international exports. The United States is British Columbia's most important export market, taking 66 percent of provincial commodity exports in 2003 — worth \$18.8 billion — and 80 percent of total foreign investment in British Columbia is from the United States.

Nearly 17 percent of British Columbia's population is of Asian origin. The Asia-Pacific region is an important destination for B.C.'s international exports of commodities, tourism and education. Countries such as China, India, the Philippines, Korea and Taiwan are the top source countries for immigration to British Columbia. Japan continues to be our second-largest trading partner, following the United States. But we see the rising economic presence of countries like China, India and Korea.

In our role within intergovernmental relations we work to strengthen relationships with British Columbia's Consular Corps to assist our government and our province in the promotion of trade, investment and cultural relations.

The final area that we are active in, in intergovernmental relations is our relationship with neighbouring U.S. states. At the regional level I am proud to be representing British Columbia at meetings of the Pacific NorthWest Economic Region and currently serve as a vice-president of this organization, known as PNWER.

The Pacific NorthWest Economic Region is a statutory public-private partnership composed of legislators, governments and private businesses in the northwest states of Alaska, Idaho, Montana, Oregon and Washington and the western Canadian provinces of British Columbia, Alberta and the Yukon Territory.

[1705]

PNWER is the only regional planning and facilitation organization set up by statute by the border states and provinces to deal with transboundary policy and planning issues in the Pacific Northwest. We focus on a variety of issues of mutual interest, including economic development, border movement, energy, tourism and environment, to name a few. Working closely, in particular, with Alaska, Washington State and Montana, Intergovernmental Relations works to promote a greater understanding of transborder water quality and of British Columbia sustainable environmental management practices. As an example of British Columbia working together with our neighbouring states, British Columbia values its relationship with Montana and shares the goals of environmental stewardship and responsible development.

The Premier and I had a constructive meeting with Montana Governor Brian Schweitzer on September 6, 2005, which is leading to a collaborative effort focused on environmental issues in the Flathead River Basin. British Columbia has world-class environmental standards and a proven track record of excellent environmental management in the British Columbia portion of the Flathead watershed. We remain committed to ensuring that we have sustainable and responsible re-

source development in that area, while we protect the environment. I look forward to working with the Minister of State for Mining and the Minister of Environment on an implementation agreement with Montana that protects our mutual environmental assets.

With that summary of our role in Intergovernmental Relations, I am pleased today to speak in favour and support of the throne speech delivered in this House earlier.

C. Evans: Before I rise to speak on the Speech from the Throne in the year 2006 on the last day of debate, I think, on the throne speech.... For those members present in the room and anybody watching at home, I was just advised — I'm not sure whether it's true — that Canada has beaten the United States at the World Baseball Classic, 8 to 6.

An Hon. Member: Is that men or women?

C. Evans: Men.

If there's any truth to that story, it's a great day for Canada, and I think anything that happened at the Olympics with our hockey team is redeemed. We've beat the Americans at their game.

On the subject of the 2006 throne speech, I know what my job is in here. I get wages to oppose the government, and I think that's a wonderful thing — that we live in a place where somebody would pay us a living wage to oppose state power. I like to think that on occasions I'm good at it. I like the job.

But that's not what I want to do today. Since it's the last hour of the last day of the Speech from the Throne, it seemed to me that if I could manage to set aside my partisan thoughts for a little while about the lovely people that govern, it might be possible to give a more philosophical speech. It might be appropriate at this moment, given that the Speech from the Throne is some two weeks gone, and in the main, this debate is not particularly vibrant on an issue of the moment.

I'd like to try to speak philosophically, hon. Speaker, for a little bit, speaking through stories. You and I had a friend, Bill Goodacre, who used to work here. He told me one time that if you want to change an institution, you don't do it by changing the leadership or the rules or the structure of the institution nearly as effectively as you do if you change the story that the institution tells about itself. Bill was of the opinion that that's true of a government, a country, a religion or a corporation. And the story about ourselves is really what I'd like to talk about today.

[1710]

The gist of the throne speech, the budget and actually of this whole session and what every member on both sides stands up and talks about is a critique or a celebration, depending on what side of the House they're working on, of this great era of wealth that British Columbia — and, to some extent, Canada and, to some extent, the world — finds itself in.

I used to be a member of the regional district of Central Kootenay, and I was a logger — a faller — at

the time. There was a miner who was also part of the regional district. I was kind of the regional director of the Left, he was kind of the regional director of the Right, and we liked to argue. We argued from different ideological perspectives but sort of the same vocabulary. His name was Dave Piercy. He's a wonderful guy. Dave used to say that there are two kinds of economies. One is a peacetime economy, in which people build houses and wood sells well, and one is a wartime economy, in which you've got to have tanks and boats and airplanes, and metals sell well.

All over the world we have a perfect storm, economically. We have both. We have the explosion in India and China of traditional peacetime capitalism. Out of the country directly to the south of us we have the largest military expenditure in the history of the world by any country, a military expenditure that exceeds that of all the other countries in the world combined.

So we have sort of a peacetime economy and a wartime economy meeting here together, and the net result of that is that commodities — whether wood-based, electrical, oil, gas, ore or coal — have tremendous value and people have money to spend. This perfect storm of economic times is also matched by the fact that this isn't the middle of the 1980s with 17-percent interest rates. I remember those 17-percent interest rates, when it was possible to drive from somewhere in the Cariboo to Hope and not lose sight of land that was being repossessed by federal Farm Credit because people couldn't afford the interest rates.

Right now we're living in a time when everybody, including all of my children, can afford to buy a house because they can afford the interest rates, and therefore we have a booming consumer economy at the same time.

I kind of think that because of the times — and members opposite like to say it's because they're good government, and members on my team like to say it's because of the world conditions.... I don't really care. It's okay with me no matter what your interpretation is. You can figure it's just an accident. You can figure it's because you guys are brilliant. I don't care. Let's all accept that the gist of the throne speech — and of the budget and of all of us working here and of the time that we're thinking in — is the fact that for the first time in 30 years, there's lots of money. I would like to submit that given that there's lots of money, this might be the moment in our history when it would be appropriate for us to change the idea of how we measure our well-being. That, as we all know, has been repeated in the budget lots of times. It's expressed as gross domestic product, or GDP.

In the time of the previous government I watched, and was a part of, lots of attempts by various Ministers of Finance, and especially employees of the Ministry of Finance who would sort of raise their hands and say: "You know what? GDP is a lousy way to express well-being...." We ought to maybe figure out another way that measures actual goodness on the land, instead of simply the gross expenditure of money both for good

and for ill. But it couldn't happen all through the 1990s. I would argue that it couldn't happen in the 1980s in the Social Credit time, and it couldn't happen most places in the world because the bond-rating agencies would not allow you to change the measure of your well-being at a time when your economy was not super-healthy.

In fact, members opposite, I'm kind of encouraging you to look up, participate, heckle if you want, but wrap your heads around the fact that you are governing at a moment when there might be the capacity — because of the nature of the bankers of the world — for you to think creatively and change the way we measure well-being in British Columbia. I don't care if you figure it's because you're great. You wrap any words around it that you want. I'm asking you to think about the fact that you're governing through a moment when the options are greater than they have been for any government here in three decades.

[1715]

Now I want to talk about why I think gross domestic product is an inappropriate way to measure wealth, under any government — one of us, one of you guys.... Let's take the case of Alaska. Alaska's greatest growth rate ever was the year that the *Exxon Valdez* ran up against the rocks. Why is that? Because gross domestic product measures activity. It doesn't matter if it's healthy activity, like taking oil out of the ground, putting it on a ship and actually getting it to where it's going, and unloading it, or if it crashes against the rocks, and you've got to employ a whole bunch of people to go clean it up. It's still GDP.

There was the ice storm in Quebec. Remember that? People couldn't go out. Some people died in their apartments. The electrical system came to a stop. Which province in Canada, hon. Speaker — or any members opposite — had the highest growth rate that year? Come on. Shout it out. You know the answer. Quebec. The ice storm — producing nothing, in fact bringing well-being to a halt, freezing some people to death and making it impossible for people to go to work and produce a thing — made Quebec the province of Canada that had the highest GDP that year.

Sickness is measured as GDP. The more of us that get sick, the more the GDP goes up. In the United States, hon. Speaker, you know what the biggest driver of their economy is — 6.2-percent annual growth rate? It's prisons. It's driven by crime, and it's measured in their GDP.

Crime costs the province of Nova Scotia \$1.2 billion a year — \$3,500 per household in Nova Scotia. And guess what. It all shows up in their GDP. When members stand up on either side and say, "We've got the best GDP," they're measuring crime — all kinds of crime.

The junkie goes and steals something out of your car or takes your car.... The sale of the drugs doesn't count, because we don't measure it. But the police that goes and chases them is measured as growth. When they wreck the car, the insurance company intervenes. That's measured as growth. When the insurance com-

pany buys you a new car.... It's all crime, driven by drugs, and it shows up as GDP. That's bonkers, under any government. It was as nuts for us.

The wildfire in Kelowna drove up gross domestic product. Toxic waste, both when you do the work to dump it and when you do the work to clean it up.... It all drives GDP.

I want to talk about climate change because as a grandparent, I think it's probably the biggest issue of our time. We don't talk about it much in here. I don't get that. I don't understand why, under any government.... I think we don't understand it. I personally kept thinking that the thing about climate change is it's out there in the future.

Four years ago I had the great joy of becoming a grandparent of a couple of twin kids, and one day I realized that the wealth that I'm making today is putting poisons in the sky which will be visited upon children I have now met. We might not be here. You might retire. God only knows, if we get a pension, a bunch of us should retire.

My grandchildren will be alive when the predictions that we've all been scared of for decades come true. We always thought they were maybe wing nuts. They were talking about melting ice, and now it's happening.

I'm talking about it because every single thing we do that adds to climate change in the production of energy, in the consumption of energy, in the burning of hydrocarbons, feeds, GDP.... I'm in this room, and I'm measuring, under any government, how well we're doing. You could just take that number and ascribe it to my grandchildren and say how poorly they will be doing. We live in a system where we and our bond-rating agencies and our bankers measure our well-being by diseases and pain and difficulty and cuts in earning power that will be visited upon our own families.

The tragedy of the Oklahoma City explosion and then the September 11 airplane crashes.... These things that have captured the whole world's attention. They drive GDP. In the United States the security industry that has grown up since Oklahoma City, since people died and the September 11 events, is worth \$40 billion a year. We measure that as GDP, as if it were well-being.

[1720]

In Canada, divorce produces two million bucks a year in GDP. It looks good on the balance sheet. Car crashes in Canada produce billions of dollars in GDP. No government of any party — certainly not the lovely, wonderful, thoughtful, paying-attention members opposite — would ever promote oil spills, wildfire, crime, sickness and divorce as good for us. Yet we — I don't want to make this partisan — stand up in here and say: "Right on. Good for us. We've got 4-percent growth in oil spills, wildfire, crime, sickness and divorce, and it all makes GDP. Aren't we a good government?" And we did it too.

It's the wrong way to measure, and the only time you could ever change it is when the economy is so

healthy that the bankers would accept the employees of the Ministry of Finance figuring out a different way to compute our well-being. I would argue that this is the moment.

Everybody in this room, on both sides at different times, makes all kind of speeches in which we take credit for driving growth. I do it; you do it. Those guys over there are sort of engaged in an orgy of it. But could it be that we're all talking about the wrong thing? Kind of like Socrates said, we're asking the wrong questions or giving the wrong answers.

Much of what we call wealth, I would argue, is dependent on a system that didn't exist when I was a little kid. It's called global corporate capital, or globalism. Hon. Speaker, it is so bizarre that when you and I were young, which I know was a long time ago, the largest economies in the world tended to be nations. People would gather together, and they would call themselves a country. They'd have a flag....

Interjections.

C. Evans: Madam Speaker has wisdom. Wisdom comes from having been around.

It used to be that when we were kids, whenever that was, the largest economies in the world tended to be countries. They had governments, and people got together and made decisions. In fact, six out of ten of the largest economies in the world are no longer countries. They have no parliament; people don't elect their leadership. They're corporations.

The corporate sector has exploded around the world, for better or for worse. With it has come an increase in GDP, because of the way that they work. The father of capitalism, Adam Smith, a person whom I have heard referred to in this room as a wonderful guy.... I would agree that as a philosopher, he was a wonderful guy, and he understood the system. One of the things he said is that corporatism is maybe the worst way to accrue capital or to measure it, because a corporation cannot have a morality. Adam Smith was a Christian, and he thought there ought to be human values and morality imposed on money.

We lost track of the morality of the guy as we invoked the great system that drives the modern economy — global capital — and we are measuring, in this room, production produced by corporations for which there are laws that prohibit the board of directors from making decisions in favour of human beings and land and the future and our grandchildren. It's against the law not to make decisions that inhibit the short-term ability of stockholders to make money, and then we measure it as GDP. Members opposite stand up and celebrate the earning of that money — forgetting that the gentleman, the philosopher, the scholar who wrote the book defining the form of economy celebrated by members opposite especially said that we need to preclude the expenditure of capital in the absence of morality.

[1725]

I want to propose at this time to the members opposite.... I would argue, and I would ask them to nod

their heads, that I've been doing this pretty much without partisanship. I don't think I've made any of you guys grumpy. I'm doing this on purpose so that you might get it. I think you're governing at a moment when you could ask the employees of the Ministry of Finance to figure out a different way to measure wealth so that we never come in this building again claiming, as advantage, money we earned by denigrating our earth or our citizens or running oil tankers up against rocks or having wildfires.

We need to invent a measure for use by the Ministry of Finance that includes deductions for the pain delivered on human beings for such things as sickness, gambling, pollution, climate change and crime. We need to invent a system that has a measurement for work and overwork, that makes deductions for stress, and that measures the work of women and of stay-at-home parents as value.

It's not unique to us. We all know — I'm pretty sure even members opposite know — that various provinces like Nova Scotia and countries like New Zealand and even the World Bank have attempted to create an alternative measure of well-being that is not GDP.

[S. Hawkins in the chair.]

But they couldn't do it because they weren't gifted with the moment that British Columbia has at present, which is a moment when income will exceed expenditure. Therefore we cannot be threatened by the bonding agencies for experimenting with a new way of measuring capitalism.

Some people watching would say: "Oh, you can't do that. Citizens wouldn't understand." Well, as a parent of kids that are in their 30s and 40s, I would say: on the contrary. The generation behind me has known for years that we are managing this society in ways where the pain is not measured and will be visited upon their generation — or worse, upon their generation's children.

The mindset that goes along with figuring that your parents are stealing from your generation has fed a way of thinking, a culture which my friend Dennis Brown calls post-modernism. I don't pretend to understand what post-modernism means, but there needs to be a word for that withdrawal of faith that I think my generation has passed on to younger citizens, who perceive that we are withdrawing from the bank account of the future in order to celebrate our time here. It leads to a state of mind which many have referred to as alienation.

In the spirit of telling stories, I'd like to tell you a story about the word "alienation." I was on occasion, for about 15 minutes, the Minister of Health. During that very short interval the government of the day had \$6 million or \$10 million to buy fancy machines — MRIs and stuff like that. There was a meeting of health officials and some political staff to try to decide where to put these machines — in your town, hon. Speaker, or my town or where in the province.

It went around the room, and all the ministry people spoke up and said: "Well, we should put them

here" or "We should put them there" or "This hospital needs help" or "This one here; the surgeons need that diagnostic capacity." Then the political staff said: "Oh no, we should put them over here. We need those people to vote for us." There were all these points of view.

Then the chief medical health officer of the province — who I won't name because he may not wish to be introduced into the Legislature by me — said.... He was last to speak. He is a very honest man and, I think, a man of great wisdom.

He was a little bit grumpy, and he said: "You know, minister, it doesn't matter where you put those machines, because they will not change the health of British Columbians one iota. We are no longer dying here of disease. We cured the mumps; we have pills for pneumonia; we don't get polio anymore. In the main, the diseases that killed our parents' generation have been cured or resolved."

"We don't die of trauma here much because we don't wear knives in bars and we don't pack guns and we've learned to wear seatbelts. Even kids riding bicycles now have helmets. We have so little natural trauma on the streets of British Columbia," he said, "that we have to import doctors from Soweto who have experienced trauma and then use them in our teaching hospitals."

[1730]

I said: "Come on. If we're not dying of disease and not dying of trauma, what is it that we're dying of here?" And he said: "Alienation. The citizens have become alienated from their own experience. Then they go on to take drugs or alcohol or overwork or overeat or some form of self-destructive behaviour to self-medicate their alienation."

I don't want to vary from the original part of the talk. I'm suggesting that we are delivering on the next generation a society — which some call post-modernism — which has become alienated from the land, from the work, from what we call community. At the root of it is the fact that we have built a society that measures wealth for us by stealing from them, from their land and from their atmosphere. It's time to stop, because right now we could afford to stop.

I think that in a world where alienation is the disease, consumerism is for many the cure. I think in my kids' generation and their kids', there is now a confusion between need and desire. There is the capacity with television, electronic media and popular culture to manufacture need, and that takes us another step away from who we are. It leads us into debt, running up bills to buy stuff that we don't really need, which we have been taught we need, and all of it is measured as gross domestic product.

My kids or your kids go into debt that they cannot afford, and it's measured as gross domestic product. The Minister of Finance gets up and talks about how we're doing great because of consumer spending. What part of that is debt? Because we measure it all with GDP, we can't measure that. We don't know. We don't know if we're visiting upon our children indentured servitude because of how we measure wealth, and it's time to change.

Why do I think we ought to do it? It's because I believe that social mores derive from leadership. I think social mores don't come from citizens up to legislatures. I think they start with legislatures and filter out into the world. Why don't we have a death penalty in Canada? Why don't MLAs steal? Why are there conflict-of-interest laws? It's because if the citizens see us — the state — kill or steal or act in conflict, then they think they can. So we inhibit our own behaviour first in order to create a healthy society out there.

I would argue that we ought to start now with how we measure our well-being in order that it might be imitated out there. If we replaced GDP with some measurement of well-being instead of wealth — of fact instead of theft — then I think it might be mirrored in this consumer generation. We would begin to be able to talk again about what is healthy spending and what is unhealthy spending — a conversation that we haven't had since my grandparents' time.

Why do I talk about these points? I think there are probably folks — at least over there, maybe even on my side — who are wondering: how come a logger wants to talk like this? This is kind of flaky talk. This sounds like some environmentalist. I have spent my whole life working on the land or with the people who work the land. I know real well fishermen, farmers and loggers. Climate change and destruction of the land threaten rural people in rural communities more than anybody.

To most of the people in the province, the things I'm talking about are an intellectual artifice. They read about it in the newspaper and say: "Oh no. What about climate change?" To a fisherman, the temperature of the river is the difference between the life and death of his economy. When you change the temperature of the Bering Strait one degree and different fish go live there, it means you're going to come back with nothing. We have destroyed the wild fishery on this coast without ever talking about the fact that all of us were involved in the destruction.

To a logger, what do you think the pine beetle is? It is a manifestation of the fact that the temperatures are changing, and we are delivering on rural people the pain for our own wealth. The same with farming. What is farming? Essentially, farming is the ability or the intelligence to predict climate outcome, plant plants where you can get them to maturity and then sell them. When you lose the ability to predict because we have polluted the planet, you lose your ability to make a living. The people in this room measuring — like some kind of urban banker — our well-being by GDP are delivering the pain to the people of Kelowna, the people of Fort St. John and the people of Castlegar.

[1735]

That's why I believe that figuring out how to manage our economy in a way that takes care of our land and our children is, in fact, in favour and support of resource workers out there on the land, which members on all sides like to stand up and talk about.

Hon. Speaker, I will bring this to an end. I tried to do this without partisanship, but I have never stood

here for 30 minutes before without saying a little bit about what side I'm on, so let me just say this.

I offer to you guys.... Hon. Speaker, I offer to you, and you could share with friends opposite, the idea that some part of what I've just been talking about might be true. It might be the moment where a government which took those ideas and ran with them and explored other ways of measuring growth or well-being could come and lead and be seen as an icon in Canada.

It would be impossible for me — next year and the year after and three or four years from now, when we've got to run for office — to denigrate such a government, because they would be doing what I think is the work of angels. But if you get wisdom and then you do nothing, it goes inside you. It's not dead; it's alive, and it makes a rot. In Greek mythology that's the Achilles heel. That's the thing that is your strength and is also your weakness.

If we come to the day where I'm running for office again and you haven't taken the gift that I'm offering you of this opportunity....

Deputy Speaker: Through the Chair, member.

C. Evans: Hon. Chair, should I ever be running for office again and friends opposite have not taken the opportunity to change the way we measure our well-being, I will use that opportunity to expose the rot and run against them with the very argument that I now offer as a free gift.

G. Hogg: I was delighted to hear the member for Nelson-Creston speak about.... Coming near his conclusion, he said: "There is just this possibility that I might be saying something that people might believe is true." There were some things in there for which I came to that same conclusion. I believe some of the things that he said in there were true.

He made reference to Adam Smith as some type of icon or as an icon seen by some others. I recall Adam Smith as being the person who was actually, if I recall correctly, abducted by Gypsies as a youth and travelled around with Gypsies for a number of years. Then later on, as he wrote his seminal work — *The Wealth of Nations*, I think — he said that the butcher does not cut the meat, nor does the baker bake the bread, out of goodwill but out of self-interest. The motivation for self-interest was reflected, I think, in terms of some of the comments that we've looked at and that have been made.

I think that as we look at wanting to improve things in health care and education and social services.... Governments, for years, have looked at institutional service delivery models and have said that the change to get better schools, better health care and better social services is based on: what do we do to the institutional model, the institutional assumption of service delivery, which has been so prevalent over the past 50 years or more? The key to reinforcing those has seemed to be that we put more and adequate funding in until we improve them.

Some of the research more recently is saying that that service delivery model is wrong, that in fact this assumption of institutional change being based solely on an institutional model by reinforcing it is at least in question. Some people have started to agree. Some of the researchers are agreeing that we should not begin with this institutional assumption — when we're looking at service delivery change — which has held that hospitals produce health, that schools produce wisdom, that legal systems create justice and that social service systems produce social well-being.

Instead, a lot of researchers are beginning to focus on the positive conditions of health, wisdom, justice and community and are looking at how we can respond to that. There is clear evidence that the school is not the primary source of wisdom or knowledge, that social service systems are not the major factors of community social well-being and, clearly, that the criminal justice system and lawyers are not the primary determinants of safety or social justice.

[1740]

This realization that perhaps there was an inaccurate assumption about how things were done has led to a number of new ways of looking at service delivery and the ways that we might respond to it. This institutional assumption, I think, creates another way of looking at things that creates social maps that might, and often have in the past, omitted communities and omitted citizens from being able to participate in the changes we're wanting to look at.

The Sufi religion, which is a sect of the Muslim religion, teaches their ways of being through stories. They present the moral at the beginning, and then they tell their stories. One of my favourites starts where the moral is that you will only learn what you already know. This is to talk about how you look at the context of community and service delivery.

The story is that in a small village they heard that in the village not far down the path was a woman who was very wise. They decided they should invite her to their village so that they could learn from her. So this woman arrived in the courtyard of this small village, and the people, in great anticipation, arrived. She stood up, and they were in great awe of her, having heard of her reputation. She said: "Do you know what I'm going to tell you?" They answered in unison: "No, no, we don't know." And she responded, "Well, if you don't know what I'm going to tell you, then you will never learn," and she turned and went back to her own village.

The villagers got together again and said: "Well, that was kind of strange. We'd better invite her back and see if there's something we can learn." She got back there, again to a filled courtyard. She stood up and said: "Do you know what I'm going to tell you?" And they all said yes. She said, "Well, obviously, there's no reason for me to be here," and she turned and went back to her own village.

They were even more perplexed, so they thought they'd better give this one more try, because this woman obviously had a lot of wisdom. So she came

back. They invited her back a third time, and she stood up and said: "Do you know what I'm going to tell you?" Half of them said yes, and half of them said no. She said, "Great. Those of you who know, tell those who don't know," and she turned and went home.

Interjection.

G. Hogg: This was over a period of many months that this occurred.

The moral is: you will only learn what you already know.

In the throne speech we have talked about service delivery models and looked at methods by which we might provide services that are more regionally based, around a notion of the old African proverb that it takes a whole village to raise a child. Certainly, these proverbs and bits of wisdom that come from traditional religions are being reinforced more and more by research and best practices.

Robert Putnam, in his book *Bowling Alone*, which has been described as the most influential academic work in the world today, talks so much about social capital, about what happens when people interact with each other and the ability of people working together to effect change and make change meaningful and useful. Social theorist John McKnight, who is, I believe, one of the most important leaders in community development and in the building of capacity of children, families and communities, has explained how we look at this and what context it might be put in.

He says that we do have this mental map of the social world in our mind, and we act and plan and express opinions based on what that map might be. He argues that by looking at and examining our maps, we can see and perceive how the world functions. He argues that we have found through this method that the most common social maps have two locations. One is individual, and the other is institutions.

When we look at the institutional models, we mean large structures like universities and child protection and government ministries. These structures organize large groups of people so that a few of them will be able to control the rest. These hierarchical, managed, service delivery systems do not produce goods, but they do produce service plans, protocols, procedures and risk assessment. Some policy-makers think that they produce child welfare, education and health. If these systems do produce service commodities, then the recipients become consumers, and they are the individuals, the part of the social map that was created by the social policy-makers.

[1745]

McKnight argues that the social policy map is wrong and creates problems because it excludes a major social domain, that domain being the community. By community, he means the social place used by family, friends, neighbours and neighbourhood associations, clubs, civic groups, unions, churches and temples. The community is the informal sector, and agencies are in fact the associational sector.

They have unique social skills and social tools that are unlike institutions, and they learn differently than institutions. Institutions learn and pass on knowledge through studies and statistics, while individuals learn and pass on knowledge through stories. Institutions control people while their structure of engagement with individuals.... The informal associational sector is one of consent — a relationship that is based on consent.

[Mr. Speaker in the chair.]

The whole notion of the state being able to provide meaningful care is sometimes believed to be only service, and that care comes through contact with people who are in an associational relationship that does not have a power engagement in it. An institution, a structure of control, can deliver services but is problematic in terms of the delivery of care. Care is the result of special relationships characterized by consent, and the community is the context for enabling individuals to contribute their gifts for providing consent.

McKnight says the notion that our society has a problem in terms of effective human services is in fact wrong. He says that the essential problem is that of weaker communities and that communities must be the centre of our lives because it is only in communities that we can be citizens; it is only in communities that we can find care.

The past ten years have helped us to learn about the roles of big government. Sometimes it detracts from the abilities of families and communities to build informed support networks that represent real, long-term capacity to address social problems.

Positive change means that the power balance must shift in the state to the families and communities they serve. Research and experience certainly supports that if we're going to have active, positive, responsive services, which need to be there.

Mr. Speaker, the throne speech foreshadows more and more regionalization, more and more energy going to community, if we're going to be successful at the service delivery model. We're certainly going to have challenges doing that. If that does occur, that is the only way we're going to create, I believe, a successful model for service delivery.

In the Ministry of Children and Family Development, we have the largest hierarchical, bureaucratic service delivery model in Canada and the second-largest in North America. We are burdened with a structure that doesn't allow us to engage in and provide the care that comes from the context of community.

We have foreshadowed in this throne speech and reinforced through this budget that we actually believe in the intent, the direction and the focus which everything from the African proverbs to the Sufi tales to the best research that's done today tells us is the best and proper way to provide service delivery and to make communities come alive and be able to serve things that we'll respond to. It's the notion and simple princi-

ple that we should be responding to problems closer to where they exist rather than into a hierarchical model that takes them further away.

It is my pleasure to respond to the throne speech, Mr. Speaker. Recognizing the time, I move that we adjourn debate until 6:45 p.m.

G. Hogg moved adjournment of debate.

Motion approved.

Hon. T. Christensen: I move that the House recess until 6:45 p.m.

Motion approved.

Mr. Speaker: This House stands recessed until 6:45 p.m.

The House recessed from 5:49 p.m. to 6:43 p.m.

[Mr. Speaker in the chair.]

Hon. R. Thorpe: I call continuation of the throne speech debate.

Throne Speech Debate (continued)

H. Lali: I rise today to speak on the throne speech. I must say, hon. Speaker, that it's just a little bit more of the same old, same old from this government. There just doesn't seem to be....

Interjections.

H. Lali: The hon. members across the way are saying there's good news. Yeah, there's a bit of good news in here for the upper echelons of the economic cycle. There's always good news from this government. But whenever we talk about the other echelons of the economic cycle, there seems to be very little good news. As a matter of fact, it's mostly bad news.

Interjection.

H. Lali: The hon. member across the way says it's record homelessness. He's talking about.... Record unemployment on aboriginal reserves — there he goes. You know, the government....

Interjections.

H. Lali: I love it when the members opposite like to heckle me. That's good. At least they're listening here.

[1845]

Seriously, I rise to speak against the throne speech that was presented here a couple of weeks back. As I mentioned, it's a lot of the same old stuff here. It's just a continuation of the same kind of policies that British Columbia has been subjected to for almost five years.

It's a document that most aptly could be described as a document of denial, really, because it actually just doesn't want to deal with some of the social and economic problems that were the creation of this Liberal government, and they just don't want to really talk about it. They want to gloss over things and present a picture that appears to be perfect, but when you look underneath the surface, when you scratch the surface a little bit, you'll see there are a lot of problems that exist.

We will see members on the opposite side of the House continue to talk about how.... They say it is a golden decade and the economy is doing so well. Well, there are elements of the economy that are doing well, and there are pockets that are doing well...

An Hon. Member: How are things in Merritt?

H. Lali: ...but when you actually take a look at people....

The hon. member across the way says: "Look at Merritt." If you look at Merritt in the Thompson-Okanagan region, it is a town that has some of the lowest income levels anywhere in the province. The kind of jobs that have been created there are the minimum-wage kind of jobs, not the good, decent, well-paying jobs that people are looking for in terms of supporting their families. These are not family-supporting jobs. People are having to actually take, you know, two or three jobs in order to try to make ends meet, so when you see that.... Hon. Speaker, you see that everywhere. It's not just in my home community, but across the province.

That government on the other side of the House just doesn't want to talk about those kinds of things. We talk about homelessness. Under this government in the last four and a half years, the number of people who are homeless and living on our streets.... If you look at the weather outside, it's windy and cold. It's snowing in Vancouver. In Vancouver alone, the numbers of homeless have actually increased by more than double in the last four years. If you ask those people where those benefits of the economy are that they're talking about.... You'll find that this government, this government across the way, governs for the top 10 percent of the people in this province, the very people who actually need it the least.

Interjections.

H. Lali: They continue to actually deny, and this is what I hear. The heckling I see on the opposite side of the House is a continuation of that denial you'll see from that side of the House, and it carries on. They just don't get it.

Child poverty. Under this government in the last four and a half years — this is the fifth year going now — child poverty in British Columbia is the highest of any province in this country. This throne speech fails to deal with that issue of child poverty. There was one time when the Premier on that side of the House said he was going to eradicate child poverty, and here we

have it that it is the highest of any province, as we speak.

[S. Hammell in the chair.]

Along with the homelessness and the child poverty rates comes the increase in food banks. When you look at the individuals across the way, they don't deal with that. They don't want to look at that. They want to continue to deny that and keep putting that underneath the rug.

If you look at health care.... The members across the way keep talking about how much money they're putting into health care, but when you look at the reality, wait-lists have never been longer in the history of this province as they are under this Liberal government. It is as a direct result of the policies put in place by this Liberal government.

The seniors, the very people who need health care the most in their elderly years, are now finding themselves being denied access to health care, especially in rural British Columbia. The lack of access is something that is very, very important. If you look at it, they've regionalized health care into communities like Kelowna, Kamloops, Prince George and other small urban centres in the province. There are so many thousands and thousands of seniors who are living in small communities like Lillooet, Princeton, Merritt and others across the province, and health care is further away for them now than it ever was. So instead of fixing the problem, they made it worse.

Education. The members across the way like to say that they have made British Columbia the education province. Well, when you look at the statistics, when you look at the reality, as a matter of fact, they have taken British Columbia, which was the education province under the NDP in the 1990s, and they have actually turned it topsy-turvy.

[1850]

Class sizes were beginning to decrease under the NDP because of our policies of actually getting rid of portables and hiring more teachers, and it has gone the other way. There have been 2,500 teachers fired, and there are 9,000 classrooms that are oversized and crowded because of the policies of this government. They just don't want to recognize that.

They say they're putting more money into education. Well, when you look at the money they're putting into education, it isn't anywhere near equal the amount of money they actually took away from education in the years from 2001 to 2005. It doesn't even keep up with the rate of inflation. It doesn't even keep up with the costs of energy and all of the other costs that have gone up. You still see classrooms that are overcrowded.

Aboriginal issues — another one where the government continues to put its head in the sand. It doesn't want to recognize that there are huge issues and problems associated with aboriginal issues all across this province. This government actually continues to deny.... They have renamed the Ministry of Aboriginal Affairs. They now call it the Ministry of Aboriginal

Relations and Reconciliation. Yet there isn't much going on in terms of reconciliation. In last year's budget they put \$100 million on the table — one-time money. When you look at the capacity-building and the ability to make treaties, this government doesn't want to actually put any kind of resources into it and deal with all of those social problems that are there — with teenage pregnancies and suicides and lack of access for seniors on reserves for health care and other programs.

When you look at this document, the Speech from the Throne....

Interjection.

H. Lali: The hon. member wants to know if I've read it. It's right here in my hand. If there are any other questions that the hon. member wants me to answer, hon. Speaker, I'm more than happy to do so, because that government over there actually ends up asking us questions instead of acting like government. They keep wanting to oppose the NDP of the 1990s. They've had nearly half a decade, if not more, of already being in government, but they continue to actually act like opposition. But that's okay. If they want to be opposition, just wait a little more than three years. They will be in opposition; we guarantee you that.

You know, the other hallmark of....

Interjections.

Deputy Speaker: Sit down for a second, member.

Just a little bit more respect, a little bit more listening.

Member for Yale-Lillooet.

H. Lali: Thank you, hon. Speaker. I'm glad you mentioned that word, because there is very little respect that this government is actually showing to the average British Columbian out there. They are suffering, because they're not witnessing any kind of the so-called benefits of their golden decade. When you talk to people, when you go out across the province like I have.... I have visited communities all over the Thompson-Okanagan, in the north as far as Fort St. James, in the lower mainland as well as on the Island. When you talk to people, they're really in despair because of the negative effects of the policies of this government.

There was an independent polling done by Ipsos-Reid. When it was asked of those people how many of them felt that they were actually benefiting, 52 percent of the people said that they personally were not benefiting from their so-called decade of golden goose eggs.

You just have to talk to the people. They will tell you, obviously, also about the lack of accountability now, under this government. Government is further away from the people of British Columbia than it ever has been. They've tightened up government, and you'll find, members across the way, that it is very difficult for people to even meet with ministers or their MLAs. Hon. Speaker, it happens all the time.

Interjections.

H. Lali: You can tell that when the Deputy Premier starts heckling, she knows I'm right, because she can't handle the truth.

Deputy Speaker: Through the Chair.

H. Lali: Thank you, hon. Chair. Through the Chair to the Deputy Premier.

The lack of accountability is everywhere because this government has put so many buffers between itself and the people it purports to represent. Regional health authorities are a prime example. They don't actually want to make regional health authorities accountable to the people by putting elected local representatives on them. They don't want to do that. They don't want to put that there. It leads one to wonder what it is they're trying to hide.

[1855]

When you want some answers from the health authorities such as the IHA, you never find the answers from those people. They will tell you to go talk to the government.

You have the inability for people to actually go and talk to the front-line workers. When you talk to the front-line workers, it is very difficult. They're afraid to say something because of the gag orders that have been put on the health care workers.

This throne speech refuses to deal with opening up the accountability so that people can have access to their government. We've seen that in other areas, as well, where they want to regionalize the delivery of services under the Ministry of Children and Families.

It is happening everywhere. It's the same thing with the school districts and even in terms of the medical records that have been privatized to an American company, Maximus. It is very, very difficult in terms of getting any kind of accountability from the bodies that this government is setting up and even from this government.

The third area I would like to move to is the effect of the cuts by this government over a four-year period and how those cuts are affecting individuals and families across this province. Again, the throne speech continues to not deal with those kinds of issues.

The apprenticeship program. I mean, in here the Liberals talk about how they're going to actually increase apprenticeship training programs. When you look at their history, it has been major cuts to the apprenticeship program over those years, and now we're finding ourselves in a skills shortage situation. The government has had years of right-wing think tanks and right-wing bodies telling them that there is a shortage coming, a looming shortage in skills, but they refused to do nothing in terms of making things better. They actually cut the apprenticeship program in their budgets during the early part of this decade.

This document, the throne speech, refuses to deal with the health care beds that were cut, and the long-term care beds that were cut as well. The Premier had

promised 5,000 long-term care beds. We saw that promise again in September — that they were going to institute 5,000 long-term care beds. It's been repeated again in the throne speech and again in the budget that was most recently passed. That was the same promise they made five years ago.

What we found were hundreds and hundreds of beds, actually, that were cut — acute care beds and also long-term care beds. In the Interior Health region alone there were over 900 acute-care beds and almost 500 long-term care beds that were cut.

Now, if the government is talking about building 5,000 new long-term care beds, are they first going to reinstate those acute care beds and the long-term care beds that this government cut before they build the other 5,000? Of course they're not, because they don't want to talk about the cuts that are hurting average British Columbians, whether the apprenticeship program or health care or even education.

In education, we've already talked about how many schools were eliminated and how many teaching positions were also eliminated and why class sizes are going up — another way that students are getting hurt. If you look at advanced education, what makes access to post-secondary education even further out of reach for individuals is the fact that they have raised tuition fees — in some instances, in some colleges and institutes — as much as over 400 percent. The average is well over double. If you look at the 1990s, we went from some of the highest tuition fees to the lowest tuition fees in the entire country. This government is bent on going in the opposite direction.

We've already seen the debacle this government got itself into when you look at the Ministry of Children and Families, with this young aboriginal girl that was murdered. Obviously, it was directly as a result of the cuts to the Ministry of Children and Families...

Hon. R. Thorpe: You're shameless.

H. Lali: ...to the chief coroner's office and others in terms of the lack of direction.

Hon. R. Thorpe: That's absolute nonsense.

[1900]

H. Lali: Well, I think the minister across the way needs to rethink the words that he is saying, because it's completely shameless what this government has done in terms of the huge cuts that it instituted all across the board in British Columbia. It is the responsibility of this government. Again, I talked earlier about the denial that this government is in, and it continues to be in denial, because of the comments that keep coming forward.

Privatization is the fourth area that I want to talk about. This throne speech, instead of actually ending the privatization of public services, wants to continue to privatize. We've already heard a fair bit in the last session in terms of B.C. Rail and how the privatization of B.C. Rail is hurting individuals who live along the

way — the private crossings that are there on the railroad, well over 300, and how those residents who have those crossings are being asked to fork out thousands and thousands of dollars in terms of upkeeping these crossings as well as the liability insurance that they have to get.

B.C. Ferries is another area. They ended up privatizing B.C. Ferries. What's happened is they have had record increases in fare rates for all of those people. They refuse to recognize that.

Interjections.

H. Lali: Again I see ministers across the way.... They just can't handle the truth. When you point out all of the negative things they've done, they can't handle it. Instead of actually dealing with those issues, they continue to deny those issues in this document.

Health care. Look at all the thousands of health care workers, the HEU workers, who have lost their jobs because this government saw fit to privatize, to contract out, those good, decent, well-paying jobs that were supporting families. Now those same people are forced to be rehired, in so many instances, at almost half the wages that they were making. And they want to talk about economic prosperity. What I say to that government across the way, through the Speaker, is: go talk to those families. Go talk to those individuals. They should go talk to them and find out how they are living now since they eliminated those positions for them, only to be rehired at half the wage.

I briefly talked about Maximus as well. This is a government that when they privatized recordkeeping of our medical records to an American company, Maximus, made our health records — our personal information — subject to the American Patriot Act. Still, to this day, they have not been able to assure this House or the people of British Columbia that those records would not be subject to the Patriot Act — because they know that they are. The chickens are going to come home to roost for the government very soon.

What we see in this document is the Premier's vision, actually, of how he's going to go about privatizing and setting up a two-tier system in our health care system. If he was honest about doing that in a proper way, he would go out and talk to people in British Columbia, professionals in British Columbia, and see how it is. Go out into the communities and talk to the health care workers, the seniors and all of the people who utilize the health care system and ask them for their advice.

He's not going to do that, hon. Speaker. He's gone over to Europe on a junket, and you know who he's taken as his expert to go with him in terms of trying to privatize and set up a two-tier system? He's taken his brother-in-law. His brother-in-law was pretty forthright in saying: "I want to steer the Premier in the right direction, because he's kind of naïve. He may be talking to the wrong people and getting the wrong advice."

What he's really saying is: he might be talking to the right people. He might be talking to the right peo-

ple and getting the right advice, saying: "Do not set up a two-tier system; do not cut up health care and sell it to the lowest bidder." He's going to be there to make sure that he's steered in the direction of privatization and, also, in terms of the two-tier health care. That's why he took his brother-in-law along when there were so many other experts that could have gone.

Where was the Minister of Health — the one person who is in charge of this multi-billion-dollar health care system? The Premier doesn't take him along. He takes his brother-in-law on this junket, on this vacation in Europe, to try to find out how he's going to come back here and privatize the health care system.

[1905]

In this document is, again, the Premier's and the Liberals' vision of how they are going to, in terms of social housing in this province, let that also be gone to the private entities. Instead of actually putting public dollars into public facilities, like this government is supposed to, they're going to shift it over into the hands of the private entities.

The fifth area I would like to concentrate on is how that government across the way continues to be in denial in terms of the social and economic hemorrhaging that is taking place in rural British Columbia as a result of their policies. They don't want to touch on those issues.

We've already talked about the IHA, how the IHA is shirking its responsibility. The Interior Health Authority was set up by this government. Anytime you talk to them, they say: "We are a corporate entity. We have to watch our dollars. When the dollars run out, services will be cancelled." That's their motto. When the people complain, IHA and other health authorities will look people in the face and say: "That's not our responsibility. Go talk to the minister. Go talk to the Premier, because we have a set number of dollars. We are a corporate entity, and we're going to manage health care like a business."

Since when was the health care of the people of British Columbia, since when was the health care of seniors in this province — who are the ones responsible for setting up this class-one health care system in the first place...? They now need it. Since when is it that they can't go to their health authorities, ask them questions and actually get answers? It's because this government set out those health authorities as buffers. Those people can't get access to health care in the way that they used to be able to in the 1990s.

We've talked briefly about aboriginal issues. Aboriginal people in this province are not benefiting from the economic wave that is taking over this entire country. They are not, because the unemployment rate on aboriginal reserves and amongst aboriginal people who live in urban centres is the highest in the province anywhere. I'd like to ask those members across the way if they have gone and talked to aboriginal people and asked them if they are benefiting from this so-called golden decade.

Transportation infrastructure is another area. We saw the Premier, we saw various cabinet ministers, and

we have seen the Minister of Transportation and Highways — every one of those members of cabinet, and backbenchers as well — going out there standing when the announcements were made in terms of the multi-billion-dollar projects announced by this government in the lower mainland — all of them in the lower mainland. You know, the Sea to Sky Highway is over a billion dollars — almost \$1.5 billion. The Gateway project is a \$3 billion project — the twinning of the Port Mann Bridge, the South Fraser road or others. Even the George Massey Tunnel project is \$2 billion.

Interjections.

Deputy Speaker: Member.

H. Lali: Again, the George Massey Tunnel project is \$2 billion. That's almost \$6 billion — all announced in the span of a couple of years, all of that going to the lower mainland.

The rest of us in rural British Columbia are still waiting for our equitable share of funding coming in for transportation projects. We can't even get, in terms of some of the rural roads, enough money to be given to the area directors so they can do some proper grading or trimming of bushes, as on the Missezula Lake Road — or even fixing potholes. We can't even get those moneys, but there are billions available if you happen to live in the lower mainland.

[1910]

This government has cut rural British Columbia loose — whether it's education, with all of those schools that have closed; whether it's health care, with 45 hospitals that were either closed or downgraded throughout British Columbia, the vast majority of them in the area north and east of Hope or in the upper Island; or whether you're talking about transportation projects, or the lack thereof.

There was a time in the 1990s when we were pushing out projects for the north and the Okanagan and the Island and everywhere.

Interjection.

Deputy Speaker: Member.

H. Lali: The biggest complaint we used to get from people was: "Could you not do these highways projects at nighttime, because it interferes with my driving?" This was a complaint we used to get every year in the late '90s from all over the province. There are hardly any projects to be seen under this government in the last five years, because they have taken all the resource money that is sent from rural British Columbia — whether it's forestry or mining or agriculture or tourism or other industries. It comes into Victoria, but we see very little of it coming back, because this government continues to discriminate against the residents of rural British Columbia.

Hon. Speaker, you know what the other thing is? When you look at all of those members on the other

side who are from rural British Columbia, not a single one of them will stand up and speak up on behalf of the people who elected them. We go out to all parts of British Columbia, and those people are speaking to us. We will continue to speak up on their behalf and raise their issues in the abrogation of responsibility by the people on the government side of the House, who refuse to do that on their behalf.

Forestry is another area. This government still continues to be in denial in terms of dealing with the pine beetle infestation. They're putting out bits and pieces of money, but they still don't even have a five- or ten-year plan to be able to deal with it. What's going to happen to communities once that pine beetle wood is gone, and there are going to be massive job losses? They should be planning now. They should be putting in an apparatus now to be able to deal with forestry communities like Lytton, Merritt, Princeton and others in my riding. But they don't do that.

In conclusion....

Interjections.

H. Lali: The members across the way love what I have to say so much that they're even cheering for me.

This government, as I mentioned, doesn't care what's happening in rural British Columbia. They don't care about what's happening to the plight of seniors, whether it's Pharmacare or lack of access. They don't care that they've closed so many of those centres for women all over the province. They'd rather put \$1.7 million into the Premier's office than provide for women's centres so they can deal with the issues.

This throne speech continues to be a document that doesn't care about those people's plights. Aboriginal people, women, immigrants who come here, the disadvantaged.... This is a government that continues not to care for those people.

What you see is continued mismanagement because of the incompetence of this government, because they don't understand the issues of people across this province. Whether it's in the way of the breach of security of sensitive information of individuals.... Seventy-seven thousand people had their information disseminated out there through auctions because this government didn't care enough to actually have somebody sit there and erase or destroy that information so it wouldn't be sold out there. This is what this government has done.

Thank you, hon. Speaker. Seeing that my time is up, I'll pick another day to go after these Liberals.

Hon. L. Reid: What an absolutely nonsensical presentation. I have seen this member in the House over the years, and that is exactly the same speech this member has given repeatedly. The world has changed, hon. member, since you were here last. The world has changed. You need to be paying attention to the issues that are truly relevant to British Columbia families today.

I can tell you it is my honour, indeed, to rise today and respond to the throne speech, because there are

issues that truly are relevant today to British Columbia families and issues that matter.

[1915]

I want to start by giving thanks to my staff. I have Jill Sinclair in the riding office of Richmond East, I have Jennifer Burnett, and I have Nancy Hintz here in Victoria — three incredible women who advance daily, hourly, the issues that matter to constituents across this province. I'm grateful, and I thank all three of them most sincerely.

In terms of why I'm passionate about the issues that I carry forward on a daily basis, I have two small children. I have a daughter Olivia, who's six, and a son who just turned two, so I live this file personally and professionally. I live the notion that this is about government creating opportunities for British Columbia families. This government has done that. We have done that in spades. There are things that matter today to working British Columbia families, which indeed will create opportunities for them as they go forward.

I want to give thanks to the constituents of Richmond East. I serve at their pleasure, and it is absolutely a joy to do so. I have done so for the past 15 years. It is vitally important to me that we begin the discussion with the overriding theme that I think this administration takes forward, and that is how we create the best opportunities for youngsters as we go forward.

I had the opportunity to hear a lovely quote the other day that talked about 10 percent to 15 percent of children going on to university. In fact, with rare exception, everyone will go to kindergarten. How we prepare youngsters in their early years matters, and will matter, over the course of their life.

The research is clear. Early brain development does determine the quality of a graduate student both at the master's and the PhD level. There are deans of education and chancellors of universities today who say that the quality of the graduate student they receive at the master's and PhD level is determined before that person turns six. That is important in terms of an investment strategy on behalf of government, and frankly, it's important on behalf of the commitment of this administration as we go forward. Whether we're talking innovation or imagination, all of those things are key players.

I was delighted to be present in this chamber when the Governor General of Canada spoke the other day. Her words, "Children...not only our future but also our present," speak to me. I do believe we all have an obligation to go forward and do the things that matter.

I wanted to share with you some words from a presentation I hosted on Friday about the creation of neighbourhood hubs in British Columbia, which is how we co-locate service that will truly matter to families. The quality of a child's early life is a critical influence on the course and outcome of that child's life. The research is clear, and we understand that. Neighbourhood hubs will look quite different from one community to the next, as different as the range of neighbourhoods around British Columbia.

Key to development of hubs is their responsiveness to local needs. Specific service mix, location and infra-

structure will depend on the nature of the community and the characteristics of its children and families. Most importantly, there is no one-size-fits-all model. In fact, to impose a common model would be detrimental to already existing community programs. The intent is to build on and support what is already working.

There are ten key components or principles. Our neighbourhood hubs include the direct provision of at least two early childhood development or family-strengthening services under the same roof. Neighbourhood hubs have relationships or connections with other early childhood development services in the community. Neighbourhood hubs include a community development component. They make use of available space in the community. Hubs can be located in community centres, schools, neighbourhood houses, libraries, public housing complexes or, occasionally, private space, and many you will find in malls. Communities will assess the existence of available and appropriate spaces as a first step.

Neighbourhood hubs are accessible. We know there are many barriers that limit the accessibility of existing early childhood development services. Some of these are affordability, lack of transportation, hours of operation, language of service and lack of information. Neighbourhood hubs evolve from local collaboration and partnerships, and they're designed to further the collaborative process, not duplicate services or create competition.

Neighbourhood hubs provide universal access to services that promote healthy early childhood development. Neighbourhood hubs are hosted by a local organization in partnership with the intersectoral coalition. Neighbourhood hub programs are based on research. Services provided in hubs are developed based on what is known about the neighbourhood and the community.

This House will have heard me speak many times about the work of Dr. Clyde Hertzman and the human early learning partnership at the University of British Columbia. The early childhood development indicator work looks at vulnerability across community and allows governments to take that information and make strategic investment decisions based on that. I do believe that we can craft fabulous public policy based on the best science of the day.

Finally, neighbourhood hubs are developed based on promising practice across early childhood development services and include quality child care spaces at their centre.

[1920]

Those are comments in terms of the ten principles of how we take forward co-location services in British Columbia for children. I speak about that because the throne speech this year is about family. Neighbourhood hubs are about family. It's how you provide service across community, across the province, that actually matters.

I can tell you that communities in British Columbia are working together to develop more integrated and comprehensive systems of care for young children and

families. This includes developing an increasing number of neighbourhood hubs. There are many challenges. Services supporting child development will often take ongoing collaboration and communication as we go forward.

There are some good examples of where it's working incredibly well, and we saw some amazing presentations on Friday by a number of people from across British Columbia. I'm just going to take a moment and tell you who they were: from Vancouver Island, from the Sooke Family Resource Society, Nina Linguanti, the executive director; a fabulous presentation from the interior, Jack Keough from Yellowhead Community Services; from the north, the College of New Caledonia, Annie Price, the program manager; from the Fraser region, Chilliwack Community Services, Pam Auffray, as the program manager; Britannia Community Centre, Vancouver Coastal, Kyle Pearce. Britannia Community Centre is 30 years old and has done some amazing work. And from Klá-how-eya Aboriginal Centre, which I know the Speaker is intimately acquainted with, Pat Mason made a glorious presentation on how best to serve families in British Columbia.

That work is underway, and that work is strong and personal to the communities of this province. It was my goal that that work continue to be delivered in ways that matter to British Columbia families.

In terms of other issues I wish to canvass today, I certainly have many aspects of the riding of Richmond East that I would wish to touch on. Certainly, the hospice in Richmond, the Richmond Rotary Salvation Army Hospice House, gives me enormous joy. It was a collaboration of many community partners over a huge number of years — 14 years with the dialogue and discussion. That ten-bed hospice is now open and has its first residents. If I might pay tribute to Capt. John Murray and Capt. Brenda Murray of the Salvation Army; to Nancy Yurkovich and Chuck Albert, one a community activist and one on behalf of the Rotary Club of Richmond; Henry Fetigan with the Rotary Club — individuals who across community said: "You know what? This is an important service for families."

There are many British Columbians who would not choose to die in hospital. For instance, they might have very young children and would not choose to die at home. This is another choice in the basket of service, something this government believes in fundamentally — that it's important to ask families what they would wish and then to provide services to an existing basket of service. It is at Alberta Road and No. 4 Road in Richmond, and it is an amazing hospice — truly an amazing hospice.

We've opened the millennium park in East Richmond, and it's an opportunity for individuals to purchase trees to honour, to celebrate births, engagements. All kinds of lovely trees are now resident in that park. It's important because it reflects community. It reflects what's important to community as we go forward.

Richmond Farmers Institute meets regularly to advance issues that are important to farmers in the riding of Richmond East. Todd May is the president this year.

Bill Jones is the secretary and has been for a number of years and has done some outstanding work in terms of viability of farming within the community of Richmond.

We are an incredibly large urban riding when it comes to farming. We have large, large cranberry production and blueberry production within ten minutes of the city of Vancouver. That urban farming brings its array of challenges that, frankly, you may not find in other ridings in British Columbia, but the people who believe in advancing the notion of what it is to be an urban farmer do so with great expertise.

We have opportunities, and we certainly had a great opportunity to bring the Finance Minister to the riding for the post-budget address. The chamber of commerce is strong. The community services are strong in the riding of Richmond East. I'm incredibly proud of that riding.

I can tell you I had the opportunity last weekend to co-chair the Canadian Women Voters Congress Women's Campaign School. I know women from both sides of the House attended and presented. Our challenge is to steward young women, women of all ages, through the process as they become more involved in understanding the nature of the process of being elected, and certainly understanding how important it is to safeguard democracy in our communities. Those things are incredibly important.

[1925]

The Canadian Women Voters Congress runs a school every year and brings in 30 or 40 women from across British Columbia and, in the last two years, women from across Canada. We've had attendees from Newfoundland last year and individuals from Ontario and Alberta this year, because they were not able to find that type of training, that type of exposure in any other jurisdiction in Canada. We have much to be proud of in terms of advancing opportunities for women as we go forward. We will certainly continue to offer those opportunities over the coming months.

I want to spend some time this evening on the library system, because I believe fundamentally in the notion of literacy. I believe it is a building block for a civilized community in terms of how we go forward.

Greg Buss is the chief librarian in Richmond, and he is a leader in his field. There are librarians the world over who come to see the Richmond Public Library system operational. He has created a sense of comfort, a sense of warmth in those libraries second to none. People are spending time there. They're enjoying themselves there. They're bringing their families there. They're bringing their extended families there.

It's not: go in, check out a book and leave. It's an opportunity to spend some quality time in an environment that is very conducive to early language and literacy training for youngsters. You will see babies and toddler story time programs there. You will see grandparents of all ages learning how to read stories to children. All of those pieces of the puzzle are incredibly important. So to Greg Buss, his staff and his colleagues: my highest accolades.

It's important that we see libraries as building blocks of communities, because they're important to families. That's what this throne speech is about — how we serve families.

The Children First initiative in Richmond, led by Helen Davidson. It's an opportunity to collaborate, to make coherent decisions across the community.

One of the bigger challenges — no question — in the community is the opportunity to integrate information, integrate service delivery. Those things will be challenges unless there are people who are prepared to work diligently to ensure that the right players are in the right places communicating the right information and, frankly, avoiding the duplication that we often see in service delivery across this province and across many jurisdictions in Canada. So that level of expertise is there — that level of interest, that level of dynamism, if you will.

I also want to spend a few minutes this evening on the British Columbia Youth Parliament. I had the absolute privilege to be a member of that organization many moons ago. When I was 16 years of age, I began. It was at that point that it changed over from being the Older Boys Parliament in British Columbia. One of its first individuals was Walter S. Owen back in 1923-1924. When I was 16, it was becoming the British Columbia Youth Parliament, having been for countless years the Older Boys Parliament in British Columbia, which was part of a movement across Canada to introduce young men to what it was to preserve a democracy, to be elected, to give back to community.

I raise it because there is now an endowment fund at the Victoria Foundation, for the sole use of the British Columbia Youth Parliament, to assist in bringing young people from across British Columbia to Victoria each Christmas, from December 27 to 31. Many of my colleagues in this chamber have come and presented greetings, brought greetings, to the young people who sit in these very seats during that five-day period each Christmas.

The dollar value required to bring them from every corner of British Columbia, to have 79 or 89 members occupy these seats.... Frankly, many are seated in the back row as they go forward. To have that opportunity in place for them is an expensive undertaking, so if anyone has any desire to continue to support the British Columbia Youth Parliament, I would welcome that. The Victoria Foundation would welcome your contribution. I believe it's important that we take some time, take some care with those who will come after us. It's vitally important that we ensure that the sense of what it is to steward a democracy is well understood and is valued.

I have had this conversation with many colleagues in terms of how we go forward to ensure that this, the practice of governing, is once again considered to be a profession in the province of British Columbia and that it is, frankly, done in a professional way. We are doing our absolute best on this side of the chamber to ensure that that happens and that that behaviour is modelled for the young people who will come after us — because it's incredibly important.

This is an educational opportunity second to none, hon. Speaker, when I speak of the British Columbia Youth Parliament, and we have to ensure that that work continues.

Many of you know Val Anderson, who served for many years in this chamber as the member for Vancouver-Langara. He's a great guy. Indeed, he was a member of the Saskatchewan Older Boys Parliament, and many individuals will recall that he spoke often of those experiences and why that was important to him. I'm pleased to tell this chamber, as well, that he's recovering and hopefully will be visiting with us fairly soon.

[1930]

In terms of the other things that are important, certainly families are important, and young people are important. But they all do better if they're supported by an effective government and an effective, bubbling economy in British Columbia. We have that today. We have the opportunity for individuals to have aspirations, to realize their dreams, to look out for their families. This is about creating sustainability and resilience and, frankly, some decision-making abilities as we go forward.

I was a teacher for lots of years. What I wanted for my students.... In terms of being informed decision-makers, seeing both sides of a question — those are the skills I want for my children as we go forward. I want them to be participating members of a democracy. We're educating citizens in British Columbia. What is it we expect as we go forward, and how is it that all of those pieces can fold together to ensure that we have those things in place that are going to matter to British Columbia? It's vitally important.

As I speak tonight and as I give you my thoughts on where I think the world might be.... I certainly have spent some time in the British Columbia Youth Parliaments, I've spent some time on the Canadian Women Voters Congress, and I would spend hours on programs that support young people in British Columbia. It's the passion for this side of the House. We truly believe that it is important in terms of how we look out for those who will come after us. Certainly I stood in this chamber many years back and talked about a situation where the budget wasn't balanced, where there was enormous debt and deficit unfolding. At that point I was talking about the dollars that would accrue to my child, and she was at that point brand-new — a few weeks old.

It's not a legacy I wish to leave for my children, frankly, or for anybody's child in the province. If we're indeed going to do the things that are required, that are important for us, it has to be because the economy is solid and there is a base that people are understanding to be vitally important for the future of this province. All of that work has to matter in the lives of individuals who work incredibly hard every single day. All of us have those individuals in our constituencies who work incredibly hard to care for their families, to build a sense of community, to understand what it is to have a sense of community.

We have some fabulous programs underway in British Columbia, legacies now where we will actually see pools and community centres built. We will see opportunities for people to have recreation, leisure and enjoyment with their families, because it's important. It is important that they have some opportunities, as we go forward, that matter in the lives of families in British Columbia.

I want very much to share with you a lovely quote that one of the individuals in Friday's discussion — Jack Keough, who is the executive director of Yellowhead Community Services in Clearwater — shared with me, and it is: "Brighten the light where you stand." What it means to me is that it's time for people to find some joy in the accomplishments and the opportunities that this government has placed before British Columbians. The constant lament that the sky is falling, the constant lament "woe is me," is frankly not an issue — an opportunity that is anything other than incredibly narrow.

There are some great opportunities in the province today. There is some wondrous work underway. Each of us, if we were to take that quote and understand how it plays out in provinces, how it plays out in communities, how it plays out as the country of Canada.... What is it we want people to understand about this province? That we're builders, that we're thinkers, that we have imagination and innovation which we're prepared to take forward and fight fiercely for what we believe in. All of those things matter.

I'm particularly proud of the relationship we have with the federal government today. I want very much for us to build a relationship that lasts, that's long term. It's not a concept that's understood at all by the members opposite. Yet when I look back on the ten years that their party was in government, their relationship with the federal government was nothing short of dismal.

Interjection.

Hon. L. Reid: The hon. member smiles. He was leading that dismal charge for many years.

Hon. K. Falcon: Embarrassing.

Hon. L. Reid: It was embarrassing. It was an affront to this province, and it frankly did not put us in the best possible light. So when the members opposite smile about that, I can tell you that I was not for a moment proud that they represented our province in that way.

An Hon. Member: Nonsense.

Hon. L. Reid: It was absolutely nonsense, because it was an affront to thinking people in British Columbia. It's important that we understand that this is about the successes this administration has had in terms of federal-provincial relations. There have been some community and some city discussions. There have been

some aboriginal discussions that have proven fruitful for the province, which we will deliver on. That matters. It absolutely matters. How we go forward, how we create professional, ongoing relationships — this is about, in my instance, the future of a child.

[1935]

We're building a system over the long term. We're intending to solidify the base in British Columbia over the long term. All of those things are vitally important, and all of those things are issues that I think this government, this administration, is well suited to pursue, because it's a professional administration. It's a government which understands governing. It is about the legacy we will leave, and we will leave this province far better than we found it.

It will be and continue to be in first place in the country in terms of attracting people, in terms of being the best place to raise a family. People choose this province for the simple reason that this is an amazing place to reside, to work, to raise your children. People choose British Columbia.

Members opposite suggest they wouldn't choose this province. Well, the reality is that they choose to seek public office here. They, in fact, have made that choice, and their obligation is to ensure that this province is going forward. The negativity that emanates from those benches — why they think that's the least bit helpful — is astonishing. Brighten the light where you stand, hon. member.

It's important that we understand that this is a province worth fighting for, and I'm going to fight for it every single day. I'm going to take that message forward every single day: that the province matters, the people matter, the families matter, and the babies in this province matter.

There are 42,000 babies born each year in this province — 42,000 people, future citizens of British Columbia. Their families chose this province. Many choose this province. Many come from other lands and from other provinces to reside in British Columbia, because they believe it's about hope and opportunity. They believe it's about their family.

I am on their side. I am there to support them as they serve their families, because I believe it's fundamentally important. That is the message I leave with you tonight. That is the message that I think we take forward as a government. It is strongly advocating for British Columbia, for what we believe in. We have much to be proud of.

A. Dix: I must say that I find it surprising that members opposite think there are good British Columbians who believe in the province, as the minister just suggested, and ones that don't believe in the province, who aren't here to help British Columbia. In fact, I think all members on both sides of the House are here because they believe in the province. They want to represent the province. They want to make the province a better place to be.

I don't think, beyond all the criticisms we can have.... We can have real differences on substantive

issues — we do all the time — but I don't suggest for a moment, as the minister just did, that people on that side of the House don't have something legitimate to say and don't have a right to say it. I find it really remarkable and sad that members on that side of the House don't seem to feel the same way.

[S. Hawkins in the chair.]

The minister spoke about "the passion for this side of the House" for children while she was in the cabinet room. I don't doubt that. I know she's worked on lots of issues related to children. But she was in the cabinet room, people were in the cabinet room, when they made the real choice to eliminate the child care program in British Columbia in the last four years — and we have every right to raise that — and to cut the Ministry of Children and Families by 23 percent. We have every right to raise that and to raise the issues and the consequences of those terrible decisions.

They decided that it was a good thing to eliminate the children's commissioner. They decided that to save money, and we have every right to raise this issue, because we believe in a different vision of that. They eliminated the child advocate, and they believed in that. They believe that in spite of the fact that at-risk children have no voice in society — they're the most voiceless people in society — they would remove that voice. They made that decision. We disagree with that. These are real debates we should have.

It's not about good British Columbians and bad British Columbians. It's about people of good faith disagreeing and discussing issues. It's about democracy. I think, as I approach this throne speech, that that's how I approach it. That's how I think that we as a province should respond.

[1940]

So we have a throne speech. It's the second throne speech delivered since all of us were all of us were elected last May, and in my view, it's a throne speech without vision. It's a throne speech that really shows a lack of commitment by the government to the themes they raised in their throne speech in September. Those themes, those arguments, those things that were fundamental questions that they thought were really important in September were hardly taken up in February. It is gnat-like in its attention span.

I think that's a problem, because they're real issues. If you believe in the fundamental problems that are facing seniors.... There are very significant problems facing seniors in our province. I don't think anyone thinks that this was a six-month project. If you want to build a new relationship with aboriginal people, I don't think anyone thinks that one-time funding is going to do that, and one throne speech. I think what you need, hon. Speaker, is more commitment to addressing some fundamental problems in society.

It is clear that when they decided in the throne speech that health care was going to be the priority, they didn't deliver that message in the budget. Health care wasn't a fundamental priority put forward in the

budget. We have a government that seems to change weekly depending on its communications demands and its position, and I think that's unfortunate.

Let me speak a little bit about health care in the budget. You know, I think the government does express a vision for health care in the budget, but it's not a vision that I support. I don't think it's the right course. Indeed, it's a vision of privatization. It's a vision of what the government calls transformative change. What the Premier has done is focused on the one part of our health care system that works exceptionally well — that is, our public model, our single-payer model.

That is an extraordinarily efficient model. You don't have to look far from here. You only have to make the comparison with the United States to see that. We have a health care system that is remarkably efficient. Remember, in the United States, with a plethora of private and public plans and mixes — this and that and the other thing — a private system, which is really the vision that the government has put forward in this throne speech.... Each citizen in the United States, each citizen per capita, spends \$1,200 a year on health care administration in a system where 37 million Americans are not covered at all. There are a further 14 million Americans who pay more than 25 percent of their gross income on health care premium coverage.

That is why we have to focus, I think, on improving and supporting our public system in Canada. Instead, we have a Premier focused on the privatization of that system, the limitation and contraction of the public system — a public system that works remarkably efficiently, and has done, for Canadians; a public system that is fundamentally, beyond everything else, ethically coherent because it provides care to people who need care.

I think it was said when we were discussing the budget that all of us in our lives face the risk that without public insurance, without a system that covers us, no matter how wealthy we are, no matter how successful we are in life, we can face a catastrophic medical problem that will not only affect us financially in the short run but affect fundamentally our ability to pay for health care and to maintain good health in the long run.

That's why we have a system that says that no matter how much you make, no matter who you are, whether you're the Solicitor General or an opposition MLA or an HEU worker or a small business person, it doesn't matter. There's one line, because this is about health care. This is about public health. It's not a private need; it's a public need. It's fundamental to our system, and this government has decided — wrongly, in my view — to go in another direction, to explore another direction. In my view, anyway, that's the wrong course.

I know that the Minister of State for Childcare thinks that people who defend our public system of health care and oppose this government's vision for the future of inequality in health care, of more expensive health care — who oppose that and believe that the results of the Romanow health care report, which this government has ignored, are the right approach — are

somehow bad British Columbians. I don't think so, because that would suggest....

[1945]

Interjection.

A. Dix: That's what she said.

It's just people of good faith disagreeing. That's what it is. It's not being negative. It is defending a point of view.

Interjections.

Deputy Speaker: Order, members.

A. Dix: I think that on the issue of health care, on the issue of what the government calls transformative change in health care, there is a fundamental disagreement. I have to say that I believe the future of health care, the positive future of health care, lies not in the government's approach, which is contraction of the public system, but in the expansion of the public system. I think that is where the savings are found.

You can see it in all the examples we see, be it Pharmacare — and the Minister of Health is here — or others. We had the most expansive prescription drug coverage in Canada. They cut it back, but it's still the most expansive in Canada. In terms of a percentage of total pharmaceutical experiences, they cut it back with what they call their Fair Pharmacare program.

The fact of the matter is that the reason why British Columbians spend more overall on prescription drugs than any other province is that we've got the broadest public system. That allows us to make efficiencies. I think members of this House — it wasn't me; it was members of the B.C. Liberal caucus and committees — recognized the capacity of the public system on the Pharmacare question to reduce costs. I think this reduces overall costs. When you need to take a prescription drug, that ought not to be a choice. That ought to be what you receive. The total expenditure on health care isn't a choice that people have. It's what they need to maintain their good health and life.

We have a system, a more public system that's more efficient, and I think the entire direction of the government in this area is the wrong course. They need to pick up the Romanow report, which they tossed away and didn't look at. They need to pick it up and see a more imaginative, more public, more positive approach to health care than is contained in this throne speech.

The Minister of State for Child Care also talked about the relationship with the federal government. One of the issues in my constituency, which is hugely important on a daily basis to families and to children, is child care. Now, this was the government, of course, that got rid of the child care program — eliminated provincial funding for child care in spite of the fact that they have a passion for it on that side of the House. Recently we have a federal government that is withdrawing from the field in that regard, and this provin-

cial government has failed to make, I think, the case for those changes.

I'm telling you that in my community, child care is an important and fundamental question. When I was campaigning across my riding — and I know other members had this experience as well — I'd go door to door to door, and I would frequently find children at home alone. It is a profoundly disturbing prospect for many, because in my community anyway, people are having to work harder and harder, longer and longer, more and more jobs. That is the reality in my community. Partly it is because costs in the city of Vancouver for many people have gone up significantly, especially housing costs. We know that.

We have a situation where more and more parents need child care, and we have a government that has — and we see it again here in the throne speech — consistently not valued child care and has not made it a priority. I think they're wrong. When you're talking about investing in the future, not providing adequate child care to children in my constituency and across the province is simply the wrong course.

The throne speech talks a lot about the future. It talks about transformative change. It talks about the big issues of the future. I think it says that to not address those big issues of the future would be negligent, that to not address those questions at all would show a lack of vision. Yet there are issues out there — and the member for Vancouver-Hastings knows this well — that the government failed to address at all in its throne speech.

[1950]

One of those issues, as we all know, is climate change. It's an issue that they simply did not address. What are people saying? What are the experts saying? What are biologists and scientists saying about climate change? I'll refer to John Smol of Queen's University, who says today: "People have still not caught on to how serious it is. I believe climatic warming is by far the most serious issue we should be thinking about, over terrorism and over all the other things that make headlines."

You would think that in a province as committed to the environment as British Columbia, a province where environmental values — and these aren't partisan values; these are broad environmental values in our society — are so profoundly supported across the society, an issue such as climate change, which will affect every part of our life.... It'll affect the economy. It'll affect health care and public health. It'll affect every element of our way of life. Our capacity to live in cities, never mind just.... All of those things will be affected. It's an issue which expert after expert would tell the government is surely one of the most important issues, if you're looking forward to the future, to address.

We have a throne speech in British Columbia, and there's nothing — nothing on the environment and certainly nothing on climate change. I think that this is a serious mistake. It's a serious mistake that our society — not in the long run.... We're not talking now in terms of the effect of climate change 50 years away; we're talking in a much more immediate period of its

effect on all of us. Yet we have a government talking about the future and not addressing those fundamental issues. Indeed, they've gone, in terms of attention span, from gnats on climate change to ostriches — heads in the sand. I think we're living in an age, surely, where we all have to get together beyond partisan stripes and address issues of climate change.

We've talked about the issue, and the minister talked about the issue, of debt and into the future. This is also something into the future that we owe our children. We owe it to our children to deal now with the issue of climate change. We owe it to our children now to provide adequate funding for transit. We owe it to children now on every project to look at its consequences for the environment, not just when it's convenient to our political message, but always, on every single project. We have a government opposite which has a throne speech that purports to be about the future and doesn't address the issue of climate change at all.

Speaking of the issues of the previous throne speech, the September throne speech.... It seems like throne speeches have come back to back and very close together here. In the previous throne speech there was a lot of talk of parliamentary reform. Now in this session we have, for example, the government putting forward an agriculture committee that is supposed to address future agricultural policy in Canada. It will be funded by the government. Activities will go around the province. The government has decided — in spite of the results of the election, in spite of the fact that a majority of people in the province didn't vote for the government in the election — that this committee, which deals with an important industry that means something for people across British Columbia, should be made up only of government members.

The commitment to parliamentary reform that was so much a part of the throne speech.... It was moving. Some of the best moments we've had together on both sides of the House in this Legislature since the past election were about issues of parliamentary reform and trying to change the nature and the debate around those issues. What happened? How long did it take? It took six months for the government to say: "This agriculture issue is difficult for us. We don't want to have an open debate. We want to hide the debate. We want it to be like the mining report earlier" — which the member from West Vancouver tabled, and then they hid — "That's what we want."

Instead of having an important public debate which involves everyone in the province, they say: "Well, there are only some people in the province that should be allowed to be part of the debate." That's not the attitude towards parliamentary reform. It shows, I think, a lack of commitment to the very positive changes that were made in the last throne speech.

An Hon. Member: Transformative change.

A. Dix: It's transformative change. It's just change again. It's a lack of commitment. It's a lack of follow-through on the part of the government.

Deputy Speaker: Members, I'm going to respectfully remind members again that they should be sitting in their own seats if they're going to make comments.

A. Dix: Finally, I want to talk a little bit about something that means a lot in my constituency. It's something that I don't think the government has shown enough respect for, and that is the value of work.

[1955]

In my constituency we have 1,500 Hospital Employees Union members and many more who work in health care facilities that are now non-unionized. This government, giving everyone else who works in the health care a raise, targeted those workers for specific punishment. It's not surprising.

One of the challenges.... You see it not just in the hospital sector; you see it in the sector I work in. I'm the critic for Children and Family Development, as members may know. You see it in the community living sector, where I'm working now. In the community living sector, you'll see and you're going to see a dramatic growth in demand over the coming decades — a dramatic need for more people particularly to support adults with developmental disabilities. Why? Well, partly social and medical changes. People with developmental disabilities, happily, are living longer. I've met many of them, and I know members opposite do in their communities, working with community living groups.

We have many parents today, whom I've met, who have supported their children all their lives, in their homes. They've made sacrifices in their lives that are unimaginable and now are unable to give more because they themselves are getting older. It's a sector where there's going to be more and more demand for personnel.

This government acted to reduce the salaries of community care workers in that sector to \$13 an hour, and there's a shortage. By the way, that requires two years' training at a community college — \$13 an hour. They devalued that work.

They devalued the work of hospital workers. They have devalued the trades by getting rid of the system of apprenticeship and replacing it with a narrowing of education for tradespeople. They've taken away people's capacity to earn a living, to earn their future and to live their lives. They've taken away their independence. The value of that work has been diminished by government policy, by not valuing apprenticeship, by not valuing training. They have had the effect of devaluing work.

One of the things that people in my community know is that it's not just stockbrokers and doctors and lawyers who work hard and deserve to be remunerated. It is people who do valuable work in our hospitals, in our schools, who build things. They deserve to be remunerated and supported too.

We have a government that has systematically over a period of years not valued work. The consequences are serious, not just for them. The situation that has

developed is unsustainable. There's been lots of talk of a skills shortage, but in fact, there's a skills shortage growing in our hospitals. There's a skills shortage growing across the province.

You know, when the government cuts standards for farmworkers — which they did — when they actually weakened child labour laws, when they brought back 19th-century hours of work laws in the farm communities, what happened? There was a labour shortage. When they got rid of apprenticeship training standards and cut apprenticeship training, what happened? There was a shortage. There is going to be a shortage across these sectors.

Even this government's commitment to devaluing manual labour runs afoul sometimes of the market. That's what's happening. You cannot continue to devalue the work that people do — that people do with those with developmental disabilities, people do in hospitals. You can't continue to devalue that work over time and not face serious consequences in the society. We, as a society, are only starting to feel the effects of those consequences.

This throne speech is extraordinarily disappointing. It's a throne speech that I think fails to address the future, fails to address the fundamental issues of the future.

I want to end with this. The minister who preceded me, the Minister of State for Childcare... I have known the minister for many years, and I know she works very hard. She's very committed to her point of view. But as I said, I think the government has failed children in particular.

I think it may happen sooner rather than later that the members on this side will be on that side. I hope that when the members on this side are on that side and we read a report — not a report done by the opposition, not a report based on information produced by what they would describe as left-wing groups that shouldn't be listened to — based on Statistics Canada data that says that this province has the highest rate of child poverty in Canada, amidst plenty... One in four children in this province lives below the poverty line.

[2000]

Can you imagine, hon. Speaker, writing a throne speech that fails to address child poverty at all, that fails to address homelessness at all, that fails indeed to even acknowledge the problems that families — mothers, fathers and children — are facing every day?

This was the government that put in waiting periods to get access to income assistance, even when you meet all the criteria. There's a waiting period to deny people access to income assistance. People have nothing, they go in, and it's a very difficult process. Anyone who has been in an office knows that it's a very difficult process, a very hard process for people. They've put in a waiting period for people who legally should be allowed to get income assistance. They've put in a waiting period to deny them the right to have that. For three weeks people have to do something. They have to somehow find income on the street. That's wrong. That's something that should disappear. Certainly, at least in a time of surplus, that should disappear.

When people read and find reports that say that child poverty is the highest in Canada... This is a government that cut income assistance for single mothers and that put limits on single mothers. The consequences of that may be serious indeed for those single mothers, but it's particularly serious for their children. Now would be the time, surely, when a government that's looking at what's going on in our society and recognizing what's going on in our society, would respond and say: "This is a crisis. We as a society have to get together and deal with this crisis." Instead, we have a government that completely ignored those issues in its throne speech.

[Mr. Speaker in the chair.]

Let me say, finally, that I think a real commitment to children deserves more than what the government has given. A real commitment to children would see action on class size and class composition. A real commitment to children would respond to the real challenges that women and men are having with our income assistance system. A real commitment to children would be to implement a provincewide child care program in British Columbia.

Those are the elements of a real commitment to children. We haven't seen it from this government over the past four years. The consequences of their failure, of their lack of vision, of their lack of commitment to children, of their decisions in 2002, 2003 and 2004 to focus cuts on children who could not respond, was a serious mistake.

Together, on both sides of the House, I hope that over the next four years we can start to respond to some of these questions, these real issues of child poverty which deny access to equality of opportunity to thousands and thousands of British Columbia children. I hope that together we will be able to respond to that. I hope that together, over the next four years, we can come together and respond to the real crisis of climate change in our society. I hope that we will be able to come together to expand our public health care system so that the next generation of British Columbians can enjoy the access to health care that I have received and that others in my generation have received in our lifetime.

Hon. S. Bond: It is my pleasure tonight to be able to stand and speak passionately and enthusiastically in support of the throne speech. I want to start by saying thank you — which is, I think, one of the most important things we need to do in this House — to the people who support us when we're here in the Legislature, who work with us and beside us; and to our families, who put up with us and are patient with the lifestyle that we have to live with, with the jobs that we take on. Tonight I want to begin by expressing my gratitude to the people that I work with, both here and in Victoria, but most importantly, I want to say thank you to the people of Prince George–Mount Robson for giving me the honour and privilege of being their representative here in Victoria.

I also think it's essential today, on International Women's Day, that we respect and reflect on the progress that has been made not just in Canada and British Columbia but around the world as women gather together today to continue to look at the progress that's been made, to assess the gaps and, indeed, to look at what future steps are necessary to ensure that women have their place in every single workplace, whether it's in the home, at work, in institutions or in policy-making positions. We know that much has been accomplished and that much is yet to be done.

[2005]

It was interesting, Mr. Speaker. I received an e-mail earlier today from my daughter, who happens to be doing some work in Jiangdu in China. She was ecstatic about the celebration of International Women's Day in China today. I so look forward, actually, to hearing later from her about the way it was celebrated, not just here in British Columbia but, in fact, around the globe.

We have a responsibility in this House to talk about leadership. As I've sat and listened for the last number of weeks, as we've talked about both throne and budget speeches in this House, I have been utterly astounded by the comments made by the members opposite. When you think about....

Earlier one of the members opposite used the words "message box" and said: "The members on the government side are in the message box." Let me describe for you the message box from the other side of the House. We've heard nothing but doom, gloom, secret agendas, negativism. If we listen to that message box, what hope do the people of British Columbia possibly have? They have none, because the members opposite would simply wish to look to the past, and that's not good enough.

We've stood up, and we've said that the status quo is not acceptable for the people of British Columbia. It is not good enough for the children of British Columbia. It is not good enough for the seniors of British Columbia. And we're going to make sure that we look forward in this province. We're not interested in looking back.

You see, Mr. Speaker, leadership — real leadership — is actually about thinking outside the box. It's thinking about and having the courage, in fact, to try something new. Imagine that. Let's look at new ways of delivering service in British Columbia. Why is that so frightening to the members opposite? Let me tell you this. Leadership is not fearing the unknown. In fact, it is being open to hearing different points of view. It's looking out for the best interests of the people you lead, and it is being pragmatic in your approach.

This throne speech tackles some very difficult questions, and in fact, it should. It is time that in British Columbia we stood up and asked the questions that we should have been asking for decades in this province. You can't keep doing things the same way forever and expect to get better results. It doesn't work that way, and we're not prepared to settle for anything but the best in British Columbia.

I want to just reflect on some of the comments that were made by the member for Yale-Lillooet. I have to

do it. I simply have to. The member for Yale-Lillooet used the word "denial" a number of times — more than once — and suggested that perhaps this side of the House was in denial.

Mr. Speaker, I can assure you that this side of the House is not in denial. In fact, my concern is that it seems we want to erase history. We want to simply pretend that a decade didn't happen, and we want to not actually recognize the situation that we inherited when this government took office.

Let me just remind you. Let's go back and have a little look here. We're going to spend a little time talking about where we've been and where we are today, and maybe — just maybe — we'll get a chance to look to the future of British Columbia with a positive and hopeful attitude.

British Columbia had the worst economic growth in Canada under the previous government. Where are we now? We are the top national performer, and that's expected to continue at least until 2010.

[2010]

Let's just look at the facts. We don't want to make surprises or suggestions. Let's just look at the facts. We were last — dead last — in investment and job growth. Where are we today? We lead the country, and we have the lowest unemployment rate in 30 years. Let's talk about who's in denial now.

Average take-home pay for families went down by \$1,738, and 50,000 British Columbians left this province. Guess what? They're coming back to British Columbia because they've seen the changes.

Let's talk about budgets. How in the world can anyone on the other side stand up and talk about cuts to health care and cuts to education? It's simply not the facts. Let's look at this. What we have done in health care: 9.7 billion more dollars. That's a cut? Let's talk about education. Let's talk about education funding: the highest education budget in history in this province. How is that a cut?

The members opposite. Let's listen to the rest of the record that apparently they want to be in denial.

An Hon. Member: Is this the record from the '90s?

Hon. S. Bond: It is. It is the record of the '90s: eight consecutive deficits and doubling the province's debt; countless missed budgets and two fudge-it budgets; two credit rating downgrades.

What happened under our mandate? We had our double-A credit rating supported, and what did they say? They said there was a larger surplus than expected, there was more budget transparency than they've ever seen, and also, it was because of strong fiscal management.

Let's just keep looking at the list, because we want to get the facts on the record tonight. We want to talk about the past in this province. We're not in denial. We had a decade where we saw 3,000 hospital beds close. We saw a government that actually announced a \$125 million mental health care plan, and they didn't fund it. How is that good for the people of British Columbia?

They built a tower at Vancouver General Hospital, and they left it empty for years.

Let's talk about the need for medical professionals in this province. Let's talk about what happened. In fact, the members opposite, when they were in government, cut 1,600 nursing positions, and we wonder why we're having a challenge getting nurses? Not one additional physician training spot was added in that province — not one. Let me tell you this: not only have we added thousands of nursing spaces; we actually have medical programs outside the lower mainland of British Columbia. Imagine that — in the northern part of the province.

The member for Yale-Lillooet stands up and says we didn't pay attention to other parts of the province. Let me tell you, in my riding and those of my colleagues from Prince George-Omineca and Prince George North, we actually are training doctors closer to home in Prince George, at the University of Northern British Columbia. When we look across the province, we will almost double the number of physicians trained in this province. That's progress, and that's moving forward.

When we think about resources, when we talk about what this province looked like — and we talk about that day after day; we listen to it from the negativity on the other side of the House — let's look at this: 13,000 forest jobs were lost, and the Forest Practices Code increased costs by billions of dollars. And let's talk about the pine beetle. We hear all about the pine beetle and the fact that we need a strategy. Well, you know what? We have a strategy. What happened when the members opposite were in government? The pine beetle munched its way across the province while they sat there and did absolutely nothing.

[2015]

And what about mining, Mr. Speaker? You know what? We can stand on this side of the House today and say mining is offering British Columbians high-paying, sustainable jobs that will help their families from now into the future. What happened in that decade? We drove mining companies out of this province. We lost jobs, and they sat and did absolutely nothing about that. We're proud of bringing mining back to British Columbia, and we're going to continue.

So if we want to talk about negative, if we want to talk about what was bad in British Columbia, if we want to look back, I can tell you what. The people of this province must have been feeling pretty concerned when they thought about what happened in this province during a decade where British Columbia — the place we love, the place that is the best place on earth to work and to live and to learn....

Interjections.

Hon. S. Bond: Mr. Speaker, I don't know about you, but I can tell you this. Standing here today, when we hear the comments coming from across the other side of the House about, you know, there's no vision, there's no plan, there's no strategy.... Let me tell you this.

Interjections.

Hon. S. Bond: Let me tell you this. We, on the other hand, did not drive this province to have-not status. That is shameful, and that is the record of the members opposite.

We've had members tonight talk about a new relationship with the first nations people in this province. You know, comments were made like: "It's more than one-time money." Of course it is. It's about people. It's about recognizing the needs and the gaps. The gaps didn't start to be created overnight. It's been years — years — since the first nations people of British Columbia had the respect and the honour and the ability to participate in a meaningful way in this economy.

I'm proud of the fact that we have agreements-in-principle, we're going to work to treaties in this province, and we're going to deal with the aboriginal education gap. Since we've been in government, when we've talked about the plans and the progress for aboriginal people.... Aboriginal education completion rates are at the highest level ever in this province. But is that good enough? No, it's not.

We are going to work with first nations people in this province. We are proud of the new relationship. We are going to continue to move forward, to make sure that aboriginal people in this province have the same opportunities that every non-aboriginal person does. We're committed to that.

Where were they in the '90s? There was no progress. We are committed to having a respectful, appropriate and important relationship with first nations people. That's what we're going to do, and we're proud of that. You know, the last speaker...

Interjections.

Mr. Speaker: Members.

Hon. S. Bond: ...the member for Vancouver-Kingsway, got up and talked about apprenticeship in this province and the fact that we've devalued people. Tell that to the 375 incredible students in this province who....

Interjections.

Hon. S. Bond: Let's listen. A record number of secondary school apprenticeship scholarships handed out by this government just this week — 375. Young men and women across this province are turning to the trades today for the first time in a very long time. They're taking programs like secondary school apprenticeship, like ACE IT, like YES 2 IT. The biggest challenge we have is that, as a matter of fact, the economy in the 1990s drove our young people out of this province. We're going to train them, we're going to keep them here, and we're going to make sure they have jobs long into the future.

[2020]

You know, it's easy to stand up on the other side and say: "What is the path? Where is the future?" Well,

let's just remember where we've come from. We've come from being dead last in the 1990s to being the top, to restoring this province to the place of pride that we were.

I heard the last member to speak say: "We believe in British Columbia." Well, you know what, Mr. Speaker? You certainly wouldn't get that message from the kind of negativity and doom and gloom we've been hearing from speaker after speaker after speaker.

I live in northern British Columbia. We've heard a lot about rural B.C. I want you to know this: infrastructure spending — for example, on highways in our part of the province — is in the millions of dollars, Mr. Speaker. We are making a difference.

It's funny, because the members opposite get a little sensitive when we start talking about the history of this province. We've had to work hard with the people of British Columbia to restore this province to the place it deserves. I can tell you that the throne speech provides a road map for this province. We have a plan.

As we look at moving toward a vote on the throne speech, let's just ask ourselves what the members opposite are going to vote against. We've just had comments about the importance of a public health care system. Let's just see what the members opposite were going to vote in favour of enthusiastically. I'm thinking the members opposite may not support this, but let's listen to what the throne speech actually says about the Canada Health Act: "The Canada Health Act needs to be updated — not made weaker — but to make it stronger and consistent with its original vision and intent...."

Interjections.

Hon. S. Bond: Wait. It says we're going to preserve public health care for all Canadians. How can they vote against it? Let's wait and see. I guess they're going to vote....

Interjections.

Hon. S. Bond: Listen, Mr. Speaker. In the throne speech...

Interjections.

Mr. Speaker: Members.

Hon. S. Bond: ...we talk about the issue of dementia. We're going to create the Pacific Alzheimer Research Foundation to actually look at how we improve the lives of those people afflicted with Alzheimer's and their families. How can they vote against it? Let's look and see.

Let's talk about the Fair Pharmacare program. We are the only province that has a zero deductible for drug coverage for low-income earners not on income assistance. Apparently, they're going to vote against that too.

The throne speech says: "Half of every new dollar available in the next four years has been budgeted to provide health care providers and other public sector workers with new wage and benefit increases." Apparently, they're going to vote against it.

The throne speech promises that we're going to look at improving British Columbians' health through healthy living, physical fitness and nutritious eating. Apparently, the members opposite don't think that's a good idea either.

What about the agriculture plan? The throne speech tells us that we want to encourage our B.C. farmers to come forward and bring proposals for bringing produce into B.C. schools. Apparently, they're against the fact that the Premier and the Minister of Education are going to go and talk to British Columbians about what's important about public education. Apparently, they're against that too.

Let's talk about the Industry Training Authority. We're going to expand trades training and apprenticeships even further. New initiatives will be launched, but they're against that too. What about the Pacific gateway strategy? The Pacific gateway is about opening up this province to new trade, to new investment and to new opportunity. It's about opening up the ports. Apparently, they're against that too.

[2025]

Let's talk about four key challenges that our throne speech says we're going to make a difference in: the area of improving services to children and families, the need to combat drug abuse and crime, the need to forge a new relationship with first nations and the need to provide new options for housing. They're against it all.

It is time that we actually stand up....

Interjections.

Mr. Speaker: Members.

Hon. S. Bond: Mr. Speaker, there's a little bit of sensitivity, because I know there is a little discomfort about voting against supporting the Canada Health Act and industry training. I can tell you this: British Columbia is looking forward to a fantastic decade. Mr. Speaker, I can assure you of this: the status quo is not acceptable for British Columbia. It's not good enough for our children.

I can assure you of this: we are going to work together as a team, we are going to continue to use a strategy and plan that we have in place, and we're going to make sure that British Columbia stays in the place of prominence it deserves in this country. We deserve it. Our people, constituents and families deserve it. We're committed to it, Mr. Speaker, and I can assure you that we will enthusiastically support the throne speech.

Interjections.

Mr. Speaker: Members.

Hon. M. de Jong: Call the question.

Mr. Speaker: The question is Address in Reply to the Speech from the Throne, which reads as follows:

[We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of British Columbia in session assembled, beg leave to thank Your Honour for the gracious speech which Your Honour has addressed to us at the opening of the present session.]

[2030]

Motion approved on the following division:

YEAS — 38

Falcon	Reid	Chong
Christensen	Les	Richmond
Bell	van Dongen	Roddick
Hayer	Lee	Jarvis
Nuraney	Whittred	Horning
Cantelon	Thorpe	Oppal
de Jong	Taylor	Bond
Hansen	Abbott	Penner
Coleman	Hogg	Hawkins
Krueger	Lekstrom	Mayencourt
Polak	Hawes	Yap
Bloy	MacKay	Black
McIntyre		Rustad

NAYS — 27

S. Simpson	Evans	Fleming
Farnworth	Kwan	Brar
B. Simpson	Cubberley	Hammell
Coons	Simons	Puchmayr
Gentner	Fraser	Horgan
Lali	Dix	Trevena
Bains	Karagianis	Ralston
Austin	Chudnovsky	Chouhan
Sather	Macdonald	Conroy

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

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

Motion approved.

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

The House adjourned at 8:35 p.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF FINANCE
(continued)

The House in Committee of Supply (Section A); B. Lekstrom in the chair.

The committee met at 3:09 p.m.

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

J. Kwan: Just to follow up on the questions around Partnerships B.C., particularly on the Sea to Sky Highway project, on Monday the Minister of Finance said: "I have to tell you that there are many private companies that can simply do these jobs better than government could do them. They make up in savings on that part of their proposal for somewhat higher costs in borrowing. The package as a whole has to be of benefit for taxpayers of B.C., or we simply don't do it."

[1510]

Just to recap very quickly, yesterday we explored several components within the P3 formulation — issues around transfer of risks. I tried to really make the point that those risks that the minister is talking about could easily be dealt with as well, I think, in other models, such as non-P3-financing-type options, as one; following the conventional way of doing things, perhaps; looking at fixed contracts as a possibility; and so on.

The other issue that we raised yesterday, which ties into all of this on the Sea to Sky Highway issue, is the \$45 million of extra improvements and — given that Partnerships B.C. had actually not done the costing of doing a non-P3-financing approach on this initiative — what \$45 million would buy us in terms of improvements. That you're not able to actually do that comparison — by way of seeing a P3 in this scenario versus a non-P3-financing option — was another issue that we raised yesterday to the minister.

Of course, the last piece, but not the least: we talked about the benefit it yields for the Sea to Sky Highway — which was \$131 million, according to the report, but in the minister's mind was \$133 million — in terms of user benefits because of the road improvements. Because of the extra \$45 million of spending, it brought \$131 million of user benefits, if you will, to taxpayers — which is not savings in the bank but, I suppose, advantages and benefits, if you will, for the users.

The other piece that I would like to explore, then, with this whole continuum of issues related to P3s, would be the issue around higher-cost borrowing. I note that in the Sea to Sky Highway report — it's in my stack of stuff here somewhere; I'll find it in a minute — it talks about a premium rate, an extra rate of 2½ per cent, which is basically the discount borrowing rate. I'd

like to first ask the minister: has the minister calculated, first of all, the higher costs on borrowing with this particular project versus that of a government borrowing rate?

Hon. C. Taylor: We can get the specifics of what the government borrowing rate would have been at the time that contract was let. That's information that would be publicly available. We can get that for you, but certainly, as we've always said, it does cost more for a private company to borrow. What we are looking at always with P3s is the overall project. Does the project work for the citizens of British Columbia? We are very satisfied with the work Partnerships B.C. has done in building up these P3s for the province.

[1515]

J. Kwan: Yes, the minister has always maintained that it's not just the borrowing-rate issue that ties into the elements of a P3. Rather, it has these other elements, which, I think, primarily focus on the areas of transfer of risks. As I established yesterday, transfer risks could be dealt with through non-finance P3 options, through fixed contracts and so on, and so we've actually dealt with those things.

I think it's a myth the government is creating to somehow say that there's \$133 million worth of savings to taxpayers because of these transfer risks. The \$133 million savings that the minister talks about and that the report refers to, in the amount of \$131 million, are user benefits as a result of the road improvements. That's what they are. The risk transfers that the minister talks about could be easily dealt with if the government has the mind to negotiate hard at the negotiating table to bring forward a fixed-contract option, as one option in dealing with that.

The risks that taxpayers are very much exposed to are the borrowing costs, which are higher for taxpayers because the private companies have.... Well, they are faced with higher-volume rates. That's the reality which they face, so let's just explore this issue on the rate question for a moment, because it is significant.

A 5-percent discount rate is reflective of the government's borrowing rate, and generally, that's where we're at. The minister put that on record a couple of days ago, and there are some minor fluctuations. Fair enough. So a 5-percent borrowing rate is a reflection of the government's borrowing rate at this moment, whereas a 7½ discount rate is more of a reflection of the private sector's borrowing rate. So you can see that the 2½ percent, which I guess is a premium, really, on the borrowing rate, can be significant on a large project with lots of dollars, particularly with the magnitude of the project and the dollars that are involved here.

The point is this: if the government overstates the actual interest rate by 2½ points, that adds \$10 million per year to the estimated costs of a non-P3 project. Times that over a period of 25 years, and that's \$250 million. That's \$250 million over 25 years of debt repayment, and those are no small potatoes. That's a lot of money, so the borrowing rate has a lot to do with it.

If the minister is suggesting that we can somehow make up for everything with a 2½-percent difference over 25 years of \$250 million in added value of some sort or another from the private sector through this scheme, I'd really like to see the government actually lay that plan out so that we can see that clearly.

In other words, by manipulating the financing costs to government, the government, I would suggest, is understating P3 borrowing costs by some \$250 million. Hence, I suppose an argument could be made that if you do that, then you can make all sorts of arguments about value for money, and so the borrowing rate issue is critical.

Based on this report, the information here suggests that, with the difference in borrowing rates, there could be a range of some \$250 million worth of difference. Is this \$250 million the minister's definition of somewhat higher costs of borrowing? Is this what the minister means?

[1520]

Hon. C. Taylor: I notice that the member opposite used the number 133, as I have, by mistake, a couple of times. It is 131 we're talking about in additional benefits. We just looked up the interest rates that the government was paying in 2003. In early 2003, when the project was being put together, it was 5.9 percent for government, so the numbers that you quoted would be incorrect.

I have to say, once again, that the reason we do P3s is a much broader look than just how much it costs to borrow for a private company versus government. The big advantage of pulling in the private sector to help with these projects is that, first of all, we get the opportunity to use their capital, and it doesn't have to be only taxpayers funding these issues. As well, they take on risks over the life of the project.

We get a fixed price. We are guaranteed that our budget will not be exceeded, unlike some projects which have been done under the other model. Besides that, we have predictability in terms of schedule. If they don't meet their schedule and their commitments, then they just simply don't get their performance fees, and \$131 million of extra benefits out of that project is not to be dismissed. Those are important benefits for the people of British Columbia.

Remember, we went out with what our ministry had determined would be the budget for the project, and when we got the best offer in, the offer not only covered what we wanted to do but had this \$131 million of extra benefits. It is also the life-cycle responsibility, of taking on all that operating responsibility, that is a big part of public-private partnerships.

Frankly, we've been talking about this for a couple of days now, but I think that at some point, we'll just have to agree to disagree. We believe in government that Partnerships B.C. and the model we have set up here are an excellent model for the people of British Columbia. We have done value-for-money reports on all of these projects, which show that there are, in some cases, direct savings and, in some cases, direct benefits to the taxpayers of British Columbia.

We've transferred risk. These projects are working well. We're proud of them, and it is a model that we think should be considered for every time we go out to build. That doesn't mean it's always the choice we end up with. Sometimes there are reasons, like the Pitt River Bridge we talked about yesterday, where it didn't make sense, so we are open-minded about this approach. But also, I have to say, we're very enthusiastic about it, and I accept the fact that the opposition is not.

J. Kwan: The minister keeps bringing back the notion of transfer of risks, and I think, actually, we do disagree on that. The government and the minister think there is no way, nohow, that those risks could be transferred under any other scenario with the exception of P3 projects in this model. I certainly disagree with that. I think there are a number of options one could employ to transfer those risks.

On time, on budget are key for projects. I fully understand that and fully agree with the minister in terms of that goal, but it does not mean you cannot achieve the goal with respect to on time, on budget and the risks associated with it outside of this P3 model the government has engaged in. The government has engaged in this option for, I suppose, ideological reasons, because I can't quite figure it out, other than that.

With this model, with the financing risks that are being exposed, we're adding a cost to taxpayers. It could be that the government can engage in a P3 model without a financing component with it — in other words, using government borrowing rates. That's an option that was considered, and we'll get into that. I see my good colleague the critic for Health is here to address the Abbotsford regional hospital. That option was there as one possibility for consideration.

Now, never mind that the government has opted out of that possibility, but this was not even considered in this scenario. Certainly, it was not displayed in the review. The Auditor General has looked into the project. The issue around the risks, which I dispute, and the minister brings it back in again on the \$133 million figure she has used.... And, yes, I've used that figure, only to point out that the figure is incorrect, because the report says it's \$131 million, as I've been stating all along and yesterday.

[1525]

So, irrespective, is the \$131 million range that we're talking about here...? Those user benefits are only as a result of an additional investment of \$45 million for road improvements. That's why there's that calculation of a \$131 million user benefit. There is a question to be had, which the minister refuses to answer and to even acknowledge: if one were to invest an extra \$45 million in the baseline requirement of the proposal — when the government first went out with it — could we yield the same user benefits of \$131 million under this scenario? The minister refuses to acknowledge there's even that possibility. I suggest that there is that possibility.

I don't want to cover ground that we've already covered, but there is an issue here around the discount

rate which is central to the borrowing-rate issue on the financing question, because a discount rate of 2½ percent, which, as I understand, is the number that's being used here for this project.... That's \$10 million per year. Times that by 25 years, and that's \$250 million. It's not 25 cents, and it's not even 25 bucks or \$250. It's \$250 million for a life cycle of 25 years. It is a lot of taxpayers' money. That money could potentially be saved, if you will, or reinvested, if you will, or put to another use, but there's no willingness from the government to even explore that option and no explanation from the government on what discount rate they had used and why they chose that discount rate, at 7½ percent.

Let me ask the minister this question, just so that the public is completely clear: for the Abbotsford project, what discount rate did the government use?

Hon. C. Taylor: The discount rate is not disclosed in the value-for-money report, so we will get that for you just while we continue to talk. I do have to correct the member opposite, because the numbers she was using in terms of cost to taxpayers are completely incorrect. She is using an interest rate which was not the interest rate at the time, not taking into account what happens with inflation on projects, not taking into account the benefits that did accrue to the taxpayers from this project, not taking into account the risk transfer that happened.

I really would sincerely offer, if the members opposite would like, a thorough briefing after the estimates are finished about how P3s work and all of the factors involved. We'd be very pleased to offer that.

J. Kwan: Thank you very much for that kind offer of a briefing on how P3s work. While I don't know everything about P3s, certainly, I have some understanding of them, and I understand some of the issues that have been raised. It seems to me, though, that the challenge here is that the minister refuses to see and, really, actually, open up her mind to other possibilities. The minister is so fixated on the notion that this is the option, that there's no other option, and that's the challenge. I think that's where we disagree.

[1530]

I think that's to the minister's credit, really. It does show her skill at communications — a skill set, really — and the investment from government, from the public affairs bureau, into the ministries, into ministers and into government.

The government, the minister, has not moved off of her message box. No matter what questions are being asked of the minister, she stays on track and recites the same thing over and over and over again. That has been proven out in the last couple of days. No matter what questions are asked, it's the same thing that comes forward. To the minister's credit — good communication skills for a politician to never get off the message box. But the truth is that doesn't help the public find out what really is going on and how the government is managing the dollars, whether or not they're managing the dollars in a prudent way and

whether or not the government is engaging in a process that best benefits British Columbians.

That's what I'm interested in. I'm interested in actually opening up the possibility of what else we can do, or if we can do it better. Somehow the minister refuses to allow that to surface as a possibility for consideration. That's what I find challenging.

At one point in the debate, you will recall, Mr. Chair, the minister cited the fact that when I was a minister, I had some good things to say about P3s. You know what? The truth is that I'm not necessarily opposed to P3s. If it really is better for British Columbians, I'm not ideologically opposed to it. I am willing to entertain the ideas, as we have in the past, but in this instance I do question the assumptions. I do question the information that's presented to us — the scarce information that's been presented to us.

The fact that all the Auditor General was really able to do in his review was to come back and say: "Yeah, the scenario that the government has laid out is plausible." As established, it is also very plausible in my view — and, I think, for the Auditor General's office as well — that you could achieve those goals, maybe even better, had the government entertained the idea of exploring the other options of procurement practices related to this infrastructure project. The government never, in my view, did sufficient homework around that because ideology blinded them around it.

The minister says that the discount rate is probably closer to 6 percent, as opposed to 5 percent. But even at 6 percent, it's still a significant amount of money versus 7½ percent, which is 1½ points over in terms of the borrowing rate. When you're talking about a project in the magnitude of this kind of money, a point and a half is a lot of money. That's the point. Maybe we should calculate it out, see what it is and see what it looks like. I believe we can actually have a better deal here with a non-P3-financing option, because financing is key.

For the Sea to Sky Highway project, the fact is that the decision to invest has already been made. B.C. taxpayers will assume the long-term liability to repay its costs, regardless of whether it is prudent to invest or not. In some ways I can understand that the minister doesn't want to talk about this anymore, because the decision is already made. Contracts have already been let. It's out the door. We can't go back in time. Maybe that's why she doesn't want to talk about it. I disagree with that myself, but I acknowledge, though, that the investment and this approach have already been made.

The issue here isn't whether the investment should be made. It is how it is financed. That's the final point I want to make on this project related to this. Should taxpayers assume a 25-year lease obligation under a P3, or should they instead finance it themselves and thereby assume a 25-year obligation to repay the debt at a lower borrowing rate? What's a better deal? That's the question here that I am putting to the minister, Mr. Chair.

[1535]

The minister will probably get up and say: "Oh well, what about all those transferred risks? What

about on time, on budget?" Well, throwing that up is a red herring. I want to say that very clearly and put that on record, because all of that — established yesterday and the day before — could be dealt with by other means and other options. I believe that governments do have the negotiating power to sit at a table, because we are good and, more importantly, we have good staff to do that work. We give them direction and tell them: "You go to that table and negotiate with whoever is on the other side, and they assume the risks of on time, on budget."

It has been done before, many a time. It continues to be done not just in B.C. but elsewhere as well. It's not me who says this could be done. It is being done, and it has been done, so why won't the government go to the table and do that? Why won't the government, even at this late stage, find a way to cover the financing of borrowing costs for British Columbians on this matter?

Hon. C. Taylor: I assume that people sitting at home haven't been sitting there for three days and heard every word, so I will once again have the chance to....

J. Yap: No kidding.

Hon. C. Taylor: It's hard keeping everybody in the room still listening to every word.

I will once again talk about Partnerships B.C. — what it is and why we feel so strongly that it is positive for the taxpayers of British Columbia. Partnerships B.C. was started by this government a few years ago. The whole intent was to look at P3s and to see where in government they could be used so that when we build these very large, expensive infrastructure projects, we can do it in a way that gets the best benefit for the taxpayer and the best product at the end of the day and that honours budgets.

To pretend that somehow public procurement is the magical answer and always works assumes that people have very short memories and don't remember fast ferries. I think half of this table, at least, remembers fast ferries.

It's quite inaccurate to say that somehow, if government sits down and we demand something from the other side, we will magically have a perfect contract and of course it will be on budget — or perhaps not — and of course it will be on time — or perhaps not.

With the experience of the '90s and what the previous government had gone through, we really did want to find a better way of doing this, and so Partnerships B.C. was formed. We have built within this province and within this company expertise that is admired across the country.

The Sea to Sky project, which has been the subject of a lot of negative comment in the last couple of days, has in fact won a gold award by the people who know public-private partnerships across Canada. Our Minister of Transportation was very happy to go back east and receive that award on behalf of this project. So nationally, we're recognized — the comments we get

back and people asking for our help and our expertise — and we're internationally recognized as well.

One of the reasons is that we do value-for-money reports every time we do a project. That value for money is available to anyone who wants to look at it.

Another thing that we're getting awards for in Partnerships B.C. is our transparency and accountability. It is all there for every taxpayer to look at — to look at the contracts in detail, to look at how we come to our value-for-money reports.

The value-for-money report looks at the project, the financing and the benefits or savings that accrue and puts it all out there — all the assumptions as well. Two of these projects have been reviewed by the Auditor General and have again received sign-off saying that our assumptions are fair and reasonable. The value-for-money report — not me but the value-for-money report signed off by the Auditor General — is evidence that these projects are being well done, that they are on budget and that they are on time.

This is the first time we can really say that taxpayers are receiving savings on some of the projects or benefits from some of the projects, so Partnerships B.C. is really one of the great success stories. I accept absolutely that the opposition would have gone about this in a different way, and that's why taxpayers and all British Columbians always have the opportunity at election time to make a decision about which governments they want in power.

[1540]

From our side, we are very proud of what Partnerships B.C. is doing. We don't think it works for every project. That's why sometimes we don't use it. But where we have big, complicated projects that require risk transfer, innovation and someone else to take on the responsibilities of that budget so that taxpayers are protected, we'll use Partnerships B.C. whenever we can.

J. Kwan: Let me just get the record straight here. There are a number of things the minister said that I'd like to respond to. The minister seems to think, from the way she presented herself just now, that every single project under the structure of the previous administration was a failure. She seems to indicate that, in her view, P3 really is the only way to go. She cites the fast ferries as an example to always back up her argument.

One may say, "Well, this is just partisan rhetoric" — right? You know: she said, they said, he said, we said — whatever. Fair enough. People might say that. But you know what? I actually trust the Auditor General of British Columbia, who serves every member in the Legislature. Here's what he has to say around different models and different approaches of building infrastructure. Let me quote on the record:

Much discussion of P3s in Canada hinges on experience in other countries, frequently 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 office has carried out numerous examinations of major capital projects since it was established in the late 1970s. From those examinations we can reach several generalizations.

First, capital investments by successive B.C. governments have been incremental rather than all or nothing. 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 in incrementally adding to the projects' fabric of roads, hospitals, schools, universities and other public facilities.

Second, again, leaving aside the well-publicized problems of, 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.

It goes on to say:

In our view, given these differences, we would not expect to see in B.C.'s P3s either the big payoffs claimed by proponents in Britain nor the big disasters claimed by opponents there. For example, generalizations about large cost overruns and prolonged delays on public sector projects are not borne out in the projects we have examined here in B.C.

Words of the Auditor General.

The way the minister just presented herself just now, you would have thought that every single project of the previous administration was a colossal disaster. You would have thought that actually building projects outside of the model the minister is cheerleading for is the only way to go.

I want to be very clear about this. I'm not necessarily against P3s. All that I want is for the government to do its homework and be straight-up with British Columbians and provide the information on the evaluation of the options in a fair manner and in a manner that actually provides real comparisons in terms of real dollars and real benefit. That's not happening right now.

I highlight the Sea to Sky Highway as one example, and there are other examples which we'll go over, to be sure, but this is one example and the example we're talking about at the moment. It's by no means an attempt to slag the Sea to Sky Highway. It is only to highlight the problems associated with the government's approach to infrastructure building. It seems to me that the minister, more than anybody else, is blinded by that ideology at the moment and can't see beyond what other options may be plausible to achieve those goals which we all want for all British Columbians.

[1545]

Those are the words of the Auditor General. I want to say very clearly that it discounts what the minister just said. It's not me who said it. Because I know the minister thinks: "Well, she's just saying it. Who really cares what she says?" Well, then, don't take my word for it. Listen to the Auditor General, who is an independent officer of this Legislature and serves every single MLA equally. Take his word for it.

This information, by the way, was dated January 18, 2006. It's not some document that I dug up from somewhere that's old and dusty and is not relevant. It's a recent document from the Auditor General. I want that to be very clear, to be on the record — and for all those people who may be listening.

The second point that I want to raise is this. The notion.... Again, just to highlight some examples of successes, of how infrastructure projects have been done in a conventional way: the Vancouver Island Highway project, a \$1.2 billion investment of British Columbians' tax dollars. That project was done conventionally, under the bogeyman previous administration — on time, on budget. Millennium Line: \$1.16 billion, built on time, on budget.

You know, in response to the claims that Partnerships B.C. gets a gold medal from the Canadian Council for Public-Private Partnerships, what does that really mean? The fact is that the Canadian Council for Public-Private Partnerships is an advocacy organization which promotes P3s. That's the truth of it.

The minister's proud of that. Excellent. You have an advocacy group which wants to see P3s done, and they've given the government an award. It's kind of almost like.... Well, maybe not even quite like that, I might say. It's kind of like having my mom saying that I'm the greatest daughter ever, you know. It's kind of like that. I appreciate it. I really do. It makes me feel really proud. I feel really good about that. I'll say that about my daughter too. But you know, I know what that means, to be true — right? I know what that means.

Claiming this award kind of means that — doesn't it? I don't know. Maybe it's just me. It's not an independent organization. If you had an independent organization come out and say this, it may mean something, but to have someone who actually advocates for establishing P3s saying that and giving you an award, well, let's just think about it for a moment to see what it really means.

The other interesting point that I want to make is this. The minister seems to say that P3s are really the way to go here and that it really is the new wave of business, I suppose — the new way of doing things. Then I have this question: why do the project costs for P3s always increase?

I'll use a couple of examples in the past. Why did the government initially state that the Okanagan bridge was going to cost \$100 million, but now the cost is \$144.5 million? Why did the government initially state that the Sea to Sky Highway project was going to cost \$600 million, and it now costs \$790 million? It keeps on going up.

[1550]

I suspect the minister will say: "Well, because there's a thing called increased costs of materials, increased costs because of a labour skills shortage." Well, those risks, as I said before, could actually be transferred with a fixed-price contract in good negotiations with government at the table with the other side, if there is the will to do it. Isn't that the case?

Hon. C. Taylor: I just will say for the record that the Sea to Sky capital costs have remained at \$600 million and may, in fact, be a little bit less than \$600 million. The member opposite has just pulled in 25 years of operating costs to imply that the project has increased. It hasn't. May I, on *Hansard* and for the record, present the member opposite with all of the information that she has requested in the last few days.

I want to congratulate all of the Partnerships B.C. people who worked so hard to put this together. It was a tremendous amount of work and data, but we did say we would do our best to get it to you while estimates were still on, and so here it is.

J. Kwan: Thank you to the minister for getting us this material. I appreciate that very much. There's actually quite a keen interest out there for this. I've been asked by a number of people whether or not I have received the information. So I thank the minister and the staff for preparing this information and getting it to us.

I will certainly take the time to review it when I'm not speaking. That will happen at some point in estimates debate. I will go through the material and then come back with questions for the minister around that. I would anticipate that we should be able, hopefully, to get there tomorrow. We're going till nine o'clock tonight and have lots of questions to ask on other matters, as well, but I will get to it as soon as I get a chance to review it.

Let me then just say this in terms of P3s, because I think there is another critical component here that we need to understand. It is very interesting, because so far P3 models from British Columbia have been very much predicated on the U.K. situation — what's going on in the United Kingdom, and what they're doing over there. As I mentioned yesterday, there are things that we should be mindful of. As the Auditor General has also identified in his document, just looking at Britain does not necessarily serve us well. There are some things we can learn from, but it is not really necessarily reflective of what's going on in B.C.

Even in the United Kingdom, they're now undergoing a situation where they're reducing significantly their investments in P3s. They're experiencing some challenges around that. In fact, the U. K. government has now cut back plans for future P3s by some 40 percent. Just fresh off the press: the U.K. health chief actually quits as the system plunges into financial crisis in their P3 system, and this was just information that was out a couple of days ago, as far as I could gather.

There are issues and there are challenges there. Let us not think this is the panacea for all of our problems. Let us be very clear that even if the government wanted to do this, there is a critical question around the financing options, and doing a non-P3-financing-option approach may plausibly be a better option for British Columbians. The government has refused to look at that as a possibility, as a potential, and I find that troubling.

I'm going to now, though, hand the floor over to my colleagues who have been waiting patiently to ask the minister questions around initiatives in their re-

spective critic areas, in this instance, particularly around the health component of the P3. I still wait, though, while this is going on, for the minister to come back with the discount rate that was used for the Abbotsford project.

Hon. C. Taylor: In fact, it was deep in the Abbotsford report, and this project was done on a slightly different basis. As it says on page 19 — I know you have the report there — in this project they used a real interest rather than the discount, and they used 6 per cent. Real interest, as you know, means that, of course, no inflation was included in that number.

J. Kwan: Of course, the other thing to note on the discount rate, as well — and that's the beauty of it for government, with this kind of investment — is that we're able to, with the changing environment and changing cycles, adapt a borrowing rate for government projects. To adapt that borrowing rate would also mean that we're not fixed to a particular price of 6 per cent. If the interest rates go down, our borrowing rate also goes down. That's part of the beauty of it, actually, allowing us to do the financing.

With that I'm going to pass the floor over to my colleague for Delta North.

[1555]

G. Gentner: Noting who is in the chair, I think it's appropriate that I ask the first question here relative to, of course.... Has Partnerships B.C. received any applications — it receives many applications from many agencies — from the Ministry of Energy and Mines?

Hon. C. Taylor: Energy has asked for advice and help on a couple of things.

G. Gentner: Relative to that type of advice, have there been any inquiries to Partnerships B.C. from B.C. Hydro?

Hon. C. Taylor: If you are asking B.C. Hydro, the answer is no.

G. Gentner: Has the Ministry of Energy and Mines made any inquiries relative to Site C?

Hon. C. Taylor: No.

G. Gentner: I'll go back to where we left off yesterday afternoon. It's been noted that all agencies should at least consider Partnerships B.C. We got along the line of questions to how many agencies are in British Columbia, and the minister replied: "Lots." Indeed, there are many agencies. How many to date? What I've heard.... I recall that all applicants go and are cleared through the office of the chief executive. My understanding is that there have been 30 to 40 projects that are currently being looked into. Is that not correct?

Hon. C. Taylor: I must again say that the projects primarily come through the CEO but not always. We

did say yesterday that sometimes they come through the development project manager as well. It is 30 to 40 agencies.

G. Gentner: Thirty to 40 agencies. How many to date have been rejected by Partnerships B.C.?

Hon. C. Taylor: We certainly don't want to give you a firm number until we've verified it. If you'd like us to look that up, we will. The best estimate of the CEO is that probably fewer than ten might have been turned down or didn't work for Partnerships B.C. If you would like a specific number, we would be happy to give that to you.

[1600]

G. Gentner: Could the minister explain to me, in a nutshell, the criteria with which the CEO has determined that those projects should not go further?

Hon. C. Taylor: There are various levels, of course, of Partnerships B.C. involvement. Sometimes they're simply asked for advice. Sometimes they're asked to go further and design the procurement process. Sometimes they are completely involved, so that is also something that you should be aware of. At the end of the day, it's got to be value for dollars when Partnerships B.C. takes on a project. The value-for-money reports that you see at the end of the project are the reason we get into specific projects.

G. Gentner: So these various agencies are asked to go further. My understanding is that they're asked to go back and come forth with a business plan. Is that not correct? Is that what we're saying here?

Hon. C. Taylor: The ministries or agencies are the clients. They are the ones that make a request of Partnerships B.C. to do something. Partnerships B.C. doesn't direct the ministry to do something.

G. Gentner: I'm somewhat confused, because I thought there were some instances where the CEO does go beyond just simply receiving applications and will seek out agencies. Is that a misunderstanding?

Hon. C. Taylor: Yes, that's absolutely correct. As we said yesterday, sometimes a business opportunity is identified by Partnerships B.C., and then they might approach an agency. In terms of if an agency has come to Partnerships B.C., sometimes it's just for advice. Sometimes it is for Partnerships B.C. to be more completely involved.

G. Gentner: How is this opportunity derived? Is it made by an inquiry by a transnational corporation, maybe, or is it an opportunity identified, perhaps, from the Premier's office? How is this determined?

Hon. C. Taylor: As I said yesterday, not by the Premier. An example — because I think it's always better to try and put a picture around the words that

you're saying — it was known that Whistler was thinking about a wastewater facility, so Partnerships B.C. did go and approach Whistler, ask if there were a possibility there of a P3 and had discussions.

G. Gentner: Relative to the Whistler project, so Whistler was thinking.... I mean, there's a lot of thinking going on in the world. I'm just wondering: didn't Whistler first approach Partnerships B.C., or...? That would be my understanding. There seems to be some arbitrariness here by the CEO as to what is determined to be a project.

Hon. C. Taylor: Hon. Chair, you know, the way business works is that you hear about projects that are possibilities, whether they're in municipalities or provincial infrastructure programs. In this case the CEO heard about a project that was being considered in Whistler, approached them and asked if they were interested in looking at a P3.

G. Gentner: Well, in going out and finding this opportunity, can the minister disclose to us what type of bonus remuneration a CEO would receive for seeking this out and finding the Whistler project?

Hon. C. Taylor: The CEO of Partnerships B.C. does receive a performance bonus, but it's on both the overall performance of Partnerships B.C. and his own performance over the year.

G. Gentner: Well, however, the overall performance is linked to the number of clients — is it not? — and how many projects are down the stream?

[1605]

Hon. C. Taylor: As we talked about yesterday, these criteria are listed in the service plan, and they are: yes, the number of projects, but yes, the projects being on budget and yes, the projects being on time as well.

G. Gentner: I won't pursue that line of questioning now. I know that my colleague, once the information is digested, will be coming back on some of those issues.

I want to return to the view.... When the minister said that the agency, upon request, would go back and put together a business plan, who pays for that plan?

Hon. C. Taylor: The member opposite has mentioned this a couple of times. I don't recall ever having said that Partnerships B.C. tells the ministry to go back and get a business plan.

G. Gentner: So what is the relationship with you and your client if there's going to be a need to figure out some difficulties? There's got to be some correspondence. There's got to be a committee struck. Can you describe that for me?

Hon. C. Taylor: Traditionally — and I'm sure there are variations.... But for the most part, initial discus-

sions happen. If it looks as though there's a possibility of the agency wishing to work with Partnerships B.C., then a letter of intent would be drawn up, including all of the deliverables.

G. Gentner: Has there been one agency or one client — specifically, one ministry — that has not asked to work for Partnerships B.C.? And which ones are they?

Hon. C. Taylor: Could you clarify your question? Do you mean "have not asked Partnerships B.C." or have asked that they not specifically be involved?

G. Gentner: The minister alluded to the view that the clients come forward and ask for assistance from Partnerships B.C., and I'm inquiring which agencies and ministries have never approached Partnerships B.C. for any advice.

Hon. C. Taylor: This comes back to the question that was asked yesterday in terms of how many agencies there are. We talked about it being not just ministries, but it's also all of the SUCH sector. It's all of the schools, all the universities, all the colleges, all the hospitals. I don't think you would be asking for a list, out of all of those agencies, of which ones haven't approached, since we said before that only 30 to 40 had.

If you could be narrower in your question, then we could certainly respond quickly right now. There are lots of ministries that don't have major capital projects, so they would be the obvious ones that certainly haven't come forward.

G. Gentner: I know the minister mentioned that yesterday. I do recall now. The answer was sort of relative to how many agencies, and the minister said there are lots and lots of agencies. Where I was going with this was that I was trying to determine the criteria for how the CEO determines which ministry or client is best served by Partnerships B.C. We've seen many rejections, and I think that's an arbitrary decision when it's being filtered through and by the CEO, who seems to have quite an enormous amount of weight and is governing a lot of public policy. I find it quite unusual that this new authority exists in a Crown.

[1610]

But I do want to quickly move to one of the last things that were discussed, which we couldn't discuss further. The minister mentioned she didn't know, from her experts, what a tax shield was. I have before me quite a lengthy study into rates of return bid on P3 projects by PricewaterhouseCoopers, and they know what it is.

The report from PricewaterhouseCoopers — and now I quote, just so the minister knows what a tax shield is: "...demonstrates the importance of tax shields on debt to the overall value of the projects" — to the private sector partner. I continue to quote: "Since P3 debt service is paid out of pre-tax income, there is a tax benefit to additional debt, as more debt means less tax payable. This benefit is reflected in a tax shield, in the

cost of debt." Now, that's from PricewaterhouseCoopers.

The tax shield that P3 financing offers firms at high public taxpayer cost is very flexible for firms, given corporate accounting rules. I continue to quote: "When losses are made in a given period, a tax shield benefit is deferred to a subsequent period in which profits are made."

Again, given the high costs of P3 borrowing, that is the financing default credit risk of P3 project companies, which the government assumes. Does the minister now understand what really motivates P3 financing?

Hon. C. Taylor: As the member opposite will recall, we were asking what exactly he meant by a tax shield. We do understand the financing very well, and that's why we believe that it brings value for money for the taxpayers.

But I think that a lot of these questions are sort of subtly trying to say: "Isn't it a bad thing that some private businesses will actually make a profit when they do P3s?" Well, they must make a profit, or of course they wouldn't stay in business. It's one of the reasons why P3s, we believe, are so good, because the taxpayers certainly win. The companies do their job, and they will receive a profit as well. Most of the risks are taken by the private company, so we can say to the people of British Columbia that this project will be this budget. That's why the \$600 million for the Sea to Sky was such an important number.

G. Gentner: Yes, I'm glad the minister is getting it. The point is, of course, that there's profit made through P3s. There's no question there. But during a non-P3-financed project, there was profit made by contractors anyway.

I get a sense that maybe the minister now understands what a tax shield is. Since the minister did not understand the tax-shield motivation of construction company partners to utilize P3 financing in what would otherwise be good design-build-operate deals, let me turn to real P3 expertise — namely, Partnerships B.C.

No, since Partnerships B.C. really doesn't have in-house P3 expertise, except for its promotions of P3s, let me turn to one of their prime consultants, PricewaterhouseCoopers' extensive report.

The U.K. arm of PricewaterhouseCoopers arguably invented P3s. It's no wonder that most of the government's P3 consulting costs, outside of legal fees, are spent on that firm, including.... I think there's an Australian firm called Macquarie — you can correct me on that — but nevertheless, I know that PricewaterhouseCoopers has been very much involved.

Again, Partnerships B.C. has so-called P3 expertise that comprises only bits of generic project management, expected P3 pamphleteering and above-average self-promotion. But the minister did not understand what a tax shield was. Well, a publicly available document by PricewaterhouseCoopers explains it in very much detail, including why this is central to why some

construction companies like P3s. The report was prepared by PricewaterhouseCoopers, again the world's pre-eminent P3 consultant, for the U.K. office of government commerce.

[1615]

I had to set the record straight there. There is a tax break, and some people would say it's good. But nevertheless, I'm still not convinced that the non-P3-financed construction projects are any more expensive than that of the P3. They certainly aren't.

Last estimates, the minister said that Partnerships B.C. would have the details of the Fraser Health association's Surrey Memorial expansion project by the end of the year, so it would be prepared in the budget now. I haven't seen it. There is no South Fraser Surrey Memorial Hospital project. My question is: Partnerships B.C. won't be handling the Surrey Memorial Hospital expansion project; is that not correct?

Hon. C. Taylor: Certainly, Partnerships B.C. has been approached, but it's too soon for there to be an engagement at this point. I think, as the member opposite knows, the community and the health authority are working now on the final details. As Minister of Finance, I kind of took pre-emptive action here, because rather than wait until they knew exactly what the project would be, I put money in the budget for Surrey Memorial Hospital so that we certainly wouldn't have to wait another year before we would have the dollars for it to start. At this point, we're waiting for the experts, who are the people in the community and the health authority, to decide exactly what that new and wonderful facility for Surrey will be.

G. Gentner: Well, that's interesting. So there's money in now for one of the many 30 to 40 projects — one of which will be Surrey Memorial Hospital — and I'm sure the CEO could be rewarded with remuneration on this expansion. I'm glad to see that the minister has denied that Surrey Memorial Hospital isn't in the hopper, yet there is money in the budget to go further. So I'm glad we've clarified that one.

I'd like to also understand.... I asked the question last estimates. Where was the corporate code of ethics for Partnerships B.C.?

Hon. C. Taylor: There is a code of ethics, and if you would like it, we will get it for you.

G. Gentner: I certainly would like it. Is it not available on the Web? I know that Hydro has theirs available on the Web — and every other major Crown. How accessible is this code of ethics?

Hon. C. Taylor: It is publicly available and not on the website.

G. Gentner: I guess I will follow that with: if it's available, when could I receive it? Maybe today?

Hon. C. Taylor: Yes.

G. Gentner: In previous estimates, which seem to be rolling into this service plan, under contracts: "Contracts are public information that you" — this is you, minister — "can look at any time. That's why this is not privatization, because the government stays involved for all those years..." Management contracts....

So I have to ask again: what is privatization? Don't take this question lightly. We're talking about public information, and that's why it's not privatization, but I heard earlier that you're there to privatize.

Hon. C. Taylor: That seemed a little disjointed, so I wonder if you could point to exactly what you're reading from so we'll understand the question.

[1620]

G. Gentner: Unfortunately I don't have the minutes of *Hansard* as of last estimates. I will retrieve them, and sometime this evening, if I have an opportunity, I will come back to that.

Relative to the Abbotsford hospital's length of contract, which is 30 years, I'm expecting the member for Saanich South to delve a little further into that. However, at this time it is renewable every five years. My question, therefore, is: can it be cancelled at any time, and what is the cost?

Hon. C. Taylor: Yes, you certainly can terminate for cause and at no cost.

G. Gentner: I am trying to grapple with that answer, no cost — no cost to whom?

Hon. C. Taylor: Like in most businesses, if you have a contract and they're not performing, then you can terminate for cause — not just out of the blue. But if there is a reason, because they're not meeting some important part of their contract, you can terminate. It's at no cost to the taxpayer.

G. Gentner: Except for legal fees, hon. minister. So who determines the cancellation or renegotiation? Can it be done strictly by the provider? Is it done through Partnerships B.C., the overseer of this business, or is it determined by the minister?

Hon. C. Taylor: If it is during construction, then the negotiations would be with Health Co. If it is after construction is completed, then it would be with Fraser Health.

G. Gentner: So Partnerships B.C. wrings its hands and moves the liability over to the ministry, which is your client.

Now, this contract involved with the provider, Abbotsford cancer care — do we know how long this contract is? Is it ten pages?

Hon. C. Taylor: One of the things, as I've mentioned before, that we're so pleased with, with Partnerships B.C. is the recognition we've gotten for the level

of transparency. That contract is on the Web, and it is many pages.

G. Gentner: These types of contracts and the \$14 million, I believe, that was paid in legal fees to put these contracts together, are another cost that's incurred, whereas if it was a non-P3 finance option that's been somewhat traditional, we wouldn't necessarily see these enduring costs. I'd like to ask the minister a question relative to Partnerships B.C. subsidiary corporations. How many subsidiary corporations do we have?

Hon. C. Taylor: One.

[1625]

G. Gentner: We have one subsidiary corporation. How many could we have?

Hon. C. Taylor: There's no limit to the number. It would depend on whether a project is deemed to be a good structure.

The Chair: Minister.

G. Gentner: Thank you for the Freudian slip.

The Chair: Member. That it certainly was.

Interjection.

G. Gentner: It won't go to my head quite yet.

Relative to subsidiary corporations, what determines the need, and who makes that decision?

Hon. C. Taylor: In the particular instance that the member opposite has cited, it was judged that because there were a number of stakeholders involved, we wanted to make sure we had good governance. It was set up with the board to make sure the governance was there so that we could watch, in terms of the operating and the budget, and just to make sure it was properly done. So it was primarily for governance.

G. Gentner: Just to be sure I got this, it's the board of directors that determines how many subsidiaries are created?

Hon. C. Taylor: It is usually in consultation with the stakeholders, who see this model as something that would bring good governance. It would be done in consultation with Partnerships B.C., and of course, their board would have to approve it.

[A. Horning in the chair.]

D. Chudnovsky: Good afternoon to you, hon. Chair, and to the minister and her staff. Nice to be back.

I want to ask some more questions about P3s. In particular, we may look at the Sea to Sky project as an example.

I think it is worthwhile just saying for the record and for a minute that our interest in P3s is driven, of course, by the government's interest in P3s. There's a tremendous enthusiasm that one can pick up, at least for the purposes of estimates. I had detected, I thought, in the fall a kind of waning enthusiasm for the P3 structure. I put that to the Minister of Transportation, and no one in the room will be surprised that he responded with a kind of zeal and enthusiasm that was almost overwhelming. But at least for the purposes of the estimates, there's a tremendous enthusiasm for the P3 method of taking on these large capital projects.

In our view, as we look at the experience of other jurisdictions using these kinds of processes and structures, we find that there's certainly some skepticism — increasing skepticism — about the utility of such a structure. Our interest is driven both by our reading of the literature and our understanding of other experiences and this enthusiasm that we see coming from this government.

[1630]

I need to express my interest in understanding better the justification for the strategy. We hear three justifications. There's the justification that we're saving millions of dollars for the people of British Columbia, a justification which this minister uses and which the Minister of Transportation denied in the fall estimates.

The two other justifications that are put forward are transfer of risk and the innovations that come with the P3 structure, which wouldn't, it is argued, be available to the people of the province with a more traditional procurement strategy. I want to, if I may, ask about specific risk transfers and see if I can't understand better what it is that the minister's and the government's enthusiasm means.

So how about this risk? A car is driving up the Sea to Sky Highway after the completion of the building of the project — but while the highway is still being maintained and operated by a P3 partner — and a boulder falls on the car. There is a risk that a boulder will fall on the car as it drives up the Sea to Sky Highway. Is that risk one of the risks we have transferred to the P3 partner?

Hon. C. Taylor: If a boulder falls on a car, it's one of two things. If it's an act of God, then there's no liability. If it's as a result of something that the contractor did improperly, then the contractor is liable.

D. Chudnovsky: I'm given to understand there's jurisprudence that suggests the opposite. I'm given to understand, and I stand to be corrected and happily will be corrected, that there's jurisprudence that indicates it may very well fall to the province, to Partnerships B.C. or, alternatively, through Partnerships B.C. to the province in a situation like that.

I wonder if I might ask the minister and her staff to check that out. Again, this is information I've received through discussions with folks who are conversant with the way P3s work and liability issues, so I wonder if I might ask the minister if she could have a discussion with staff people to recheck that issue and check the jurisprudence. I'm given to understand it's Cana-

dian jurisprudence, and the suggestion is that it may very well not be the contractor who is responsible in that situation.

Hon. C. Taylor: You're asking if we would pursue this further. We'd be happy to. Of course, the estimates of the Minister of Transportation, whose project you're talking about, will be coming up, and certainly, he would be able to pursue that with you.

D. Chudnovsky: Thank you very much for that. We hope to receive that kind of information. And when might we hope to? I want to say to the minister that I understand it is appropriate to talk with the Minister of Transportation about that issue. She can be assured that I will, but she's also committed to having a look for that information with her staff. I'm wondering when we might be able to get an answer on that.

Hon. C. Taylor: What I committed to do was to certainly follow that up and talk with staff. I think you have some idea of how busy my schedule is, but we will pursue that.

D. Chudnovsky: I haven't got any idea how busy the minister's schedule is, although I assume it is very jam-packed, and I appreciate any information she can provide. But we ask the question very seriously, and I would ask again.... We're not trying to be unreasonable here, but it's an important question and one that is of interest to the people of the province.

[1635]

So the question is.... Yes, we know and understand that the minister's responsibilities are enormous, but we've asked the question, and we would like to know when we might expect an answer.

Hon. C. Taylor: If you could give me the specific court case that you're talking about, I'd appreciate it. I will immediately bring it to the attention of the Minister of Transportation, and that would be prior to your opportunity to talk to him at estimates.

D. Chudnovsky: Thank you to the minister, and we'll certainly do that.

I wonder if we could, then, look at the issue of risk transfer a little bit more broadly and take the Sea to Sky as our example.

I apologize to the minister. My schedule is busy — not like hers, but it's busy — and I wasn't able to be here or to watch all of the toing and froing over the last couple of days. But the last time I was here, we had a short discussion about the issue of risk transfer. I recall that the minister indicated to me that for the Sea to Sky project there was a figure which had been determined was the cost of risk transfer. I wonder if we could just review that for a second and recall what that figure was, and then I have some questions about it.

Hon. C. Taylor: There are two numbers that we should look at in terms of transferred risk. The first one

is on page 17 of the value-for-money report of the Sea to Sky project, and it is on the line called "Risk adjustment." It's \$42.9 million.

Then if you turn the page, on page 18 at the very bottom, the self-insurance number of the province is \$37.1 million. So if we had done the project in the normal way that had been done in the past, we would have self-insured ourselves for the project up to the value of \$37.1 million.

That number is included in the line on the previous page that's called "Competitive neutrality adjustment." In other words, we're passing off the cost of insurance to the private company. They've got to take care of that and also the risk adjustment number.

D. Chudnovsky: If I understand correctly — and I may not, so correct me if I'm wrong — the total cost of risk which we have purchased on the Sea to Sky is \$42.9 million plus \$37.1 million or — quick, Chudnovsky — \$80 million worth of risk. Am I correct? I'm getting nods from the other side, so let's not....

We've got \$80 million worth of risk which we've purchased. We're going to the construction store and purchasing something, and we're purchasing risk. The question then becomes: what particular risks are we purchasing? What is it that we're buying? Can we itemize the risks that we're purchasing for \$80 million?

Hon. C. Taylor: Yes, we can. It's on page 16.

[1640]

D. Chudnovsky: I don't have the document in front of me, but we'll have it in a second. While we're getting the document.... If we had done this project in the traditional way, the self-insurance — the traditional risk, as I understand it — would have been \$37.1 million. We're doing this project in a non-traditional way, through a P3 process. The risk that we're paying for is \$80 million. So we have chosen, as I understand it, to purchase more risk than we would normally have purchased — than we would have purchased in the traditional way of doing things. Am I correct in that assumption?

Hon. C. Taylor: You really are mixing apples and oranges in terms of the insurance risks that they now have to cover themselves, which we don't now have to cover. With the risks that we have estimated from the project that we are transferring to them, the value we have put on that risk is the \$42.9 million.

D. Chudnovsky: Perhaps we could just explore the insurance part of it, then, because the minister is right. I may not understand, and so I want to understand. What is it that we're insuring? What risks are we guarding against by, in a traditional project, purchasing insurance and, in this type of project, by transferring that cost to the partner?

Hon. C. Taylor: Your boulder falling on the car is an exact example of the insurance risks that got transferred.

D. Chudnovsky: The boulder falling on the car, in the example that I gave, was down the line. Again, I may very well not understand what's going on. I'm learning as I go. Is the insurance that was purchased in a traditional project insurance that would have protected the government down the line, after the project had been completed, or was it insurance for the period of the construction?

Hon. C. Taylor: If we had done this project in the way that projects had been done in the past — which is just, say, design-build — you would obviously have to have had insurance. The insurance is for both the building and the life of the contract. That is the value that we put at \$37.1 million. No one can do business without insurance. By that contractor in the P3 arrangement taking on the project and being responsible, he has to buy his own insurance. That is the value we put on it, which we would have had to take if we had done just our own contracting.

D. Chudnovsky: Or she.

I think I do understand, and I understand the minister to be saying that this \$37 million of insurance is for the period of the construction of the project. I think I understand that.

Interjection.

D. Chudnovsky: And ongoing. Okay. Well, perhaps we'll get to explore that a little bit more.

[1645]

I wanted to turn to the other risk that we're purchasing in using this methodology. I have in front of me the correct document, I think. This document, as I understand it — page 16 of the project report — shows in chart form those elements of risk which are taken on by the Ministry of Transportation, those elements of risk that are taken on by the P3 partner and those elements of risk that are shared. I think that I understand that much. The question that I want to ask is: how is it decided, and who decides which elements of risk will be purchased, which will be taken on by the government and which will be shared?

Hon. C. Taylor: Hon. Chair, the project team, as they're putting this together, looks at every single risk that you see here and does a detailed analysis of what that risk is and what the value is. When it makes financial sense for us to transfer the risk, we do, but when you look at the ones that the government takes, they're mostly ones that we would all say naturally fall to the government — for instance, any change in laws.

Well, you know, if we change laws, then we certainly should be responsible for that. Responsibility for repairing defects that were done before the project even started — in terms of history, obviously, the government should be responsible for that. Landslides — it's the government again. So I think that it falls naturally into these different categories. In answer specifically to your question, we do a detailed analysis of

each single one, and we transfer when it makes financial sense.

D. Chudnovsky: Thank you to the minister for that. So let's look at them. What was the value attributed to the risk on design of highway and structures in this case? What did we pay for that?

Hon. C. Taylor: Partnerships B.C. does act as a business. Of course, there's some detailed business information that we just would not give out.

D. Chudnovsky: I take it that what the minister means by that answer is: if I were to ask the price that the people of the province, through their taxes, paid for the transfer of risks for each of those elements on this list, would the minister be saying to me — and, through this process, to the people of the province — that it's not possible for her to tell us how much we paid for these commodities that we purchased for them?

Hon. C. Taylor: Hon. Chair, it's really important to get back to what I've been saying for a few days here: it's the project as a whole. I think the analogy has been used about the two grocery bags, where you look in one grocery bag and say, "This is what the taxpayer gets," and you look at the other one, and you make a decision.

[1650]

How much risk you're able to transfer is part of it — how much, in this particular case, the extra benefits are to the taxpayer that have come through this particular project. That's \$131 million, plus the transfer of risk, which is equally important. So we have put a number, which is the total assessed risk that we've transferred, which you see. It's all clearly here. It's not broken down one by one, because as I said, you start to get into confidentiality of business information.

The important thing to know is that this is a public document. The Auditor General has reviewed it, the Auditor General signed off on the way we did it, and so it is considered proper the way we did it.

D. Chudnovsky: I'm not going to pursue the difference that we have over what it is that the Auditor General said, except to say that it's our interpretation — and I think it's correct — that the Auditor General is not, by signing off on this review, telling us whether we got value for money or didn't get value for money. What the Auditor General said is that the assumptions that were used internal to this document are acceptable to the Auditor General. That's what I understand it to say.

My question to the minister is: could she explain which particular business principles and business concerns keep the minister from being able to tell us what the people of the province paid for these commodities?

Hon. C. Taylor: If the businesses with whom we were negotiating knew exactly what value we put on

these things, we would have far less chance of negotiating a good deal for the taxpayers of B.C. So it's important that the taxpayers understand the total number. If we gave out information on every particular number that you're looking for, that would certainly help the private sector — which I didn't think you were out to do, actually. It would help anyone who wants to do business with government, because they would have access to all of our inside information.

D. Chudnovsky: Well, the minister has an interesting assessment of what we think about the private sector. Speaking for myself, what I'm interested in is making sure that the people of the province get a good deal, and the fringe benefits from that are of less importance to me. Maybe it'll be good for the private sector. Maybe it won't be. But the priority here on this side, or at least speaking for myself, is to make sure that the people get a good deal.

Interjections.

D. Chudnovsky: The minister has changed his or her spots. I don't recognize her anymore. She looks different to me — and substantially less coherent as well.

To the minister: isn't it the case that the total is information for the private sector as well? I mean, if there were one risk element that we were purchasing from the private sector, from the private sector partner, would the decision be made to not make that figure public? Is that what the minister is saying? If, in its wisdom, Partnerships B.C. decided that all of this stuff, all of this risk, is appropriate for the province but that there's one element of risk that isn't appropriate for the province and we want to purchase that from the private sector, would we not report what the cost of that was?

Hon. C. Taylor: I hope I'm back to the right spots now.

This number is not public information until after the deal is signed and done. We do not tell the companies that we're negotiating with how we're valuing their risk. We put out the \$600 million budget. We described what we wanted done, and various proposals came in, various ways of doing it. This is the evaluation of the proposal that was chosen, and we put it out in the public domain because we want taxpayers to know that we managed to transfer this much risk, that we managed to get this many benefits, and this is why it's such a good value-for-money story.

[1655]

D. Chudnovsky: But how do they know? How do they know? If the minister is unprepared to tell us what the cost is, how is it that the people can make a decision as to whether they got a good deal?

Hon. C. Taylor: Both the Ministry of Transportation... They work closely with Partnerships B.C. and

from time to time, as you know, also bring in outside experts. But we do an evaluation of the project, and that was what the first stage was: \$600 million. This is what we felt we could get for \$600 million.

When the proposals came in, then.... For instance, if a proposal comes in and has an increased risk that the private sector is willing to take on that we hadn't thought about, then we go back and analyze that and make an assessment of it. It is back and forth, but at the end of the day, when the decision is finally taken on which proposal to go with, then we put it on paper for the taxpayers and show how that breaks out and where the benefits are. The methodology was signed off by the Auditor General.

D. Chudnovsky: Perhaps we could hear a little bit more about the methodology. If the minister could tell us a little bit more about how that actually happens on the ground. So we've got a proposal, it's out there, and there's a private sector potential partner. We're having discussions with that private sector potential partner about the transfer of risk, the cost of the transfer of risk. There's back and forth. Who does that discussing? Who do they discuss with? Are they discussing with more than one potential partner at the same time? How are those comparisons made? Who is doing all of this assessment?

Hon. C. Taylor: We have gone over this many times in the last few days. However, we have almost a matrix of both what the government and the ministry are wishing to accomplish. We have the risks that we believe to be there. We try to make our best assessment about what those costs are, what we need and what the insurance costs would be. That information is informed not only by the experts within the Ministry of Transportation and the experts within Partnerships B.C. but with many, many consultants so that we have the best possible advice up front.

With Sea to Sky it was decided that \$600 million was going to be the budget, and so within, they looked at what that would buy with all of our costs, and they put that out for competition. When the proposals came in, we were very pleasantly surprised by the fact that we were able to get more with the private sector doing it than we could have done it ourselves for \$600 million.

[1700]

D. Chudnovsky: Perhaps I wasn't as clear as I should have been. I've heard that description, even to me a few minutes ago. It's not the question that I was asking, and perhaps I can restate it in a way that is clearer. The minister presents a picture that seems reasonable to me — not the result and not the decisions. But hey, the minister is the minister, and the government is the government.

There's this set of experts in the ministry. There's a set of experts at Partnerships B.C. There are outside consultants. There are one or more potential partners with whom we are going to do a deal. I want to know

who the people were. Who were the people? And what roles did they have in negotiating with the eventual successful bidder the values — the pieces of the puzzle that ended up being a risk? Who were those people? When did they have the discussions, and with whom did they have the discussions?

Hon. C. Taylor: We're veering into the Minister of Transportation's territory here, as I'm sure you realize. There is a project team and a project leader on each project. I'm sure that should you wish it, the Minister of Transportation would be able to give you the org chart.

D. Chudnovsky: Thanks to the minister, and certainly, she can be confident that I will talk with the Minister of Transportation about this.

At some point I do want to come back, if it's possible, and talk about the issue of innovation in these projects as well, but I understand that my colleague from Vancouver-Fairview is eager to ask some questions, and I hand it over to him.

G. Robertson: Thank you, Chair, and good day to the minister and staff.

I have a series of questions on the Northern Sports Centre and the status of that project at UNBC. First of all, an update on the status of the project and whether it is moving forward as planned.

Hon. C. Taylor: This is a project that is Advanced Ed and also the municipality, so I would encourage you to proceed with this with the Minister of Advanced Education, but my general understanding is that negotiations are going on. I don't know what stage they're at.

G. Robertson: My understanding was that there is a P3 involved here and that Partnerships B.C. does have a role in this deal coming together. Can you elaborate on how that is put together?

Hon. C. Taylor: I know that a lot of analysis went on with that particular one. It's my understanding that it was decided not to do a P3 and that it's going to be a design-build.

G. Robertson: Can the minister confirm whether an agreement has been signed on the design-build aspect of the project?

Hon. C. Taylor: Negotiations are still underway.

[1705]

G. Robertson: The target date for the signing of that agreement has passed. It was December 2005. Is it safe to assume that if that has not taken place, the construction, which was scheduled to start in the spring of this year, is also going to be pushed back off-schedule?

Hon. C. Taylor: This is not about Finance. It's not about procurement. It's about the project, so it's more appropriately asked of the Minister of Advanced Ed.

G. Robertson: A question to the minister: is there a private partner involved in any way in the project, bringing capital forward for the project?

Hon. C. Taylor: They are still negotiating.

G. Robertson: Is Partnerships B.C. currently involved in the negotiation and the construction of a deal?

Hon. C. Taylor: Yes, they have been giving advice.

G. Robertson: The status of the private funding is at this time unsecured, and there is no private funding on the table. Is that correct?

Hon. C. Taylor: I'm simply not going to get into negotiations here.

G. Robertson: My concern is for the people of Prince George, the people and the students at the University of Northern B.C. and the athletes in northern B.C. who have been looking forward — since the Premier's grand announcement prior to the last election — to the province putting money forward in earnest to make a deal happen and build this sports centre. There has been a lengthy delay that seems to be directly related to constructing a P3 partnership and putting a deal together.

I think the people of Prince George and the students at UNBC, certainly, would appreciate some update on the status and some confidence from the minister as to this deal coming through and the sports centre moving ahead and being built.

Hon. C. Taylor: I'm sure the Minister of Advanced Education will be happy to talk about that. You know, it's kind of interesting to realize that this is not a P3 project, yet this is the project you're talking about having delays. I just think that's kind of interesting.

G. Robertson: My understanding was — and it's fairly clear from all the announcements that were made — that the intention was that this would be a P3. The government moved aggressively forward to put a P3 together, and it has not been able to take place, because the deal was not tenable and the private partners are not putting money on the table to do it. Would the minister care to comment on that?

Hon. C. Taylor: I am not going to talk about negotiations.

G. Robertson: I'm not asking specifically about any negotiations that are taking place. I'm concerned that the government is not following through on its commitment to this project and to ensure that this gets built. Is there an active effort to ensure that this project will be built, and will there be capital put forward if a private partner does not show up in this deal?

Hon. C. Taylor: I will repeat again, and it's really important that you hear this. I'll wait for the member to be ready. It's important that you really hear this.

[1710]

This was looked at by Partnerships B.C. It was decided that they would not go for the P3. As I've been saying for three days, there are some projects that P3s do not work for. It was decided that this was one of them. The negotiations are going on right now. We're not going to sit here in this room and talk about the details of what's on the table or not on the table, and the question should be for the Minister of Advanced Education.

G. Robertson: It doesn't sound like promising news for the people of Prince George or good follow-through on behalf of the government who made appearances that this project was going to be backed by this government. Though we're bogged down in negotiations, it doesn't sound like this government is fully committed to ensuring that the sports centre is built.

As we seem to have come to the end of the dead-end street in terms of the minister's ability to discuss the Northern Sports Centre any farther, I will pursue the questions with the Minister of Advanced Education.

I thank the minister and staff for their help on this, and I will pass the torch here to the member for Vancouver–Mount Pleasant.

J. Kwan: Welcome to the Chair. It has changed since I last looked.

I'd like to now explore with the minister another public-private partnership project, another Partnerships B.C. project. That is, of course, the Abbotsford project. First of all, according to the value-for-money report.... I want to state this again, because it is worth repeating. I heard the minister respond to some of my colleagues about the fact that the Auditor General has signed off on these reviews on value-for-money initiatives. I want to state again for the record that what the Auditor General's office has done by signing off on the review simply indicates that on the assumptions the government has made around these projects, it is plausible for them to materialize. But it is equally plausible that they may not materialize, I would assert.

I would further go on to say that the problem here, along with all of these projects and the points that I've made with the Sea to Sky Highway initiative, is that the government actually hasn't done enough work in terms of exploring the different options of procurement practices, including non-P3-financing options. If the government has done that, and they still come out and say that this approach is the best approach, and they're able to verify and back it up with information, then that's a different story. But the government has not done that. I just want to put that on the record in terms of what it means when the Auditor General has signed off on these reviews.

On the question, then, on Abbotsford, according to the value-for-money report, the project capital costs

have actually increased from \$211 million in 2001 to \$369 million in 2004. First, I'd like to ask the minister to please explain why these costs have increased over this period of time and to break down the increasing costs for us.

Hon. C. Taylor: I will get to that in one sec, but I also must respond to the last comments made by the previous member who spoke. The government is committed to the project. No one ever said it was bogged down. We said negotiations were continuing. The government has a very clear commitment to this project. It doesn't happen to be a P3, but we're committed to the project.

In terms of Abbotsford, there is a real opportunity there to increase the scope of what that hospital could be, and government decided to make it a cancer centre. In doing that, that meant extra space would be required as well, and the people of Abbotsford are extremely pleased that they have been designated as a cancer centre. Obviously, it's a bigger project than when we first started.

J. Kwan: Thanks very much to the minister for the response.

Let me just also get on the record. I really try hard not to sort of do that, but I can't help but note, though, that the minister.... In response to my colleague, the member for Vancouver-Fairview, around the design-build projects and how it is delayed with the UNBC initiative.... Let us be very clear. The delay is because the P3 initiative that the government wanted to try did not actually come through, and now the government is in negotiations to talk about who would come into the project and so on.

[1715]

Let's be very clear where the delays are coming from. The project hasn't even started yet in that instance, in terms of the issues that were raised by my colleague from Vancouver-Fairview.

The minister says, though, that the scope of the initiative has changed. That's why there has been significant cost changes as well. Now, according to a 2004 audit by Ron Parks, the Abbotsford P3 has risen some 94 percent to \$1.4 billion, up from \$720 million, over the 33 years of contract. Construction figures have increased from \$210 million to \$369 million, and the lease payments to the private consortium have increased from \$20 million a year to \$39.7 million a year for 30 years. There's an unexplained difference of \$393 million between the \$1.4 billion the government will pay out and the private consortium's \$1 billion in expenses and debt servicing.

What is the minister's understanding of the initial cost of this project, and why has this total cost increased so substantially? The numbers that have been provided.... Maybe the minister can also advise what the latest information is on how much this project is now going to cost. Has that changed?

Hon. C. Taylor: I think this is pretty shaky ground for the members opposite, since Abbotsford had been

waiting for a hospital through the '90s. In fact, there were many efforts to start it and millions spent, and nothing came of the project. When this government came in, then things started to move. In fact, this Abbotsford project is going to be one that's very important for the health care system in this province.

What you must come back to realizing is that the scope has changed, because we wanted to give more service to the people of Abbotsford. It is now going to be a cancer centre. They are very pleased with the increased scope and space.

Obviously, a budget goes up when you're building more than you were initially. It all comes down to the value-for-money report, which you have, and that shows that at the end of the day the project as it is now designed, as it will be built, will in fact save taxpayers \$39 million.

J. Kwan: Here we go again. The minister is saying that the Abbotsford project will save — and two days ago she used the past tense: saved — taxpayers \$39 million. The reality is that we actually.... The money is not in the bank. Let's just put it that way. That's the problem here.

Interjections.

J. Kwan: Members opposite make light of this. It's taxpayers' money that we're talking about. It's about investing in the services they need. Let us be very clear about that.

The minister tries to deflect the issue again, as she has done for the last couple of days on every question on the issue of cost that's been put to her around this kind of model. It is central, isn't it, Mr. Chair? What the cost is and what the options and various alternate procurement practices that British Columbians can potentially have this infrastructure built out....

The minister refuses to acknowledge the issues that have been highlighted in the Sea to Sky Highway project debate around financing, on the borrowing costs, on the issue around increased scope, and then look to see — if you were to really evaluate that through a different mechanism, different approaches, different models for that development — what the real costs would be, so that you can have a true comparison.

The minister refuses to examine, for example, the issue around transfer risks and how those transfer risks could be covered off, once again, by other models of construction and procurement practices. The minister refuses to acknowledge any of that.

[1720]

She keeps on going back to the notion that the Auditor General's signing-off on the report means that it is plausible that what the government said is being done.

[H. Bloy in the chair.]

But do you know what? The money is not in the bank. I talked to the Auditor General about this yester-

day — about these kinds of public-private partnerships, particularly around the Abbotsford initiative. It is wrong for anyone to assert that that's money saved, because the money is not in the bank. It remains to be seen whether or not the money is saved.

In the case around the Sea to Sky Highway initiative particularly, the \$131 million, which the minister keeps saying is money saved, is in fact user benefits derived from increased investments in the improvements of the roads. That's all that it is. Let us be clear on the record about what this means, Mr. Chair, so that the public is not confused around the information that's being provided — and, I might add, the lack of information that is being provided for members of the public.

My question, though, to the minister, which she decided not to answer because she wanted to engage in rhetoric instead.... Let me just ask this question of the minister again. What is the explanation for the difference of the \$393 million between the \$1.4 billion that the government will pay out and the private consortium's \$1 billion in expenses in debt servicing? I'd like the minister to break this down for us, please.

Hon. C. Taylor: I believe the member opposite is referring to a study that we haven't seen.

J. Kwan: Actually, no. It's a public audit from the government side. The minister should have seen it. Boy, if the minister hasn't seen it, I don't know. That kind of worries me just a little bit. Certainly, her staff would have seen it. It's true that with 33 members, I have more resources but, boy, not that much more — certainly, not more than the hundreds of staff that the minister has, certainly not the number of political staff that the minister has at her disposal. By no stretch of the imagination are our resources on this side of the House any better than that of the government, so the minister should know about the report.

Hon. C. Taylor: I repeat: it is a report I have not seen. The people who are actually involved in the project and who have done the project would be aware of the information and included it in their analysis as they went forward with the study.

It's interesting how the Auditor General is someone that the opposition likes to use sometimes, when he says something appropriate to your side, but when he says something that, in fact, supports what we're trying to talk about, you're being dismissive of the fact that he did review this value-for-money report. He did review it and has said that our assumptions are fair and sustainable.

Since you have read at length from the Auditor General, I will also read at length from the Auditor General — a little bit more recent from the one you read just a couple of hours ago. This is the Auditor General talking about Partnerships B.C. and P3s. He said:

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 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.

The Chair: Could I remind all members to direct their comments through the Chair.

[1725]

J. Kwan: Thank you very much for that, Mr. Chair, because yes, the minister actually should be directing her comments through you — please.

I would like to ask this question, though. The minister suggests, asserts, that I like some of the things that the Auditor General's office finds and that I didn't like some of the things. What I want to be very clear on the record is about the findings of these reviews from the Auditor General. At the end of the day, with all of the suggestions that the minister would like to claim, all that it means with these reviews is that the Auditor General's office went in and did a review, and the review shows that what the government suggests in terms of the outcome of a P3 initiative related to these projects is plausible. That's all.

The minister claims, on the other hand, that savings have already materialized, by the way in which she uses the past tense in the way she describes these cost savings. Now, I am an ESL student, formerly, Mr. Chair, and I am by no means a master of the English language. But when you use the past tense, I do know this much: that is to say that it's already happened. You know what? That is simply not true.

The minister stated over and over again.... At the risk of being accused of making things up and putting words in the minister's mouth, I quote from *Hansard*. Here's what she said: "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." Not so, in that the moneys have not been saved.

The moneys have not materialized, and it's simply wrong, to be kind, for me to actually assert what the minister is saying, that these dollars have been saved.

That's not just me saying that, because I took the trouble to ask the question of the Auditor General's office: is it true that these moneys have been saved? The response was: "I cannot explain that statement" — from the Auditor General's office, on the minister's statement.

L. Mayencourt: To you he couldn't explain it.

J. Kwan: The member for Vancouver-Burrard thinks it's very funny. He says that....

L. Mayencourt: No, I don't think it's funny at all. I think it's ridiculous.

The Chair: Member. Members.

J. Kwan: You know, Mr. Chair, I am fine to carry on debate for as long as we need to and to get clarity on those questions and for as long as the members opposite want to engage in heckling in their approach. I'm fine with that. I'm in no hurry to actually finish estimates debate for Finance. I'm quite enjoying myself, in fact, and I have quite a lot of questions to ask.

I have a long list, as the minister knows, in terms of the areas that I want to cover. This is only item one on that long list of things to cover. If the members want to be helpful to the Minister of Finance, I would say...

Interjection.

The Chair: Member. Member.

J. Kwan: ...please keep on heckling.

The Chair: Member. Would you please go back and stay on the point of estimates.

J. Kwan: I'd be delighted to. I do sidetrack, and I do apologize, Mr. Chair. When there's noise around, you know, I do sidetrack.

The Chair: Member, please direct your questions to estimates...

J. Kwan: I apologize.

The Chair: ...or we'll call the question.

J. Kwan: Excuse me?

The Chair: Please continue.

[1730]

J. Kwan: Thank you, Mr. Chair. I appreciate that. I just want to make it very clear for everyone in this House that the opposition has a lot of questions for the minister, and we'll continue to ask them. The question will not be called on the Finance estimates until the opposition is finished asking all the questions.

Back on the point, Mr. Chair. The minister says she doesn't know about this report. The minister says: "I don't know what that's about." Well, maybe the minister would care to try and find out what it is about. Does the minister care to do that?

Hon. C. Taylor: I will remind the member opposite that the role of the Minister of Finance is to ensure good governance and good business practices at Partnerships B.C., which comes under the Ministry of Finance. We have in place all of the measures that ensure that good governance is in fact happening. When we look at the projects.... I must remind everyone that, of course, the Minister of Finance isn't running these projects and shouldn't be running these projects.

We hire very talented people. We've built a team of expertise from across the country. We are receiving awards for the work we're doing. We put out value-for-money reports at the end of each project to show the taxpayers exactly what the project looks like and how it will save them money or give them additional benefits. Part of this off-loading of risk is a really important issue for taxpayers who have been burned in the past and who are really tired of big infrastructure programs of government that go badly.

In fact, yes, we're spending several days at this, and I'm very happy, because I'm sure it'll get the message out to people that we have a very successful model here a lot more than I've been able to get it out. Partnerships B.C. is now doing with Abbotsford hospital what the NDP were not able to do, even though they did promise the people of Abbotsford a hospital and spent millions working on it. That went away and didn't happen. This government has, through Partnerships B.C., put together a project that is going along very successfully. We have expanded it so that the people of Abbotsford will have a cancer centre as well.

I know that it's tempting to always be negative about things, but these are very good projects for the people of British Columbia, and I think that anyone who drives the Sea to Sky Highway will see the improvements and be pleased that the project is going well, that the taxpayers' budget of \$600 million is being protected. They are very happy with the progress with Abbotsford and, of course, ambulatory care and several other projects as well. These are good initiatives in B.C.

I just have to say: at the end of the day, between one side of the table and the other, we will have to accept the fact that we have to agree to disagree. We think this is a good model, and I've said many times that it's not the only model. We've now talked about two examples today, in fact, that will be straight procurement projects, but for those projects that the P3s work for, they're very positive for the taxpayers. We're very pleased that Partnerships B.C. has been so successful and is now recognized across the country.

J. Kwan: We've already talked about the rewards that the minister mentioned around Partnerships B.C. We don't need to go there again, but let us actually focus here. The minister, first of all, didn't actually an-

swer the question around the report that I cited, and apparently she doesn't care to find out. I think it raises some questions, and the minister doesn't have the information, doesn't know the information and doesn't care to find out. I think that's the troubling part here.

I know that the minister would like to cast the situation as though somehow we in the opposition don't care and don't want health care improvements or better investments for British Columbians. The minister's wrong about that, and I know that she's just engaging in political rhetoric when she says that. I want to say this very clearly, though: it is the job of the opposition to raise the questions with the minister.

These are valid questions around the P3 option that the minister is the cheerleader for, around the P3 option that there are problems associated with or lack of information associated with and for which we're trying to get the information from the minister. That information is not being provided in this House through this set of estimates. That's the truth of it. I challenge anyone to go back in and look at *Hansard* with all the questions that are being put to the minister, to see how many of those questions actually got real answers. The truth is: few.

[1735]

It's almost as though I'm at home sitting with my daughter, I suppose, and we've got a tape recorder. We've got a tape in there. You press the replay button, and the same thing keeps on running again, no matter what. That's the truth of it.

Interjections.

J. Kwan: The members want to be very helpful, and I would appreciate that. The more helpful they are, the more questions I have, and that's useful for the opposition — absolutely. I'm sure the minister will find it equally useful as well.

In the value-for-money report, the report that the minister should have read and, I assume, had read, it notes a risk valuation of \$16 million. What does this number represent?

Hon. C. Taylor: Hon. Chair, I would ask, through you, that the member withdraw that remark. I never said I did not read the value-for-money report.

J. Kwan: If you check *Hansard*, what I said was I would assume that the minister would have read it. That's what I said.

The Chair: Member, would you mind restating your question?

J. Kwan: In the value-for-money report it notes a risk valuation of \$16 million. What does this number represent?

Hon. C. Taylor: If the member opposite is referring to the \$16 million from the December 2004 risk-valuation number, the change from the previous year was just a re-evaluation of the risk involved.

J. Kwan: Let me ask the minister this question. On the share of the government equity in Abbotsford, the government continues to argue that the value of P3s is to bring private capital and take debt off the taxpayers, even though, I must note, if it has to repay the private sector debt at a higher rate, the government is still willing to go with that.

Let me ask the minister this question: what share of the total capital cost is funded by the province? What share of the total capital cost is provided by the private sector partners, and what share of this is a subordinated debt?

The Chair: Noting the time, I want to remind this committee that we'll recess in five minutes.

Hon. C. Taylor: The financing of this project was quite complicated, and it involved money from the regional hospital district, from the private company. There's debt. There's equity. We will get the specific breakdown, if the member opposite needs it, for this particular hospital.

J. Kwan: I'm still interested, though, in the breakdown of the questions I put to the minister.

Hon. C. Taylor: I just answered that.

J. Kwan: Sorry, maybe I didn't understand the minister. Maybe she can repeat her answer in terms of the share breakdown of the debt costs.

Hon. C. Taylor: As I said, it's a very complicated one and involves many partners. If the member opposite would wish the specific breakdown, we will get that detailed financing to her.

J. Kwan: Oh, I see. I missed that last part where the minister said she didn't have the information but will provide it to us. Yes, I would like to know that information. I think it is important for us to know. I would have thought the minister would have known that, but apparently not, so it's my mistake in making the assumption the minister knows about these kinds of things.

With that, I do note, though, Mr. Chair, as you've warned me, that it is time for us to recess. I move that we recess until 6:45.

Motion approved.

The Chair: This committee will stand recessed until 6:45.

The committee recessed from 5:40 p.m. to 6:47 p.m.

[H. Bloy in the chair.]

On Vote 30 (*continued*).

The Chair: Good evening, and welcome to Committee A. We'll continue with estimates.

D. Cubberley: Good evening, everybody, and thanks for the opportunity to ask some questions.

I'm going to plod along a little bit with Abbotsford regional hospital and cancer centre. I don't want to ask the same question that was asked the last time, because I recognized there was some uncertainty about the \$75 million and the ownership structure, but I do want to clarify for myself what I read in the PBC report of 2005. The capital costs were given at \$355 million, and there was a combined contribution of \$75 million from the regional hospital district and the Fraser Health Authority.

What I'm interested in is what role that \$75 million plays. Is that part of the \$355 million? Does it bring with it some part of an ownership share in the operation? How is that part and how is it set in motion? Why was that done?

Hon. C. Taylor: The regional hospital authority contributed \$71 million as a grant.

D. Cubberley: In the total capital mobilized, this is being done in a private partnership. There's a principal entity, which is given as Access Health Abbotsford. Does the contribution of the regional hospital authority confer an ownership share upon the hospital authority? How is that structured? That contribution — how is that accounted for, who owns it, and how does that fit with the private ownership of the entity?

Hon. C. Taylor: There is no ownership there with the regional hospital authority.

[1850]

D. Cubberley: Then that leads to the next question, because I'm having difficulty understanding.... If we have a P3, which is structured to reallocate risk and move it away from the public side, why wasn't the local government's borrowing of \$71 million or its capital contribution moved off-book in the same way that the rest of the money for the project was?

Hon. C. Taylor: The whole project is on-book. It's not off-book.

D. Cubberley: Clarify for me, then, what is going on. My understanding is the government is not borrowing the \$355 million — that we're taking advantage of another entity borrowing the money and financing the project. Perhaps that's a wrong assumption, and you can clarify that.

My question is: why do we have a capital contribution from one entity, which is typically, as I understand it...? The way that we've financed hospitals traditionally is a 40-percent share of the capital costs of major capital projects. This isn't a 40-percent share. It looks, from what I saw, to be an actual capital contribution to the project. How do we deal with that? Help me a little bit with this. Why is there no ownership attribution for the contribution if it's a direct capital contribution to the project?

Hon. C. Taylor: There were a few questions there, so I want to make sure I've got all of them. As you cite, at one point I used to be the chair of the hospital district, so the financing was fairly familiar.

The 40 percent, of course, as you've cited, was the number. The reason it's not 40 percent now is that they were 40 percent of the original project before we added the cancer centre. Their contribution was capped at that, so that's why the number doesn't match as the 40 percent.

The regional hospital districts don't ever have ownership. The ownership of this project will be with the Fraser Health Authority.

D. Cubberley: Just one more question to try to get at it another way.

My understanding, and it's a layman's understanding of this, is that this is an attempt to take advantage of financing by a private entity rather than putting public money into the project. The method of injecting the public funds is in paying for the medical side of the operation and in paying an annual fee to the private entity for the provision of the hospital.

My question, then, is: why was there any contribution from the regional hospital district into the entity? [1855]

Hon. C. Taylor: In fact, this was something that the district was very keen on and really anxious to move forward on. There had been attempts before, so they were quite happy to put their regular 40 percent in.

D. Cubberley: I understand that hospital districts and hospital authorities are almost always anxious to get their projects going. I, too, have been a member of an authority, and we have projects still — I'm still referring to it as "we" — that we want to see built as well. I'm just trying to capture why we would not have used the same model for the hospital authority that we're using for the government itself, which is to have the private entity provide the private financing and to pay for that on an annual basis in a fixed fee.

Why would we not have generated the same equation and said this to the hospital district? "We want you to participate. We're creating this entity in partnership with a private entity. We would like you to assume a share of the operating costs of the hospital, which includes paying back the capital, the costs of this borrowing, over the life of the contract — the 30 or 35 years, whatever it is."

In order to keep it clean and to be able to compare, ultimately, like with like, in comparing a base option of self-procurement with this other process of private procurement, why would we not have simply said: "Let's do it this way and make it 100 percent and clean"?

Hon. C. Taylor: As hard as it may be to believe, they wanted to do it this way. It's the way they have funded hospitals in the past. They felt very comfortable with this, but they did want it capped at that original,

because that's what they had planned on and budgeted for. So they were very happy with this.

D. Cubberley: The implication wasn't that they would have been unhappy with it. It's more that it must have made it exceptionally difficult to develop a base case option with this blended financing model, where you have part of it contributed by the government sector and a much larger part contributed through private financing, and to sort it through and to do a comparison with what it would have cost if it had been 100 percent publicly financed.

Let's leave that. We can, if we have time, get back to it. The Partnerships B.C. report gives the private partner as Access Health Abbotsford, which, it says, is responsible for building and operating the hospital once built and maintaining the facility and facility management services — and it gives a list of them — which it delivers in keeping with performance standards set out in the agreement.

My question is: who is Access Health Abbotsford, and does AHA own an interest in the hospital, or is it an entity designed to deliver the contractual obligations of the actual owners of the hospital — the ones who are providing the capital and are entitled to the revenue stream from the hospital?

[1900]

Hon. C. Taylor: Access Health is, in fact, the group that represents the private side. It's the banking, and it's the contractor. That's that group. They are contracted by Health Co., which is one up and which is our subsidiary. That's where the people from Health and Partnerships B.C.... That's where we sit. They contract with this company called Access Health, which is the group of the privates involved.

D. Cubberley: I'm trying to grasp who actually owns the hospital and the financed, capitalized entity that we're creating. Who owns that?

Hon. C. Taylor: It is always publicly owned. During the construction period it's owned by Health Co., which is our subsidiary, and then as soon as construction is completed, it's owned by the Fraser Health Authority. That's where the ownership is. It's always in the public.

D. Cubberley: Then I'm interested to pursue another line. On the 28th of December 2005, there was a new listing on the website of the Macquarie Bank of Australia with the headline "Macquarie Bank Acquires 81-Percent Interest in Two Canadian Health Care Projects": "Macquarie Bank today announced that it has acquired an 81-percent interest in two Canadian projects, the \$355 million Canadian Abbotsford regional hospital and cancer centre and the \$95 million Canadian academic ambulatory care centre of Vancouver Hospital, both located in British Columbia." It says the interest has been acquired from another bank, which happens to be the bank that's mentioned in the Partnerships B.C. document.

I'm having difficulty putting together the idea that the Fraser Health Authority owns the hospital with the idea that the people who are financing the hospital, building the hospital and benefiting from the revenue stream of the hospital — and are selling those rights to other people — don't own it. There's a nuance of some kind here that I'm missing.

Hon. C. Taylor: The percent ownership is of that Access Health. As the release says, they purchased an 81-percent interest in the project. That's not in the hospital but in the project, which is what Access Health represents.

D. Cubberley: They purchased an 81-percent interest in a project that has a substantial capital value. This is a controlling interest, but it doesn't involve the ownership of the asset. Is that what the minister said, I believe? What they are doing is that the revenue stream from the hospital has been made into the commodity, which is for sale.

Is the management structure under Access Health Abbotsford included in whatever has been purchased by the Macquarie Bank? Is the revenue stream that is attached to the performance requirements in the operation of the facility somehow detached from what the Macquarie Bank has purchased? If so, how could they achieve control over the return on their investment in having purchased this?

Hon. C. Taylor: Access Health owns the project, so the building of the project and the operating of the project.... That's what Access Health owns. What Macquarie did was come in and buy that percent of Access Health. In other words, they've come into the project of building the hospital and the operating and the revenue stream going forward. They're on that side, whereas the public domain owns the actual hospital under the Fraser Health Authority once it's completed.

[1905]

D. Cubberley: I'm struggling to get an image, which is always dangerous — an analogy of some kind to make it a little more concrete for me, just to make sure that I understand this so it doesn't appear to be sleight of hand or mere accounting.

Is this like a car lease scheme, where essentially, instead of borrowing the money directly and paying it down, the financing is internalized by the person selling the car? You own it, but you pay a monthly fee towards paying it down. Is that sort of...? What's the model?

I'm having a lot of difficulty understanding how a British Columbia hospital can trade as a commodity on international markets and be owned by the Fraser Health Authority at the front end of a process of making payments that repay someone else for having financed it. I'm just trying to make it sort out. Maybe I'm being simple-minded here.

Hon. C. Taylor: It's not like a car lease. We were trying to think of a good example. It's like buying the

right to provide a service. You get paid for that service, and if you do it really well, then you make a profit on providing that service.

The financing often is international. It's not as if this is new that we have international financiers. They are often, obviously, very big players, quite used to P3s and quite interested in working with the private companies to provide them.

It's Access Health that is the.... They will build the hospital, and then their revenue stream comes from operating well and meeting their performance targets going forward. That has a value — having the right to that contract. That's what the 81 percent involves.

D. Cubberley: Maybe I can move into just a couple of questions about how the efficiency occurs that allows this to actually make financial sense to the private partner. I'm just thinking about the fact that a publicly financed project would obviously have lower financing costs than a private sector project because of our credit rating. Plus there's a need to accommodate profit-making on the other side in order for it to be attractive to a private sector investor.

I'm interested to know how it happens that the P3 generates marginally lower costs over the amortization period. I'm interested in what the X factor is. Is it lower wages? Is it higher productivity? Is it greater efficiency? What is generating the notionally or marginally lower costs?

Hon. C. Taylor: The benefits come because these are experts in the field. They, in fact, brought in some people from Australia, I believe, who really knew how to do this. So it ends up in lower costs for them than the way government has been running hospitals.

In part that's because they're there right at beginning. They know how to design it in a way that's going to work better. They're going to get better productivity, and their operating costs will be lower. Therefore, for them, it makes sense, because they've been in there from the beginning. They build it. They operate it. They know what their costs are going to be, and there's a value to that contract.

[1910]

D. Cubberley: I'm just trying to think now. This contract would have to be structured, on the public side, around a set of defined standards for the services that are going to be provided by the private contractor in the operation of the hospital, the maintenance of the facility, the laundry, the housekeeping and in the other services that are going to be provided. Would the model and the standards in play at this hospital differ substantially or not at all or somewhat from the standards that are in place for the contracted-out services in our not-for-profit hospital sectors?

Hon. C. Taylor: This was driven, really, by the Fraser Health Authority. They are so involved in setting what the standards are and where they want to go. It was interesting. During the process, apparently, the

Fraser Health Authority started to think about what actually would work better if you were starting from scratch. Very often with our hospitals we don't have that opportunity. They had a chance to have input and set standards that are very detailed in the contract in terms of what they want and what best practices would be.

My understanding is that they're now using a lot of this information and research that they used there in other locations as well. I think it's really part of evolving. As we start to think about how we're delivering health care, how can we do it better? I think that's the question that's always on everyone's mind: how can we do it better? As a result of this, new best practices are appearing.

D. Cubberley: I'm interested in getting a sense of how, in the setting of the capital cost for the project, we ensured something equivalent to the impact of the competitive marketplace, were we to go with own financing and our own design and go out into the marketplace for competitive bidding for the construction project itself.

What is the equivalent pressure, the moderating pressure, on the bid price to construct that's built into the process, that allows a negotiation to arrive at what can be construed as equivalent or better price? How does that arrive out of negotiation? And what causes a contractor who might build the hospital to agree to do it as efficiently through a negotiation as might be arrived at through a competitive process in the marketplace, where you set it out and you've done materials estimating — you know, the order-of-magnitude costing of the project — and you allow the market to tell you what it will build it for in the given circumstances?

Hon. C. Taylor: These are good questions that you're asking.

In terms of trying to get the best proposal and the best offer, if you're not doing this life-cycle kind of P3 project, where it's not just construction but also operating.... If you were just doing a design-build, then all your profit has to come during the construction phase. But if, in fact, you're doing what is the construction plus the operating contract and they really believe they can do well and meet all the performance targets, then you don't have to make as much money here, because you see that the long-term life-cycle profits are going to be good ones.

[1915]

I think that's an important difference from just doing a design-build and doing a P3, which involves the operating over a long period of time.

D. Cubberley: I believe I noticed in what I had read in the report that mention is made about both provision for bonuses and for deductions. I'm interested in how bonuses work within this, what they're based on, what deductions are based on and how that's adjudicated. What's the mechanism for someone to establish that a bonus is warranted?

Hon. C. Taylor: This is a very lengthy agreement that talks about either performance or deductions, and it's included. The concession agreement that you can have a look at is on the Web. It is an extremely detailed document.

The management of that contract, of course, will be through the Minister of Health, so I would encourage you to pursue that when his estimates come up.

D. Cubberley: I want to go back just briefly and canvass the increase in costs, which you've commented on already. I want to try to get a sense in my mind as to how the increases occurred.

The document references two things to explain costs. One is changes in emerging health care trends, and the other is escalation in construction costs as reasons for the increased costing overall. In general terms, I'm interested in what role each of those played in terms of the growth from \$210 million to \$355 million.

[D. Hayer in the chair.]

Hon. C. Taylor: Approximately half were because of the construction increases, and half were the scope increases, and none of it was because it was a P3. The split that you're looking for was that.

D. Cubberley: I note that the total procurement costs were in the order of \$14.5 million at financial close. The documents suggest that half were attributed to developing a template for this kind of procurement, which obviously must have taken a significant length of time because it was the first time through it.

My question would be whether.... In comparing how close a publicly financed option would have been relative to this and with the suggestion that total project costs of all the options were estimated to be financially similar, which the document says, are we accounting adequately for the fact that the process to actually make this happen was longer because of the need to invent a template? Inevitably, the construction market that we are in and have been in for the last two years would have driven costs higher. I put that out to you for comment.

The admission is quite direct that there had to be this work done. That would, presumably, have taken some considerable time to put together. My sense is that that would have extended the time to get to the point of saying: "We're going to award this. It's a go." I would like some comment on what role that played in growing the cost — the extra time that would be required to create a new template.

The second thing is whether, with the comparison, which says that the costs are roughly similar for all the options that were considered, we have compared like with like in the sense that the public procurement model would not have required the template. It could have occurred sooner, and notionally the costs may have been lower. I ask for comment on that.

Hon. C. Taylor: It is true that the first time through, as we have tried to be very clear about in the report,

did take some time. We also have to remember that there were efforts to start this hospital through the '90s, and despite money being spent, it just never got underway. So there have been all kinds of delays in trying to get this hospital built for the people of Abbotsford. But without question, you're right that going through it the first time took longer than it will the next time.

[1920]

J. Kwan: I would like to just ask some questions around the public-private partnership matters related to the project — actually, some final questions, if you will, on this. Then we would like to move on to procurement practices and then come back to Partnerships B.C., particularly based on the information that the minister provided to me earlier today. I haven't had a full chance to really read through all that and do the analysis around it, but I hope to be able to get back to it sometime tomorrow with respect to that. I do just want to ask a couple more questions and make some closing comments around it.

It's kind of interesting, actually. The issue that I'm about to raise with the minister in this instance relates to procurement practices and particularly with respect to RFPs. It's a release that was just sent out by VIHA. They're seeking proposals for new residential care beds and assisted-living units. It's under Partnerships B.C., as far as I could tell.

The question I have is this. The time frame which this allows is actually quite a time frame. Perhaps I can ask more of a broader question to the minister, and that is: with respect to RFPs — with complex RFPs, as such — is there a general guideline in terms of the time frame that the government allows for people to respond?

Hon. C. Taylor: As you have indicated, it is determined by the complexity of projects and different projects. What the analysis is, in terms of how long it might take, determines the time period of the RFP. In this particular instance there are a couple of things. Obviously, we'd like to build these beds as quickly as we can for the people of British Columbia. The Interior Health did a similar RFP, and it was on a similar time frame. They are not Partnerships B.C., but they have a similar model in terms of time.

J. Kwan: Is there a standard, though, which Partnerships B.C. uses instead of guidelines around RFPs?

[1925]

Hon. C. Taylor: There's no set standard, because each project is different. In this one, for instance, there's no design work, which would usually lead to a longer lead time on the project.

J. Kwan: Is there a standard to allow health authorities to pull out anytime they want to, as is the case, as I understand it, with this instance?

Hon. C. Taylor: Could you please clarify the question?

J. Kwan: Is there a standard that the government may or may not have around how and when and if health authorities could pull out at any time with respect to this kind of RFP and with respect to these kinds of projects and contracts?

Hon. C. Taylor: I'm not sure if by "pull out" the member opposite means to terminate the process of going out for RFP. Is that the question?

J. Kwan: No. I'm sorry. I mean cancelling of the contracts.

Hon. C. Taylor: With the health authorities there often is a 365-day termination clause, but when you get into longer contracts, that doesn't make sense in terms of banking — just like a mortgage for a house. So in this case, in part of it, that was taken out.

J. Kwan: It is my understanding that VIHA actually has reserved the right to cancel the contract. Is the minister saying that that is no longer the case?

Hon. C. Taylor: As I mentioned before, on part of the contract, they had taken it out. On the assisted-living part, it is still there.

J. Kwan: Sorry; then just to clarify: on which part of the contract? The proposal here that I'm referencing is for new residential care beds and assisted-living units, so in which part of the contract have they taken out the right to cancel contracts? Is it the residential component? If the minister could put that on record, please.

Hon. C. Taylor: It's the residential portion.

J. Kwan: The residential care beds which VIHA is seeking proposals for has eliminated their right to cancel contracts. But for assisted-living units, however, they have maintained that right to cancel the contract with a one-month's-notice provision?

[1930]

Hon. C. Taylor: There's a difference between the care that goes with the homes and the capital, but we'd be happy to go back, and I know that the CEO is going to verify it so that we will give you the exact response you're looking for.

J. Kwan: Thank you very much. I would like that clarification.

I'll tell you why I'm concerned about this, or the concerns that have been brought to my attention. It has only just arrived recently from the broader community, and there are several areas in terms of concerns.

First of all is around the two-month deadline for proposals in the RFP process. That is a very tight time frame. I would say that with proposals for new residential care beds and assisted-living units as well.... These are complex projects. One could compare, I suppose, assisted living particularly to B.C. Housing's re-

quest for proposals for management of housing projects. They actually — as far as I understand it, if my memory serves me correctly — provide a bit of a guideline in standards insofar as that in the housing sector, there is a three-month deadline for proposals in the minimum.

Here we have a similar kind of provision, though much more complex, I would venture to say, because you're adding the health care component into the living environment, into the housing environment. Yet the deadline for proposals is only two months. So it's actually much tighter, and I think that that's difficult for the bidders that are out there, and particularly difficult for non-profits who might be interested in bidding for these proposals. We have to remember that non-profits, generally speaking, don't have the kind of resources that other companies do.

To be fair, what we're trying to do, and I hope what the government is trying to do, is to find the best bidder that's out there in our communities to provide this kind of care for individuals throughout B.C. So to make sure that there is an appropriate deadline and a set of standards that apply is important. I would appreciate it if the minister would look into that matter and get back to me on it and around the standards around that, and whether or not the minister can find her way to examining it with an eye to actually lengthening the deadline for requests for proposals in this instance.

The other piece related to that is the notion of being able to cancel a contract, and that's problematic as well, from a business point of view, for anybody. Once you enter into a contract and you're doing the work under it in good faith, and all of a sudden you have the rug pulled from under you with the cancellation of a contract.... We can imagine the problems associated with that.

So VIHA reserves the right to cancel the contract, and I'm not exactly clear.... The minister is committed to getting further information around that in terms of that cancellation provision — what exactly it means, how it would apply, to what sector, and all of that — again, with a view to reviewing that and the implications that come from it. Hopefully, the answers that will come back are completely logical, but without knowing the answer at the moment, I don't know whether or not it would be logical.

These are some of the concerns that I want to table for the minister's attention. If I could get commitment from the minister to look into these matters, I would appreciate that very much. I know that the non-profits and others who have raised the issues with us would also appreciate it.

Hon. C. Taylor: I'm very happy to get back with details on the cancellation provision. Also, we must realize that part of the two-month deadline was an initiative of Vancouver Island Health, and it was their wish to proceed quickly.

[1935]

Interjection.

J. Kwan: I'm just getting instructions from the Government House Leader on various things. I'll try to oblige, Mr. House Leader.

Thank you to the minister on that. I'm going to leave that for now and wait to receive the minister's information on that. I would hope, depending on what information comes back, that if I'm not able to bring back the questions for estimates debate in Finance, we could bring this to the Health estimates. If the minister can confirm that with me, I would appreciate it.

Hon. C. Taylor: Absolutely. I think our House Leader was talking in your ear at the point that I was trying to respond. One of the things I did want the member to know is that it was the Vancouver Island Health Authority that was really quite anxious to do this as quickly as possible, so I do understand. We will look at the reasons for that. I understand there might be issues with non-profits, and we'll certainly have a look at that.

J. Kwan: Yes, I could anticipate that the health authorities are wanting to get on with it. After all, we do have a significant number of bed shortages in the province in terms of long-term care beds. There was a commitment and a promise by the government to deliver 5,000 long-term care beds, and only 600 have been delivered to date.

That has been creating quite a problem in our health care system. So I fully understand that people want to get on with it and get the beds going, from the health authority's point of view and, I'm sure, from the government's point of view as well — for political reasons, but more to the point, for reasons of providing services to the community.

Having said that, we've got to make sure the process is right and make sure the process is fair. I appreciate the minister committing to providing that information. I also want to make sure, though.... It may well be that by the time the information gets back to us, the set of estimates might have moved along.

If that's the case, because it is a Health matter as well — while it is Partnerships B.C., it is also Health — I want to make sure the minister agrees that we will be able to ask questions then, if questions should follow from the information the minister provides us during the Health estimates. If the minister can confirm that, please, on the record.

Hon. C. Taylor: Yes, I did confirm that.

J. Kwan: That's great.

Noting the time, I would like to put on the record these following comments with respect to public-private partnerships. I think it is important to note this, because at the beginning of our debate the minister talked about looking at other jurisdictions in terms of what they've been doing and, of course, learning from that.

I do want to flag for the minister's attention — and I alluded to it a little bit — the problems with respect to

the U.K. There was a recent report, in fact, released in 2004, so it's not outdated or outmoded by any stretch of the imagination. It was a report done by the Association of Chartered Certified Accountants in the U.K., and it's particularly interesting because it notes issues related to road and hospital P3s.

It is a lengthy report, I must admit, with 238 pages in total. It made for good bedtime reading for me on some nights, particularly when I just sat there and stared at the ceiling and started to count the circles on top. It was good bedtime reading, but I did get some information out of it that was useful for me to learn about P3s and some of the risks and issues associated with them.

I would just like to bring them to the minister's attention, particularly where in the report it states: "Our analysis shows that PFI" — this is what they call P3s in the U.K. — "is a very expensive way of financing and delivering public services that must, where public expenditure is constrained, lead to cuts in public services and/or tax rises." That is a cut in the social wage.

That's one example in terms of the cautions and concerns they raise. Throughout the report — with too many quotes to put on the record — it's littered with examples and concerns like that. It talks a lot about the discount rate and value for money. Of course, it also cites the fact that sometimes it's hard to quantify the value-for-money issue, and so on. Down the road, in fact, things might not look as glorious as they were first presented at the outset. I just want to highlight this for the minister's attention.

[1940]

I would also like to highlight this, as well, wherein I know the Premier actually expressed his interest in bringing the British ideas back for possible application to the B.C. health care delivery system. He particularly singled out the use of public-private partnerships in building and operating hospitals and the delivery of medical services, as is being embarked on with the Abbotsford hospital.

Interestingly, there was a sudden resignation, as I mentioned earlier, by the chief health individual in their system. In fact: "The current crisis, in which British papers like the *Guardian* and *Independent* are predicting that the year-end deficit for the NHS could run as high as \$1.6 billion Canadian, is viewed as a political quagmire for the Blair government." It goes on to say that it is impossible to deliver affordable and universal health care through market mechanisms.

That's one of the issues that has been raised in the U.K., as is happening currently. They also go on to talk about the concerns around the inherent destabilizing component of P3s. Folks have commented, particularly a researcher at University College London, Dr. Polak, who claims that the government has broken up the British public health system into hundreds of mini-corporations that have to compete with each other for patients and funds while servicing a high-cost debt created by the public-private partnerships that are favoured by this government.

British health care, she says, is being increasingly invaded by international for-profit health care delivery

firms, and that has gone straight to the bottom line of these for-profit companies. She goes on to say that the privatization is inherently destabilizing, adding that market mechanisms drive up administration costs. In the old NHS system, administration costs ran about 6 percent of the budget. Earlier so-called reforms in the system doubled that cost to 12 percent. Now, in the wake of the creation of so many PFIs, it is highly likely that the administration cost is up to close to 20 percent of budget.

I raise this, really, to highlight the challenges that other jurisdictions that have embarked on P3s are finding, as we're just entering into this kind of realm. I hope the unhappy experiences of the U.K. in that instance do not materialize in British Columbia. Again, I want to say very clearly on the record that it's not an issue of ideology here in the context of the issues I've raised in this House, in the context of the issues my colleagues have raised.

It's rather to say that we want to make sure all the questions are asked and answered and that the government actually looks into these issues and to make sure we actually enter into the best option possible on behalf of British Columbians.

We have reservations about it, given that some of the information was not provided. In our view the analysis and comparisons were not adequate, in that they were really comparisons of apples to oranges rather than apples to apples, if you will. With that, though, I am mindful of the time, as we are moving along.

I would like to move on to another area, then, and that would be procurement practices. Oh, I'm sorry. Before I do procurement practices, I also want to ask a couple of questions in this area of Partnerships B.C. Has the government undertaken to look into public-private partnership initiatives in the high-tech sector?

Hon. C. Taylor: No.

J. Kwan: Why not?

Hon. C. Taylor: At this point Partnerships B.C. hasn't seen any obvious opportunities for major capital infrastructure projects that might suit the P3 model.

J. Kwan: Let me highlight one example for the minister. Perhaps the minister could commit Partnerships B.C. to engage in discussion with the people, the professionals, the experts in the field, to talk about this possibility.

[1945]

I recently met with some folks around the tech sector on the possibility of growing that industry and the importance of growing that industry. It is very important to us. I think it's important for British Columbia's economic health and for the tech industry. If we grow it, of course, it also brings the added benefit of sustainability, in every sense of the word.

Here's the issue I'd like the government to explore: infrastructure building, for example, the infrastructure

of technologies, if you will, is what we're talking about. I'm not talking about a highway or bridge or anything like that, but infrastructure in the technology arena.

In this instance I would argue that it would be useful to examine public-private partnerships that would be to our benefit, and this one example would be around security systems. We know that the 2010 Olympic Games are coming around. Security is top of mind for everyone, and so it should be. We want our dignitaries and delegations to arrive and to make sure that the place is safe for them, and there's a variety of things to do around that.

I think, too, that there's an opportunity to engage with folks who are experts in that field to devise technological systems providing security services and so on. We can then build and grow the industry within B.C. to make it work for British Columbia for 2010 and potentially beyond, and for other venues as well, and bring it over to other jurisdictions thereafter.

As far as I know, the folks who are interested, and it's not just one organization but a range of organizations, a consortium of organizations.... But to date they have not even been able to get a meeting with the government around exploring that option.

I would like the minister to comment on that and on whether or not the minister is willing to ensure that discussions take place, and to explore the possibility of developing a public-private partnership in that arena, again, with the goal of growing our industry in the tech sector for B.C.

Hon. C. Taylor: Hon. Chair, how do I express my shock here? What are we at — three days? Four days? I'm not sure, but having had a lot of cynicism and negativity about Partnerships B.C. and the idea of P3s, it's wonderful to wrap up this particular section of Finance estimates with a suggestion that we pursue more P3s with the high-tech sector.

We would be more than happy to look at any opportunities, and it should be noted on the record that the CEO of Partnerships B.C. meets with anyone who requests a meeting and would be certainly happy to do it.

You have outlined very, very well many of the advantages of the P3s and why Partnerships B.C. has been so successful. I mean, it is successful because we do manage to put together partnerships that involve private dollars and important infrastructure in the community. Risk transfer happens. Innovation happens. That's why Partnerships B.C. has been so successful.

It certainly is a model I would like to see used in all sorts of sectors — certainly the high-tech sector as well. If there are opportunities there, we would be very happy to talk to them.

J. Kwan: Just to be sure, so that the minister doesn't misunderstand what I said, I've said all along in the last couple of days that we're not ideologically opposed to public-private partnerships. That has always been the point. The minister at one point, to her delight,

cited some examples of how I've been supportive of P3s in the past, when I was a minister.

That goes to the point that the opposition is not ideological about this issue. What we are concerned about, and the concerns we've raised around Partnerships B.C. with some examples, was the lack of fair comparisons and open-mindedness, in my view, in exploring all of the procurement options and practices in developing these various projects, particularly with the view of looking at the financing component and the ramifications of those things.

[1950]

We've touched on this again, and I don't want to get into this debate, because we're wasting time on that, but I have to correct the minister on the notion around transfer risks. The minister talks about transfer risks as though they could only be obtained through public-private partnerships. It's simply not true. You can obtain the same benefits through other models. All we're doing is raising the issues with the minister.

When she says they have value-for-money reports that say we saved all this money with various projects, that's also untrue, because the money is not in the bank. In some instances, all they are, are user benefits by investing more for road improvements. That's not to say you could not get the same user benefits in other forms. That's the point, and the minister keeps on missing the point, which I think is unfortunate for British Columbians.

I just want to say, on the tech issue — and not just on the tech issue but in the areas where I think the government can explore.... Let me just say this. I have met with people who could not get a meeting with the government around this issue of exploring public-private partnerships — around security measures, for example, for the 2010 Olympics. I think there are companies out there that could do the job. They could work with the government on that, and we could grow our industry in a sustainable way for the future of B.C.'s economy.

That is the point and why I'm raising it. That's why I would like the minister to commit to that, and I'd like the government to explore it. I'm not necessarily saying that's the only way to go or that it is the way to go. All that I'm saying is to explore those options. That's what I'm saying. Nor did I say anywhere in this debate around Partnerships B.C. that the government should not be exploring these options, but when the government explores the options, do it with fairness and open-mindedness, and compare apples to apples.

Be forthright with British Columbians around providing information on the initiatives and the projects they have undertaken, providing information to the public so that they can understand what it all means — so that they, too, can arrive at conclusions the minister has already come to. That's an important point and a distinction to note.

With that, though, I would like to move on to procurement practices. First of all, I'd like to ask the minister this question. What is the procurement governance office?

Hon. C. Taylor: The procurement governance office is within the comptroller general's office, and the notion is to oversee the governance of procurement policies.

J. Kwan: Yes, the procurement governance office operates — as I understand, as well — within the office of the comptroller general and was established in October 2002. They're responsible for monitoring and reporting compliance with corporate procurement policies.

Could the minister please tell this House how much money is allocated to the procurement governance office?

Interjections.

The Chair: Order, members.

Hon. C. Taylor: While staff is looking that up — to be exact — do you have another question, and we could go forward?

J. Kwan: Yes, I do. I've got 14 pages of questions on the procurement practices. I'll try and plow through them as quickly as we can.

How many full-time-equivalents are working with the procurement governance office?

[1955]

Hon. C. Taylor: There are two FTEs.

J. Kwan: There are only two, eh? Wow. How many of them are working on...? Well, are both of them working on procurement monitoring and compliance issues, and how does that compare to last year? Has that changed, or has it always just been two?

Hon. C. Taylor: There were two previously as well, but we must remember that this is just the policy side of the procurement governance.

J. Kwan: Who is doing the monitoring compliance issues then?

Hon. C. Taylor: Hon. Chair, \$315,000 is the specific budget, and in terms of the question about who is looking at compliance, we have spot-checked internal audits, we have regular internal audits, and also every senior finance officer in all of the ministries and also the Crowns have responsibility themselves for ensuring that the procurement policy is being followed.

J. Kwan: Yes, I know that the ministries and the Crowns have their own sort of set of people looking at these issues. In some instances, I may add, some of them may not be doing a very good job of it, based on the information that we've received to date. We'll set that aside for a moment, though.

Within the Ministry of Finance, how many people are working on monitoring and compliance issues?

When the minister talks about spot checks in terms of internal audits.... I know that at the beginning of the debate, I believe it was on Monday, there was some discussion around internal audits that take place — the minister advised — every two years. So when that takes place, as far as I understand it, it takes place from the procurement governance office — does it not?

[H. Bloy in the chair.]

Hon. C. Taylor: As I say, the procurement governance office is doing the policy work.

J. Kwan: Then who does the internal audit check?

Hon. C. Taylor: Within the office of the comptroller general, we have internal auditor services.

J. Kwan: Within the Ministry of Finance, how many people are tasked with monitoring and compliance issues?
[2000]

Hon. C. Taylor: We have seven people who are looking at the internal audit of just the Finance Ministry itself, and then we have another 58 who are looking at internal audit issues across government.

J. Kwan: How does that compare to last year?

The Chair: I'll just take this opportunity to make a statement. On March 6 the member for Bulkley Valley-Stikine raised a point of order regarding the use of electronic devices by members who are engaged in debate during the Committee of Supply (Section A).

Pursuant to the recent guidelines issued by the Office of the Speaker, members are reminded that they may use laptop computers and hand-held electronic devices, such as BlackBerry devices, to access textual information.

However, it is important to clarify that members may use electronic devices to access information in support of the debate, but they must not rely on these devices once they have been recognized by the Chair. Electronic devices cannot be used as speaking notes or be quoted from while engaged in debate. Of course, all electronic devices must be operated silently. Thank you.

Hon. C. Taylor: Last year it was approximately 50 people. I mentioned that we've got 58 now, but we're still filling positions. That'll go up to 60.

J. Kwan: Thank you to the minister for that answer.

I appreciate the clarity, because I thought I'd been violating the House rules. It turns out that I hadn't been, and I appreciate that clarity, Mr. Chair. Just to be safe, I actually moved the computer off my desk. But anyway, we'll know how to operate within the rules of the House from here on in.

What was the service contract that was used in procurement practices in the past, and how is that different today with the new general service agreement? Is it different? Maybe it's still the same. I'm just not sure.

Hon. C. Taylor: I wonder if we could ask the member opposite if she could be more specific about what contract she's talking about.

J. Kwan: It is my understanding that there were service contracts used in procurement practices in the past in terms of getting audits and monitoring procedures done, and now there are new general service agreements. I'm wondering whether or not there is a difference between that approach of the past and now with the general service agreements.
[2005]

Hon. C. Taylor: The general services contract is there as a template and is still being used. There are differences, of course, depending on what services, exactly, you are asking for. That changes from project to project.

J. Kwan: Could the minister please tell the House...? She mentioned that there are regular internal audits. Are those the biannual internal audits — the audits that take place every two years — or are there some other audits that take place that are regular?

Hon. C. Taylor: This process, of course, has been instituted by government in the last few years. It came as a result of the 2002 review that the new government did about procurement policy. It was really part of an effort to make sure that we were leading-edge in terms of our procurement issues.

Out of the procurement policy came the procurement governance office, which sits in Finance, which continues to look at policy. As you've identified, we have our internal auditors who are constantly reviewing the process, finding out where we can improve, and moving our standards up. Every two years there is a cross-ministry review, but there are reviews going on all the time. Sometimes ministers ask for a review. Sometimes the Finance department just decides it's a good thing to do a review. There are reviews happening all the time, with this regular, every two years, cross-ministry review.

J. Kwan: Just so I'm clear: regular internal audits are taking place every two years. That's what the minister calls regular internal audits.

The minister talks about spot-check internal audits. Those are the ones that from time to time.... When the Ministry of Finance may feel like doing an audit and there needs to be an audit, then an audit is done. That's a spot-check audit into other ministries, I presume. Then, at other times, other ministries may come forward and say: "Hey, you better do an audit of my ministry, because I'm quite worried about how my ministry's engaging in procurement practices." Is that what the minister means by spot-check audits?

Hon. C. Taylor: Basically, that's right, with one descriptor change. We do the cross-ministry reviews every two years. Sometimes ministers will ask us to do

an internal audit in some area. It's usually because they just want to ensure they're reaching for best practices. As well, we also do spot-check audits.

J. Kwan: Is that information public?

[2010]

Hon. C. Taylor: The list of the audits is available. They certainly are FOIable. I believe that we've all seen a copy of one that was FOI'd in the past year from our Privacy Commissioner. They are sometimes severed on personal information, but the list is available in public.

J. Kwan: How could I get access to this list of audits?

Hon. C. Taylor: Anyone who asks for it can receive it, so if you would like to ask for it, we will get that for you.

J. Kwan: Yes, I would like to get that information. In fact, let me just put this on the record, then, given that the minister has committed that anybody who asks for these audits can get them. Let me put on the record that every time the minister does the audits.... If I could get the list of these audits every time one is being done by the government, for us to be automatically on sort of like a Rolodex, for it to pop up and say: "Better just send that information to the opposition." I would appreciate it very much if I could get commitment from the minister on that.

Hon. C. Taylor: The lists are updated, and whenever they're updated we will send you the new, updated list.

J. Kwan: Usually, how long does it take for the list to be updated?

Hon. C. Taylor: The audits often take from seven months to the better part of a year, so that would be the general time frame.

J. Kwan: The list, I presume, would provide information about what ministry is being audited. Or

maybe the minister could just tell me: what does the list provide information-wise?

Hon. C. Taylor: It's a list of the audits by date and by ministry.

J. Kwan: Does it list out the contracts that were audited?

Hon. C. Taylor: It's the title of the audit.

J. Kwan: To get, I guess, the list of contracts that have been audited, and to get the information around the audit findings themselves.... How does one go about doing that? Is it only by FOI, or can we also get on the Rolodex list system here to get access to that information?

I would think that that's important information for the public to know in terms of what the findings of those audits are on a regular basis.

Hon. C. Taylor: It does have to go through the FOI process, because there is often private information that has to be properly looked at before it is released to the public.

J. Kwan: Okay. I have to go through the FOI process — fair enough. I would like to challenge that, but I also understand the privacy issue. It is important, though, I think, for the public to get access to that information and to ensure that, in fact, the government, in the interest of all British Columbians, is following its own procurement practices and guidelines. That's why I'm asking these questions here.

I am noting the time, and I'm reluctant to actually delve into another set of questions around procurement practices, which would take a long time. I have already been asked by the two House Leaders on both sides of the House to make sure we actually get into the House to vote.

With that, noting the time, I move that the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 8:15 p.m.

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