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LEGISLATIVE ASSEMBLY
(HANSARD)

Monday, May 8, 2006

Afternoon Sitting

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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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MONDAY, MAY 8, 2006

The House met at 2:02 p.m.

Introductions by Members

Hon. W. Oppal: It is with great pleasure that I introduce 46 grade ten students from Killarney Secondary School in my riding. Accompanying the students are teacher Ms. Janet Nicol and student teachers James Mack and Megan Jones. Would the House please join me in welcoming the students and the teachers to the gallery.

D. Chudnovsky: I'd like to introduce to the House today David Shillington, who's a retired social worker and who has been a strong supporter of the coalition to save Eagle Ridge bluffs. Mr. Shillington is a family man. He and his wife Sally, a retired nurse, have four children. All of those children were raised in the Horseshoe Bay house they lived in for 37 years, which looks at Eagle Ridge bluffs. Could the House please make them welcome.

M. Polak: In the House today it's my privilege to introduce two guests. One is Susan Fonseca. She's the vice-president of the Langley Teachers Association. The other is Diana McNeil, the first vice-president of the district parent advisory council in Langley. Would the House please make them welcome.

M. Sather: Joining us today in the House are four members from Maple Ridge-Pitt Meadows and beyond Maple Ridge-Pitt Meadows — from the Blue Mountain and Kanaka conservation group. They were here today to see the Ministers of Environment and of Agriculture and Lands, and they are Duanne Vandenberg, Jim Bradshaw, Yukiko Tanaka and John Castiello. Would the House please make them welcome.

Hon. G. Abbott: In the gallery today are several distinguished, eminent guests who took part in an event this morning to mark the start of Hypertension Awareness Week. Hypertension is something that a few of us might know in this chamber. We live in a lifestyle that occasionally promotes that particular aspect of life. It is always reassuring to note that we have very remarkable leaders in public health care who can assist us with these important issues.

[1405]

With us today are Dr. Arun Chocklingham, secretary general of the World Hypertension League and national coordinator for World Hypertension Day 2006; Dr. David MacLean, dean of the faculty of health sciences at Simon Fraser University; Bobbe Woods, CEO of the B.C.-Yukon Heart and Stroke Foundation; Dr. Michael Golbey, president of the B.C. Medical Association; Bill Mackie, B.C. Medical Association council on health promotion; Sharon Shore, also with the B.C. Medical Association; Alan Hicke, a member of the B.C. Pharmacy Association board of directors; Dr. Mark Gelfer, former president of the B.C. Medical Association

and medical director of VSM MedTech, Coquitlam B.C.; and finally but certainly not least, Assistant Deputy Minister Paula Bond, B.C.'s chief nurse executive, who not only took blood pressures this morning but also represented nurses as we marked the start of National Nursing Week.

This week, May 8 to 13, was proclaimed today as Hypertension Awareness Week in British Columbia. I want to thank our guests for helping us raise awareness of this important health concern and for doing such a remarkable job in building better health outcomes for British Columbians.

R. Fleming: Joining us today in the legislative precinct are parliamentarians and eminent persons connected to a variety of oversight work that Canada's legislative assemblies do. They are Michael Eastman, who is the executive director for the Canadian Comprehensive Auditing Foundation, and Rita Dionne-Marsolais, who is chair of the Committee on Public Administration in the Quebec National Assembly. John Williams, the former Chair of the Public Accounts Committee in the House of Commons, is here, as well as Doug Griffiths and Art Johnston, members of the Public Accounts Committee in Alberta, and Ken Stewart, former Chair of the Committee on Crown Corporations in B.C. and currently municipal councillor in Maple Ridge. Fred Dunn is here as well, the Auditor General of Alberta; and Ron Salole, vice-president, Canadian Institute of Chartered Accountants. They're all attending the 2006 summit on results-based management, which is being held here in Victoria today and tomorrow. Would the House make them all feel welcome.

Hon. S. Hagen: At lunch today members from both sides of the House attended a luncheon put on by the Victoria advisory board of the Salvation Army, Canada and Bermuda territory. At that lunch the Salvation Army presented to the government of British Columbia the government partnership award.

Tributes

STEVE NASH

Hon. I. Chong: On the weekend — in fact, yesterday — Victoria heard some very, very good news. Mr. Steve Nash was selected as the most valuable player in the NBA for the second year in a row. As has been noted, he joins basketball legends like Michael Jordan, Kareem Abdul-Jabbar and Magic Johnson. I am pleased to say that Mr. Nash is a former constituent of mine. He's become a household name, as we know, in North America.

He started off in Gordon Head playing basketball at a number of high schools and in fact was, for a short time, at my former high school as well. The student body there very much remembers him and pays great tribute to him.

Mr. Nash is a great diplomat for his hometown, for this wonderful province of ours, indeed for all of

Canada. I would ask all members of the House to join me in congratulating our hometown basketball superstar and future hall-of-famer, Steve Nash.

Introduction and First Reading of Bills

PAYDAY LENDING ACT

R. Fleming presented a bill intituled Payday Lending Act.

R. Fleming: I move the bill be read for a first time today.

Motion approved.

R. Fleming: I'm pleased to introduce the Payday Lending Act before the House today. The Payday Lending Act addresses the urgent need for reform of the payday lending industry in this province. It will establish the groundwork for an industry that provides services to people in a manner that is both legal and fair.

[1410]

The current unregulated, unlicensed state of affairs for the payday loan industry does not ensure this. It does not protect the interests of B.C. consumers in what is a fast-growing industry, whose presence is visible on the main streets of our towns and cities in British Columbia.

Payday lenders currently loan money at a rate that typically is greatly in excess of the annual rates allowed by section 347 of the Criminal Code of Canada. This industry is out of compliance and in violation of the law as a matter of course in its daily business practice. Unlike five other provinces, British Columbia does not have any licensing requirements for payday lenders, nor does it engage in any serious regulation of the industry.

Through introducing this bill, we will hope to bring integrity back to the payday loan industry and protect vulnerable consumers from illegal gouging and other harmful and predatory practices, like the rollover of loans that produces a difficult debt trap for individuals. Section 18 of this bill deals with the most pressing issue, which is the illegal rate of interest that the payday loan industry levies on a regular basis. By an order of the Financial Institutions Commission, this section prohibits payday lenders from charging more than the maximum allowed to be charged as a cost of credit for the renewal, extension or replacement of a loan or for the default under a loan.

Currently, the federal government retains the authority under section 347 of the Criminal Code to regulate the charging of illegal rates of interest. This legislation anticipates and encourages changes at the federal level that will grant provinces the authority to regulate payday lenders. Passing this legislation would position British Columbia to take advantage of these changes immediately.

Recognizing the limitations to the implementation of this bill, certain sections of the act can be enacted without federal changes to the Criminal Code. This

includes section 1, which outlines the definitions. Section 19(3) requires that information provided to borrowers be clear and understandable — the notion of plain language. Section 20(1) provides for borrowers to cancel the loan within 48 hours, and section 22 provides the borrower....

Mr. Speaker: Can the member pose the question.

R. Fleming: Thank you, Mr. Speaker.

This is an important step and one that I hope will be part of a broader effort by the province to protect consumer interests in B.C. I ask all members to review and support this bill.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House.

Bill M206, Payday Lending Act, 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)

EMERGENCY PREPAREDNESS

L. Mayencourt: I rise today because today is the very first day of Emergency Preparedness Week in British Columbia. This week schools and communities across the province will be organizing events aimed at the importance of planning for emergencies.

This government is committed to ensuring that we as a province are prepared for any kind of emergency. Municipalities and emergency service personnel across British Columbia are working hard to be prepared, but there is an element of individual responsibility as well.

The theme of this year's Emergency Preparedness Week is "72 hours: is your family prepared?" In the event of a disaster, it may take emergency crews some time to reach citizens. Thus, it is essential that families are prepared to survive for up to 72 hours on their own.

We've seen the devastation and loss of life caused by the tsunami in Asia, Hurricane Katrina in New Orleans and the earthquake in Pakistan. What we must remember is that disaster can strike anywhere at any time. Here in B.C. we have seen the terrible impact of forest fires, floods and mudslides, and we are often reminded of the potential for an earthquake. In fact, there are 57 identified hazards in this province, including natural disasters like extreme weather, earthquakes and tsunamis. But there are other types of disasters as well — hazardous material spills, disease outbreaks and the threat of terrorism.

I encourage all British Columbians to set aside some time this week to prepare your families, your homes and your workplaces. There are several things that you can do, from putting together survival kits to drafting a family emergency plan and ensuring that you have a supply of water on hand. All of the information to make sure that you and your family

are ready for an emergency can be found at the government's provincial emergency program website: www.pep.bc.ca. I encourage all families to get ready and prepared for 72 hours.

CONTRIBUTIONS OF B.C. NURSES

C. Wyse: This week is National Nursing Week, a week in which we celebrate and honour the work of nurses and the invaluable contributions they make to our health care system. The work of nurses affects Canadians every day. Nurses ensure that people receive appropriate care.

[1415]

A nurse works with patients before discharge from the hospital to arrange for needed nutrition counseling, physical activity, occupational therapy, mental health supports, social services as well as medical support. Nurses have long cared for the ill and have been powerful advocates for appropriate and accessible health resources. Nurses advocate on behalf of their patients to ensure that services are available to address mental health services, to facilitate the mobility of people with chronic diseases and to reduce environmental pollution — to name but a few issues.

In B.C. nurses have spoken on the impact that bed cuts have had on patients, the effects staff shortages have had on the nurses' ability to deliver quality health care and the need to value and respect nursing leadership at the worksite level. In B.C. nurses recognize the important achievements in their recently ratified contract. This contract allows nurses to deliver better health care by allowing the nurses to work more closely with their patients, as many obstacles that prevented this practice have been eliminated.

Today I hope the House will join with me in thanking and honouring British Columbia nurses for all they do for patients and for all they do to encourage us all to lead healthier lives.

HUMAN EARLY LEARNING PARTNERSHIP

R. Sultan: It turns out that as we evolve from womb to kindergarten, there is a connection between our social environment and our biology. Differences in family experience, education and economic status affect brain development and our central nervous system. Scientists use the buzzword "biological embedding."

The World Health Organization is funding a UBC-based research team leading a global network called HELP, an acronym for Human Early Learning Partnership. In B.C. HELP involves over 180 faculty and graduate students from all six of our universities in the medical, biological and social sciences. Led by Dr. Clyde Hertzman, HELP recently published the B.C. Atlas of Child Development. Fascinating. Every MLA must read this book. HELP is funded primarily through the B.C. Ministry of Children and Family Development and other provincial and federal agencies and foundations.

We already know that age zero to five is critical. What happens to you then massively influences what happens to you for the rest of your life. Early childhood development must remain a top priority.

EMERGENCY PREPAREDNESS AND CLIMATE CHANGE

B. Simpson: As the MLA for Vancouver-Burrard pointed out, this week is Emergency Preparedness Week — a week when we're supposed to be building awareness of the importance of planning for emergencies.

According to the provincial emergency program website, there are 57 identified hazards in British Columbia. However, not explicitly listed in the identified hazards is climate change. Yet insurance companies, which must constantly evaluate and update potential hazards and risks, now view climate change as the most significant hazard in the coming decades. In fact, according to the president of the Reinsurance Association of America, climate change could bankrupt the insurance industry.

The Institute for Catastrophic Loss Reduction, which was formed by the Canadian insurance industry, states that Canadian cities are particularly exposed to increased risks as a result of climate change. It states that this increased vulnerability is due to rapidly aging infrastructure; management decisions based solely on cost-efficiencies; and increasing poverty, which exposes a greater proportion of urban populations to the effects of extreme weather events.

The institute also points out that coastal communities are under increasing threat of sustained flooding and storm surges as sea waters rise — a fact highlighted last week when the Sierra Club released a map of the lower mainland showing the areas that will be under water due to global warming. The chair of the international panel on climate change captured the essence of this issue when he stated that the frequency and magnitude of natural disasters will increase in a warmer world.

As we focus on emergency preparedness this week, we should embrace the fact that the risks and hazards of climate change are already upon us and that we must take a leadership role in preparing our communities for the increasing impacts of this global emergency.

[1420]

CONTRIBUTIONS OF B.C. NURSES

S. Hawkins: As someone who spent 12 years as a nurse and someone who comes from a family of nurses — both my older sisters are nurses — I would be remiss if I didn't rise today to recognize the incredible contributions that nurses make to our health care system.

Today marks the beginning of National Nursing Week, and I think it's a great opportunity for us to honour nurses and to reflect on the incredibly vital role that they play in our health care system. As I said, not

only was I a former nurse, but I'm also a current patient, so I believe I can speak from experience of that demanding, challenging job that nurses tackle every day in in-patient and out-patient units across the province.

I think it takes a very special person to become a nurse. I'm proud of our nurses, and I know that I'm not alone. When I hear from constituents in my riding of Kelowna-Mission about the care they received while at a facility in our community, they always praise the compassion, the professionalism and the skill of nurses they encounter. I believe I wrote, when I was in the hospital, that every one of my nurses should win a nursing recognition award. They were just absolutely, incredibly wonderful.

There is absolutely no doubt in my mind that British Columbians recognize the fact that B.C. nurses are amongst the best in the nation, if not around the world. Our government also recognizes how important nurses are to our health care system. That's why we've increased nursing education seats by 62 percent, and that's why we brought in nurse practitioners to fill the growing demand for nurses here in British Columbia.

I would join with the member who rose earlier, and I would ask that all the members of the Legislature and everyone across the province join me in making sure that British Columbia nurses know that their hard work and dedication make a positive difference in our lives every single day.

50TH ANNIVERSARY OF SIR WILFRED GRENFELL SCHOOL

A. Dix: Last Thursday, May 4, Grenfell elementary school in my constituency celebrated its 50th anniversary. Staff, students and parents all participated to make the celebration of this landmark date a terrific success. Students worked diligently to decorate the school into decade themes to portray Grenfell through the years. In the evening well over 100 alumni joined parents and staff to attend an outstanding performance by the students, which was introduced by the principal, Mrs. Donna Procter.

Grenfell elementary over the years has been recognized for teaching excellence, for student involvement and for parent participation. Besides all the preparations that went into the 50th anniversary, every day exciting events happen that reflect Grenfell's community involvement — like peer educators, like a track and field program with over 120 students participating, like an outdoor education program — and student involvement in every aspect of school life, from school patrol to the Grenfell support team initiated by older students.

Grenfell also has a wonderful parent advisory committee and parent volunteers who support many of the activities initiated by teachers and students at the school. I'm sure all members of the House will join me.... If I may say as a digression, hon. Speaker, that I believe the next 50 years at Grenfell will be even bet-

ter if the school's minor capital request is accepted by the Minister of Finance. I want to congratulate, on behalf of all members of the House, Grenfell on its 50th anniversary.

Oral Questions

LEGACIES NOW FUNDING

H. Bains: Last week and the week before during our estimates, I asked the Minister of Economic Development a question about Legacies Now funding. The minister didn't answer, so I will ask that question again in this House. Will the minister tell this House how much money in total, from each of the ministries, Legacies Now receives in total funding?

Hon. C. Hansen: The member is not correct. I did answer it last week. He can find that answer in *Hansard*. As I indicated to him at that time — and I shared with him the amount of money from the Ministry of Economic Development that has gone to Legacies Now — I do not have information on other ministries.

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

H. Bains: Yes, this is the same answer we received during the estimates. That is not the answer.

Mr. Speaker, the members from that side of the House may find that answer satisfactory, but the people of this province don't find it satisfactory.

[1425]

Interjections.

Mr. Speaker: Members.

H. Bains: We have found at least \$41 million that is not included in the \$600 million envelope, which is outside of the \$600 million. Last week the minister said there was money from different ministries that Legacies Now receives. Will the minister tell this House once again: what and how much money is Legacies Now receiving from different ministries?

Hon. C. Hansen: There is a process for this. It's called public accounts. In June of every year there is a report filed by the Minister of Finance that sets out all of the contributions that all of the government ministries make to organizations outside of government. Legacies Now is a perfect example of that. The member can do his homework and go into public accounts from previous years and find that information. I know that when the Minister of Finance tables public accounts in June of this year, that information will be contained therein.

Mr. Speaker: The member for Surrey-Newton has a further supplemental.

H. Bains: As Minister Responsible for the Olympics, you would expect that the minister would have those answers — how much money is flowing to the Olympics from different government ministries and from different government programs. This minister isn't coming clean.

He told us, also during the debate, that Legacies Now's primary source of funding was the provincial government. Why won't he tell the House how much and from where and what ministry?

Hon. C. Hansen: Legacies Now is doing some great work around this province. There's no secret to the kind of work they're doing, because I know they keep members of the opposition regularly informed.

They're working with the spirit committees that are actually working on a whole range of projects in British Columbia. They are looking at how to encourage volunteerism. They are looking at ways of promoting amateur sport in British Columbia. Their scope of activity goes way beyond the Olympic involvement that they may have.

As I told the member last week, and he seems to overlook this, Legacies Now is a not-for-profit organization outside of government. They actually relate to government through the Ministry of Tourism, Sport and the Arts. The member obviously either didn't hear my answer in estimates or hasn't gone back to check.

C. James: Well, the minister is correct that there is no secret to the good work of Legacies Now. The only secret is how much of the government money is going to Legacies Now and why the government won't come clean on that issue.

I'd like to quote the minister: "There are other revenues that 2010 Legacies Now will get from the provincial government." The minister has already acknowledged \$10 million from his ministry that went to Legacies Now. The opposition obtained the statement of operations from Legacies Now, and it shows that since 2002, Legacies Now has received over \$90 million in contributions. My question again to the minister: how much is Legacies Now getting from the taxpayers?

Hon. C. Hansen: Well, maybe the Leader of the Opposition wasn't listening when I answered her colleague a few minutes ago, but I indicated how much has come from the Ministry of Economic Development. I indicated that in estimates, and the member has that information.

I don't have information at my fingertips of what other ministries may be contributing to Legacies Now, but I can tell the member that Legacies Now is involved in a whole range of projects around British Columbia that are involved with promoting amateur sport and tourism and community pride — the whole spirit campaign in British Columbia. All of those financial details come out as part of public accounts.

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

[1430]

C. James: I'd like to quote the minister again. He said that Legacies Now is another kettle of fish. He told the House that the primary source of funding for Legacies Now was the provincial government. Our tax dollars are going to fund Legacies Now.

This is not a debate about the good work of Legacies Now. This is not a debate about the work that's being done. It's a debate about taxpayer dollars — a very simple question about why the government won't come clean on how much of our taxpayer dollars is going to fund Legacies Now.

I would like to ask the question of the Finance Minister. We know that money is going to Legacies Now. We know that apparently it's buried in other ministries. So my question is to the Finance Minister. How much of taxpayer dollars is going to support Legacies Now, and will you come clean with those dollars so we can have assurances about our taxpayer money?

Hon. C. Hansen: I can say that in the ten years I've been a member of this House, it's nice to see that the NDP are finally becoming a little bit concerned about taxpayers' dollars, because they sure didn't...

If the Leader of the Opposition wants to engage some of her research staff, it is all public information. She can go into public accounts from last year, from the year before, and she can see how much money was transferred to Legacies Now.

Interjections.

Mr. Speaker: Members. Members.

Hon. C. Hansen: When public accounts come out this June, she'll have all of that information with regard to the fiscal year that just ended.

EMERGENCY SERVICES AT VERNON JUBILEE HOSPITAL

D. Cubberley: Well, another week and another hospital emergency room in crisis and more doctors speaking out — this time doctors in Vernon raising concerns about the state of care at Vernon Jubilee Hospital. Eighteen patients admitted in the emergency room because there are no other beds available in the hospital, and the hospital itself being operated significantly over capacity. One ER doctor called the conditions untenable.

What is the Minister of Health going to do today, now, to fix the problems at Vernon Jubilee Hospital?

Hon. G. Abbott: I think the first thing I'd want to note is that certainly I am aware of some of the concerns that arise — and arise not regularly but periodically — at Vernon Jubilee Hospital. It is a very important hospital to my constituency and to other constituencies in that area. We certainly are looking forward to working with doctors and with nurses and with hospi-

tal administrators to find ways to improve the ER flow at Vernon Jubilee Hospital.

I am happy to note, on a positive note, and advise the House that on Friday the B.C. Nurses Union endorsed a new collective agreement with this government; 97.1 percent of nurses endorsed the new collective agreement. This comes on the heels of more than 94 percent of doctors in this province approving that agreement.

We look forward to building a stronger, better health care system both at Vernon Jubilee Hospital and across this province in partnership with our health professionals.

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

[1435]

D. Cubberley: Just to bring the discussion back to the topic of Vernon Jubilee Hospital's emergency room.... I was interested to read today in the *Vancouver Sun*.... I know the minister doesn't like that source. Debra McPherson, president of the B.C. Nurses Union, says, "Hospitals will be courting disaster if they add to the burden of caring for too many patients by requiring nurses to look after patients in hallways, where basic equipment such as oxygen, suction or call bells is not readily available" — such as exists at Kelowna General Hospital, not very far down the road.

K. Krueger: Why are you smiling?

D. Cubberley: I'm smiling because we have changes that need to be made in the health care system, and I believe that I've just spoken to the denial on the other side of the House. That pleases me — to bring it out in the open.

Mr. Speaker: Member, direct your questions through the Chair.

D. Cubberley: Excuse me, Mr. Speaker.

ER doctors in Vernon have been warning about the conditions at the hospital for months. The minister knows this. Dr. Cunningham, president of the medical staff, said, "More days than not we have gridlock," and: "There are often days where patient care is at risk or the ability of doctors or nurses to provide care is compromised." That was just two months ago, and Vernon Jubilee is still in the same deplorable situation.

Why is the Minister of Health ignoring overcrowding at Vernon Jubilee Hospital? Is he actually comfortable with ER doctors telling him that patient care is at risk?

Hon. G. Abbott: I always welcome the comments and suggestions of health care professionals across this province. We are always open to those suggestions. In fact, what we are going to do is honestly address these issues — not do what the former government in the 1990s did, which was to deny that there were ever any challenges and to never take any steps.

This opposition often says: "Add beds." Well, a bed is a metal frame with a mattress until you have a health care giver who can actually work with the person, the patient who's in that bed. That is the fact.

What we saw in the 1990s was an absolutely shameful neglect of educating the nurses we need in this province, educating the doctors we need in this province. We saw absolutely no investment in human resources. We saw very little investment in important health institutions like Vernon Jubilee Hospital. Under our government, under our leadership, we'll be seeing that investment across this province.

Mr. Speaker: Members, you don't refer to people across the House by their names, please.

C. Wyse: I would like to return to this year, 2006, where people would like to be put into a bed so they could begin their health care treatment rather than being left in ambulances and in the hallways.

Now, despite its record of consistent overcrowding, Vernon Jubilee was left off the list when the Minister of Health announced his band-aid funding last week. ER doctors know overcrowding is affecting patient care. In March Dr. Cunningham warned: "Sick people are often sicker by the time we get to them."

Does the Minister of Health really believe that this is an acceptable situation, or is he prepared to listen to ER doctors and get more beds open so patients can get the care they need?

Hon. G. Abbott: As I addressed on, I think, three occasions last week in this House, the aim of our first meeting with respect to the health care leaders from the 15 largest and busiest emergency room hospitals in our province was to create a model, to create an understanding of how leadership teams could be created in facilities. We are going to build on that model so that every hospital with an emergency room in this province will create the team and every hospital will benefit from that team. That's the fourth time now I've explained that, and hopefully it comes clear.

I think we should look at the facts. This is from the University of British Columbia. During the 1990s that former NDP government reduced the number of acute care beds and other beds in this province by 3,334. I'm glad to update the members on this. In terms of our government — and this is over five years: 1,500 net new residential care and assisted-living beds, a tripling of palliative care beds, and many, many more health and addiction beds in this province.

[1440]

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

[Applause.]

C. Wyse: I would like to recognize that thunderous applause for me getting up for my supplemental question.

Vernon Jubilee Hospital is in a constant state of overcrowding because this government closed down hundreds of beds within the Interior Health Authority. That's where this conversation is in the year 2006. In fact, the IHA had the largest cut to acute care beds of all, with a 24-percent reduction. That's 400 acute care beds that have been cut and more than 900 residential care beds that have been closed since 2002. I'm trying to stay within this century. Patients are waiting in hallways or ambulances because IHA hospitals don't have the bed capacity to treat them.

The minister's band-aid solutions are not working. How many more doctors have to speak out? How many more ERs have to become untenable? How many more patients need to be admitted to a hallway before this government moves on to a real solution?

Hon. G. Abbott: I know the members opposite don't like going back to the last century, and I don't blame them in a lot of ways. I'd be terribly embarrassed about going back there too. I know the general economic direction actually often reflects the 19th century rather than the 20th century.

Notwithstanding that, I want to get the numbers here right, because I think it's important that we do that. What we saw in the 1990s was a 23-percent reduction in acute care beds in this province. There has been nothing like a 23-percent reduction in acute care beds under our government. In fact, what we are seeing is a huge investment in residential care and assisted-living beds. Often the most common reason why acute care beds are inappropriately occupied is the absence of those. By the end of 2006 we'll have between 2,500 and 2,700 net new beds for residential care and assisted living in this province.

ACUTE CARE SERVICES IN NELSON

C. Evans: I'll start by saying that nothing about my life in the 1990s causes me any embarrassment. I'm hugely proud of.... I would like to....

Interjections.

Mr. Speaker: Members.

C. Evans: The most challenging work I ever did in that decade was a short period of time when I served as Minister of Health and learned what a lousy venue question period is to sort out public policy on health. As a result of that, I haven't yet participated in the question period debate with the Minister of Health since my re-election.

However, I did believe that, in private, it was a good idea to approach the minister with Nelson city council and the regional district of Central Kootenay last year...

Interjection.

C. Evans: We'll get to the question.

...to articulate to the minister the devastating effect on Nelson of a 42-percent cut of acute care beds and to offer two solutions of what he might do about it.

My question to the Minister of Health is: did you believe the brief and the argument of the city councillors of the city of Nelson last year, and if so, what did you do about it?

Hon. G. Abbott: I appreciate the member's questions and the member's comment. I did enjoy, as I'm sure the member did, the visit that I had with the city council and with the regional district. They are all old friends, as I know they are to the member and former Health Minister.

The issue is an important one. It's around health investments. We continue to make very important health investments in Nelson and throughout the Kootenays — no question about that. There is, I think, a difference of opinion — and I don't want to put too fine a point on it — among some members about whether there should be more than one regional hospital in the West Kootenays. I think we can only have one, and that regional hospital is in Trail.

[1445]

I know that some members would like that regional hospital to be in Nelson or they'd like it to be in Castlegar — and fair enough. We have looked at that issue, and I can tell the member that we will continue to invest in health care, as we have, and Trail will continue to be the regional hospital for the West Kootenays.

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

C. Evans: I do. I don't think there was anything in my question or in the presentation of the city of Nelson or the regional district of Central Kootenay last year that attempted to set up any kind of parochial debate between communities, as the minister has just done. I am not attempting to argue that some communities should have something else. Nelson, Trail and Castlegar lost 42 percent of their acute care beds. The Nelson health watch committee of the regional district last weekend said that the situation has become dangerous, and private interventions with the minister are no longer appropriate. It needs to be discussed in public.

I don't care; my citizens don't care where the investment goes. We are past parochialism. We're talking about people's well-being. There are empty floors. There is an entire empty hospital in the Kootenays. The question isn't: where are you going to put it? It is: if you have the assets — the physical assets are still sitting there — will you put back enough of the acute care beds so that the dangerous situation — described by doctors in the regional district, not politics — can be rectified while the minister decides his geographic intentions of the future?

Hon. G. Abbott: The member asked me what I thought was quite an open-ended question from the

meeting which I had, he had and we had with the city council and the regional district. The one issue that I remember very prominently in that meeting was the one which I mentioned in our last question. I'm glad to go back and review the minutes and the correspondence that flowed from that particular meeting.

I know the member is advocating for his community and his constituency. There are 78 other members who advocate for their communities and their constituencies. I can tell the member that we have recently announced a major investment at Castlegar. We'll be announcing investments in Nelson and Trail in future weeks and months.

We believe that we are on the right track. The members opposite often say: "Well, there's a certain magic here in the number of acute care beds." Well, if there was, why the heck did they cut so many in the 1990s?

DEATH OF KEWAL SINGH DHANDA AT RICHMOND HOSPITAL

R. Chouhan: Last week, on Monday, one of my constituent's relatives, Mr. Kewal Singh Dhanda, was admitted to Richmond Hospital for minor knee surgery. Following the surgery, Mr. Dhanda complained about chest pains. On Tuesday evening the pains became so severe that he was screaming for help. At one point he moved out of his bed, wanting to call his family. He suffered cardiac arrest and later died in the hospital.

The family is looking for answers about the care Mr. Dhanda has received, and they are not satisfied with the answers so far that they have received from the hospital. Would the Minister of Health ensure that a proper investigation into this matter is conducted to get to the bottom of this issue and to answer why a man going to the hospital for minor knee surgery ended up dying from an apparent heart failure in the hospital?

Hon. G. Abbott: I'm going to be very cautious in addressing the issue raised by the member. I do want to say at the outset, though, that our sympathies go out to the family of the deceased. I know this has been a terribly difficult time for them, this period. Obviously, they didn't expect that this very sad passing of their father might occur.

[1450]

That having been said, I think that this member and all members of this House and anyone who wishes to understand this should take the time to have all of the facts at their disposal before they form conclusions with respect to how the care of the deceased was conducted. I believe that that is the best advice I can provide. It is in fairness to the family, in fairness to the caregivers, in fairness to the institutions that all of the relevant facts be gathered in respect of this case. I strongly urge all members of this House to have those facts at their disposal before forming any conclusions.

ICBC REVIEW OF CELL PHONE USE AND ROAD SAFETY

J. Brar: Last week 31-year-old Tammy Karen Frost lost her life in a car accident. The RCMP investigating the case pointed out that the driver was not paying attention because she was talking on a cell phone at the time of the accident.

The most recent report available from ICBC on the use of cell phones on driving task performance is a study conducted from October 1999 to February 2002. My question is to the Minister of Public Safety and Solicitor General. Will the Minister of Public Safety and Solicitor General tell this House if ICBC currently collects statistics on the role of cell phones in accidents?

Hon. J. Les: Indeed, last week there was a very tragic event — an accident in Chilliwack that involved a bicyclist being struck and killed. Our thoughts are with the families on both sides, frankly.

It raises certain questions around driver behaviour and the things that distract drivers as they negotiate our roadways across British Columbia. I have asked for all of the research material to be reviewed, and in fact I find that ICBC is constantly reviewing these kinds of issues and accessing research material from other places around the world. What we find is somewhat of a mixed bag in terms of the evidence that is presented, but I look forward to reviewing more of that material in the days ahead to see whether there are things we can do in British Columbia to help make our roads even safer than they are today.

Mr. Speaker: The member for Surrey-Panorama Ridge has a supplemental.

J. Brar: Yes. The minister actually didn't answer my question. The question was: is ICBC collecting information on the use of cell phones at this point in time or not? That was the question.

You know, I understand that research can be done on various issues and that it might be being done at this point in time. But certainly it seems at this point in time that if you look at the report and at the answer given by the minister, clearly the minister has failed to allow ICBC to collect information and publish reports on the important road safety issue, which is the use of cell phones while driving.

I will try again. Will the minister commit today to order ICBC to conduct a thorough review and produce a report with a recommendation on the use of cell phones in vehicles and the role that these phones play in accidents?

Hon. J. Les: I encourage the member opposite to listen closely. I clearly indicated that ICBC had delivered certain research information to me and that they were in fact involved in gathering that information on an ongoing basis.

[1455]

I'm proud to say that here in British Columbia, we have been leaders in terms of advocating for driver

safety, particularly as it relates to young drivers in British Columbia. We have put together measures, for example, that limit the number of passengers a novice driver can carry. We have an absolute zero tolerance for alcohol consumption amongst novice drivers, and we're always on the lookout for taking further measures like that. Quite the contrary to the member's allegation, we are leaders in British Columbia in promoting road safety.

[End of question period.]

Orders of the Day

Hon. M. de Jong: In this chamber I call committee stage of Bill 25. That, for the information of members, when it is completed, will be followed by Bill 29. In Section A, Committee of Supply, for the information of members, the estimates of the Ministry of Transportation.

Committee of the Whole House

SAFETY STANDARDS AMENDMENT ACT, 2006

The House in Committee of the Whole (Section B) on Bill 25; S. Hammell in the chair.

The committee met at 2:59 p.m.

On section 1.

L. Krog: I want to welcome to the chamber the minister's able assistants in this matter, who are no doubt going to illuminate and drive away some of the ignorance I might have around this bill.

As I understand it, the Safety Standards Act presently applies to premises that are defined in the statute, and that means "land, a building or a structure in, on or under which a regulated product is located or where regulated work is done." Regulated product then goes on to talk about section 2(1)(b), which refers to amusement rides, passenger ropeways, etc. My understanding of this is that we are now extending this to include residences. The whole point of the bill, according to the Minister of Public Safety and Solicitor General, is to target and shut down marijuana grow operations more quickly and more efficiently.

[1500]

The concern I'm raising is that if that is in fact the intent of the bill, by virtue of the definition of residence under the amendment.... When you take that in conjunction with the existing definition for premises, I'm just wondering: are we not leaving out a number of what I will call commercial premises across the province, which will not in fact be covered by the legislation as it will stand once amended — if, in fact, it passes as proposed?

Hon. R. Coleman: Just before we start, to my right is Lori Wanamaker. She is the associate deputy minis-

ter for the office of housing and construction standards. To my left is Kristina Stevens. She's the director of the safety policy and liaison branch of the office of housing and construction standards.

First of all, the residences are already a regulated product because electrical systems are a regulated product, so they're already covered. Secondly, the bill is not intended to cover anything but residences because power, usually, in businesses can vary so much more dramatically because of the use that the business may use to put on a premise. So we are able to actually measure this.

The bill is really about electrical standards and safety. That's what it's about. It may catch some grow ops, but it also may catch some people who have improperly wired something that could be a hazard to their own residence. It has really targeted electrical standards. Obviously, the member knows that under the pilot project, there were a number of operations that turned out to be grow ops and that were shut down as a result of the pilot project.

M. Karagianis: I ask leave to make an introduction.

Leave granted.

Introductions by Members

M. Karagianis: I have in the House today guests from Campbell River. I have my daughter, Rebecca Fahey. I have my three grandchildren. I have Hunter Fahey. I have Payton and River Fahey, and it is Payton's tenth birthday. I would ask the House to please make them welcome here today.

Debate Continued

L. Krog: I think I understood his answer to be that, in fact, it will not cover all of the commercial premises in British Columbia; that we are simply talking about extending it to residences only, but that, for instance, the existing act does not cover warehouses. In fact, it now only covers premises that are set out in the regulation, and if amended, it will cover residences. Am I clear that we're not going to cover warehouses and other premises on the basis that the minister has explained it — that electricity consumption will go up and down?

Surely, we are simply now creating — with respect to legal language — a rather large loophole for the drug dealers in this province to drive a truck through.

[1505]

Hon. R. Coleman: Maybe I just got a little ahead of myself. All properties that have electrical product are regulated locations. Nobody is being exempted here. I got ahead of myself in saying it's going to apply mainly to residential, simply because that's where we can measure. Further on in the act, we deal with that. I don't want to confuse the member, but really where a regulated product is located or where regulated work is done.... That's including all electrical systems.

L. Krog: Do I take it that, in fact, simply having the presence of electricity in a warehouse means that under the changes or under the existing act, it is possible for someone to go in and do the kind of...? Local government may in fact request that information. In other words, if local government today is concerned about what's happening in a warehouse in Langley, they have the authority under the existing statute to request information from Hydro and other electrical suppliers. Is that what the minister is saying?

Hon. R. Coleman: The act covers all regulated electricity. That means any warehouse. The section that we will deal with, which is residential electricity information, only deals with residential product further on in the act. But the definition covers all. Further in the act, we deal with residential electricity.

L. Krog: I'm not trying to be difficult, but I think it's a fairly simple proposition I have advanced. What we're seeing is that the only premises in British Columbia for which local government can request electrical information under the statute, once amended by this section, will in fact be residences but not commercial premises.

Hon. R. Coleman: I know the member is not trying to be difficult. I'm just going to try and get to where I think we're trying to get to here.

Residential information can be obtained by blanket request based on average consumption. That's what this act is going to allow us to do with regards to residential. The commercial operations don't lend themselves to that type of blanket request, because they have different power needs as they go through. But it can be obtained on a site-specific basis under FOI. This is geared to the residential aspect of being able to look at blanket requests based on the average consumption.

L. Krog: I would never accuse the minister of trying to avoid answering the question directly, being the man of incredible veracity and integrity that I know him to be. But I think I heard him just say that the only premises in this province which will be subject to having local government request their electrical information in general will in fact be residential premises. So in fact, we are going to drive the grow ops of this province into the commercial districts, into the warehouses, into the business premises of the province. Am I right, or am I wrong?

[1510]

Hon. R. Coleman: Theoretically, you're right. However, the police can request under FOI with regard to commercial premises, individual premises.

L. Krog: Then my question to the minister is: why are we making a change that is only going to apply to residential premises when we understand that the criminal element in this province is not that stupid?

In fact, we are simply going to shift the safety concerns, which this bill is supposed to address, out of residential neighbourhoods into commercial premises that may in fact be located in areas where — if there is an explosion in one premise located next to a gas plant — the potential for damage and loss of life and property is enormous in comparison to the damage that might result from one residential house blowing up.

Hon. R. Coleman: First of all, electrical inspectors can and do regularly inspect commercial and industrial properties with electrical systems on an annual basis. They don't do that on residential properties. That's number one.

Number two, I don't know that if we went out and checked a bunch of marijuana grow ops that we might find in commercial properties, we would find 40-some-odd children living in those properties at a high risk to public safety of a neighbourhood.

We do have inspection standards already on the commercial side where annually their systems are inspected. That's done. But we don't have that in residential. What we found was the number that we had here — the 119-odd grow ops — with that number of children in them.... I think that tells us there's a public safety issue here with regards to the electrical inspection. It was 49 children, just for the record.

So that's the difference, I think. There is a regular inspection of commercial electrical systems. We're told it's done annually. They're regularly done sometimes more often than that with electrical systems in commercial properties, but that doesn't exist in residential properties.

L. Krog: I appreciate the danger to neighbourhoods with children living in them. But again I come back to my point. The Minister of Public Safety and Solicitor General made it very clear that the purpose of this legislation was to help shut down marijuana grow operations. This is a public safety issue. Essentially, what the legislation proposes to do is make it easier for local government, who in turn can pass that information on to the authorities — very easy for local government — to simply make this request. It's not an FOI request; it's a simple request in writing that they do. But we're not going to give that same authority to local government to make that request of businesses.

I'm no cash-crop farmer, but my understanding is that one can grow these things in a great deal less than a year. What it means is that organized crime will simply shift from premise to premise from time to time, warehouse to warehouse, and with the kind of cash money available to organized crime, they can buy building after building and keep shifting it around the province. Essentially, this legislation is creating a loophole which will encourage the development of grow ops in commercial premises.

Again, my question to the minister is: why not simply bring forward an amendment? I suppose the minister's response may be: why don't we? Why not amend this so that it applies to all premises? It should apply to all premises if it is to be effective legislation.

I predict here in this House today that the end result of this will be that we will see grow ops moving out of neighbourhoods into commercial premises that may be located, as I've emphasized already, in industrial premises where the possibility of explosion and property damage and danger to human life is considerably exacerbated by their presence next to other deleterious substances. A system that simply allows for annual inspections which may or may not take place.... As a small business operator, I can assure the minister I don't get fire-inspected by safety regs every year. We are in fact creating a dangerous situation.

It's more of a comment rather than a question to the minister. I think the government needs to seriously look at the intent of this legislation and how effective it's going to be in ensuring public safety and shutting down grow ops across the province.

[1515]

Just so I'm clear again. We are going to rely on existing safety inspection in commercial premises, but with respect to residential premises, we are going to have a much broader opening by virtue of this legislation. In other words, this legislation makes it a very simple process, whereas with commercial premises there's no such easy process — a simple request in writing. Am I correct?

Hon. R. Coleman: Well, even though the member didn't ask me a question — as he said, it was more of a statement — I will try and assist him in understanding his concerns. This closes a loophole because there are currently no regular inspections of electrical services to residential properties in British Columbia. There are regular inspections of commercial residences and properties in British Columbia.

I can tell the member that when I was a small business man, I saw them a lot more than once a year. It seemed to me I saw the fire inspector about once a month. Maybe he just liked the particular restaurant that I was invested in at that particular time.

Average power consumption is only meaningful in residences because of the different types of operations in commercial. What I would say to the member is that this is a tool to go forward and make some changes. I think if we find, as we go forward, that the issues the member is highlighting become an issue, we'll have to look at future legislation with regards to that. But at this stage this is a tool that's been requested by the UBCM and municipalities that have experienced this in the past and asked us, with regards to the public safety issue, to try and provide that tool. That's what this is.

I take with fair comment the member's criticism of the other aspect of this. But knowing that we are inspecting commercial properties and we don't have the power to do it in residential.... Average consumption on a residential property will certainly show us spikes that we would be able to detect as something unusual, versus commercial properties, which may all be operating different types of equipment and operations in a commercial area — and depending on square footage and all the rest of it.

I take the member's criticism and concern. I think that as we move forward and see how this impacts, whether it has success as it moves forward, we will take those concerns into consideration in future legislation.

L. Krog: The minister received a letter dated April 6 from the Information and Privacy Commissioner in which he stated: "As a general point such initiatives amount to a form of surveillance involving compilation and use of information about entire classes of citizens without grounds for individualized suspicion of wrongdoing. Such initiatives are multiplying at all levels of government in Canada and are a cause for concern. They are, in my view, to be avoided whenever possible, including because they are not subject to prior approval by the courts."

I would just like to hear the minister's comments on that section of Mr. Loukidelis's letter.

Hon. R. Coleman: I guess I could do one of two things. I did write the Information and Privacy Commissioner back. I could table a copy of the letter for the member's information with regards to those concerns he had.

It was early on in the act when he asked these questions with regards to it. Basically, I told him in my letter to him that it's intended to help local government combat local safety problems by providing them with information on electrical power consumption in residences.

"As you noted, provincial and local safety officials have concluded that the existing information disclosure system for electric consumption is not adequate." That's what he had written me.

"Electrical consumption information is not within the biographical core of personal information that would require the higher privacy protection given to personal information such as medical records." I went on for four more paragraphs, actually — to the member. I'm happy to provide him with a copy of my response to the Information and Privacy Commissioner.

L. Krog: The minister is also in receipt of a letter from the British Columbia Real Estate Association dated April 11, 2006. They raised a number of issues and, in particular, suggested that it should be both the owner and the occupier with respect to the new proposed section 19.3.

They also expressed concern in relation to notice of and information regarding suspicious electricity consumption, asking such basic questions as: "Will such notice be shared confidentially among authorities or made available publicly? Under what circumstances will the notice be updated to reflect actions taken by authorities or changes in electricity consumption?" "Will there be a process in place to ensure updates and corrections are made?"

I'm just wondering if the minister could comment on that.

[1520]

Hon. R. Coleman: To the member: we've had some discussions with the Real Estate Association. They've

been informed that the guidelines that we're going to work with UBCM on will emphasize that it should be done so that the owners are also notified. But the issue here is that the owner or the occupier of the residence should be notified because of a public safety issue with regards to power consumption in the residence.

I had some concerns about some of the issues with the B.C. Real Estate Association, because they already have a fairly substantive property condition disclosure statement that they have their agents fill out. One of the questions they added a couple years ago was: "Has this residence ever been used for drug manufacturing or a grow operation?" They added that to their property condition disclosure statement, which would have to be signed by the owner of the property prior to sale, and they would actually just have to disclose that. They have to disclose that now.

Their concerns, when we're dealing with power consumption from a public safety basis versus what may have occurred on the property, do not mesh the same. This is because, frankly, the power consumption records can be asked for from the owner of a property relative to the property condition disclosure statement. It's actually part of a number of questions that I think are relative to that, on that statement.

I think their request is a little outside of what their normal operational side would be. I think we'll see that the guidelines that will be developed through UBCM will probably end up incorporated on their documents in the future, because they're pretty proactive when it comes to that sort of thing.

L. Krog: I'm not trying to put the minister in a difficult position. I just received a copy of this letter myself, dated May 8, from the British Columbia Real Estate Association. I'm wondering if he has that letter. It's a page and a half long. In it, they comment:

Having followed second reading of the legislation, BCREA remains concerned about wording in the bill with respect to notice being given to the property owner or — not "and" — tenant of a property about to be inspected. We believe that notification to the owner should be mandatory following decision of authorities to conduct an inspection.

Reasons for this position include: should an illegal drug operation be discovered, responsibility for termination of the tenancy rests with the owner, and should there be an illegal drug operation on the property, responsibility for the rehabilitation of the property rests with the owner. The owner may want to act to minimize any further damage to the property. In many communities, local government bylaws already exist, making the owner responsible for terminating the illegal drug operation.

We believe that an amendment to reflect this right to notification would strengthen the legislation. Should an amendment not be possible, then we ask that you — referring to the minister

— provide guidance during legislative debate that authorities who conduct inspections should ensure that property owners are made aware of inspections at the earliest opportunity.

Again, I'd appreciate the minister's comments on that letter.

Hon. R. Coleman: Frankly, that goes to guidelines which we would work with UBCM on. Let's also be clear about something else. What the B.C. Real Estate Association doesn't care to mention in its letter is that we rewrote — a plain-language rewrite — the Residential Tenancy Act a couple of years ago.

When that was done, an inspection going in and an inspection going out became the responsibility of owners. At that time the Real Estate Association asked us to include in the act the ability for an owner of a property to inspect their property once a month so that they can make sure there wasn't that type of activity taking place. Frankly, I think that it's covered in other legislation, and responsible owners of a property should be doing the inspections on a regular basis to protect their tenants and themselves for safety relative to protection of their property.

[1525]

I don't think the building standards act, which is to really look for safety issues with regard to electrical consumption, should be where the B.C. Real Estate Association should set policy or try to work on policy guiding the relationships between landlord and tenant and purchaser and seller. We've advised them — we will in writing, because the letter just came in — that we will be working with UBCM for guidelines for that type of notification as we come through this with municipalities, which they've asked us to do, as we worked towards the regulations. I think that sometimes they forget legislation already pre-exists, which allows for a lot of these activities to take place.

Sections 1 and 2 approved.

On section 3.

L. Krog: This section.... The addition of "prescribing one or more ranges of levels of electricity consumption for the purposes of the definition of 'residential electricity information' in section 19.1...." I'm wondering if the minister can tell the House how those guidelines are going to be regulated.

As the minister might recall, during second reading debate I indicated I'd be concerned that somebody who runs a hot tub fairly regularly may in fact end up having the safety inspector or the police show up at their door. Given that this legislation — although laudatory in terms of purpose — is going to provide further inroads into the privacy that all of us enjoy in our society, it seems to me that one should be protected from unnecessary search and seizure. We're talking the great Charter here and running King John down at Runnymede, it seems to me.

I'm wondering if the minister can give the House some assurances today that there will be very close attention paid to what constitutes residential electricity consumption.

Hon. R. Coleman: As an owner of a hot tub, I'm glad to hear it won't trigger.... It did remind me of a humorous story I heard on the weekend, which I won't

relate to the House. I might actually relate it to the member privately with regards to a separated couple, where one decided that he who was paying the utility bill should pay for heating the pool in the middle of the wintertime. It was quite a humorous little ditty that I was given with regards to that.

The level is set basically by a technical committee with representation from the British Columbia Safety Authority, B.C. Hydro and others. The trigger is only a trigger for the purpose of saying that there's a spike. Then there's a two-year record actually, which comes along with that with an analysis tool from B.C. Hydro and Microsoft Excel. It's not a case of just saying: "Oh, we've got the trigger." The level of the trigger will be very high.

Hydro, in their analysis, know who's got electric heat. Electric heat in the wintertime, as the member knows, is higher than in the summer months. That trigger is taken into account. There are two years of analysis given with that. It's then that you can analyze the spike on the analysis, and that's when you'd get to where you'd do the safety inspection.

[1530]

L. Krog: Just so I'm clear, we're not talking about analyzing the information for two years from the date that the spike is touched. We're talking about analyzing information over a two-year period so one can see that if this high use has occurred for, say, three or four months, that in fact would be likely to trigger the request for information.

Hon. R. Coleman: When the municipality asks for information, there's a trigger level that says these ones might be within the trigger level. Then they're provided with the two-year history, as the member described, which allows them to analyze it and see if somebody is really spiking. Then they would do the safety inspection.

It's not a case of saying: "Well, we've got one spike here, and we've got no related information." You may have a neighbourhood where you have two or three homes that have spiked. Given that there might be two or three in a neighbourhood outside the average, the request is made. So then they would give them the two-year history of those residences that have spiked, which are above the average, and that two-year information should, frankly, drive the information with regards to the safety inspection. It's not a case of just willy-nilly picking a number or something like that.

Sections 3 to 5 inclusive approved.

Title approved.

Hon. R. Coleman: I move the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 3:33 p.m.

The House resumed; Mr. Speaker in the chair.

Report and Third Reading of Bills

SAFETY STANDARDS AMENDMENT ACT, 2006

Bill 25, Safety Standards Amendment Act, 2006, reported complete without amendment, read a third time and passed.

Hon. G. Abbott: I call committee stage debate on Bill 29.

[1535]

Committee of the Whole House

HEALTH STATUTES AMENDMENT ACT, 2006

The House in Committee of the Whole (Section B) on Bill 29; S. Hammell in the chair.

The committee met at 3:37 p.m.

On section 1.

D. Cubberley: I would like to make a few general remarks on the bill and then proceed to some specific questions. Initially, several of those are of a general nature, and they follow from the briefing that we were given — and then specifics on a number of the clauses. I hope it won't be too long or too arduous.

We've spoken previously to the general intent of the legislation on second reading and expressed our support for its stated purpose, which I could summarize as: to create and designate health information banks as data sources for research and as platform sources for the creation of individual electronic health records. The legislation also provides for consequential changes to various Health Professions Act clauses — changes with which we have no basic issue, in part due to their somewhat incomprehensible nature. We are assured by our briefing from staff that they're innocuous.

Recently we did receive a detailed briefing from the Health Ministry staff who were involved in drafting the legislation and in designing the electronic health record and the modes of access to this information. I do want to say that we appreciated the comprehensive approach towards this important health care initiative as well as staff's forthrightness and candour in responding to our questions. Thank you for that.

We're encouraged that the Information and Privacy Commissioner was involved in actually developing the legislation and was given an opportunity to comment on draft sections and that he believes the outcome does strike the right balance.

Going into the briefing session, we did have some questions regarding the design of the system as it

would apply, in particular, in individual doctors' offices and in regards to the potential for aggregated data in a single repository to be accessed by — for lack of a better word — foreign agents with purposes other than those intended by the legislation.

[1540]

While inexperienced in this area ourselves, we were pleased to learn of the measures that staff have taken the trouble to embed in the design of the system to minimize the potential for unapproved access to the information to be aggregated — information which, of course, if it did fall into the wrong hands, could have negative consequences for individuals or groups or classes of individuals.

In short, we're both strongly supportive of the initiative overall to develop an electronic health record in the province, including the decision to create a standard template as we understand for general practitioner access rather than having individual doctors or groups of doctors developing separate templates for electronic health records and separate modes of access. We are also assured that the security of personal health information has been carefully designed into the electronic system from the ground up.

Having said that, I did want to clarify a couple of things that came to mind following the briefing — no need for furrowed brows. I did read in a newspaper article — I know it's folly to take these as sources of information, but it prompted some thinking — a statement which I believe is attributed to Dr. Golbey of the BCMA, summarizing him, saying: "If a secure and fully integrated system is implemented, physicians throughout the province should be able to record and share by computer patient information which is not controversial, while some patients will be able to access their comprehensive records on line."

What I wanted to understand better is: is that contemplated as part of the design of the system — that patients could directly access their health record on line? And how would that access in and of itself be secured in some fashion so that didn't become a portal for inappropriate access to the information?

Hon. G. Abbott: Let me try to provide an answer to the member for his very good question, to kick off here. I think some of the issues that were raised in the initial comments will have more scrutiny as we go through the subsequent sections of the act, but first let me say thank you to the member for his constructive comments in respect of this area of public policy. I think the comments were thoughtful and constructive as well.

I do want to introduce, on my immediate right, Deputy Minister Penny Ballem; on my left, Ron Danderfer, who's assistant deputy minister. We are also joined by Andrew McBride from the Vital Statistics Agency, and John Cheung, who is an executive director responsible for this area of public policy in the ministry.

We will, I think, in later sections actually go to the heart of the patient access issue, but I guess the short answer is that patients will be able to access those re-

ords. There will be some steps that will be required for verification and authentication before they can get at it. Obviously, there needs to be some safeguards around it so that one does not see inappropriate access of those patient records by others.

[1545]

Similarly, on the physician side in terms of their use and dissemination of those records, again a patient verification is very important in the management of this. The access to information will be through the physicians almost exclusively. There are always modes of authentication and verification to ensure that the information is used appropriately, so the provider's first step in electronic health record is their access for patients.

D. Cubberley: I just want to follow along a bit. Dr. Golbey from the B.C. Medical Association made the comment, which I would appreciate some comment on, that in his view patients own their medical records, and doctors are mere custodians. It raises the question in my mind as to whether that is an accurate statement. Is that the view that the bill is predicated upon? Or is there a situation in which there is co-ownership of it?

I hadn't thought of it in these terms. I don't know if it's the appropriate terms to think about it in, but I guess it is the ownership of a piece of.... Whether it's intellectual property or not, I don't know. But the question is: who does own the health record?

Hon. G. Abbott: An important question that the member raises. The discussions that have transpired around ownership of patients' records by Canada Health Infoway, by the freedom-of-information and protection-of-privacy commissioner and other officials are that patients do have ownership of the information. They own their own records in a kind of legal and ethical sense. The obligation to safeguard that information, though, rests with the people who hold it.

D. Cubberley: Let's jump into a data bank of some kind like PharmaNet. PharmaNet tracks prescriptions; they're linked to individuals. That data presumably comprises part of what might be part of what is aggregated into a patient's health record. That database is also a prime database for mining information about prescribing trends.

Is there permission required from the individual patient for the data in PharmaNet to be used as part of an aggregated record or to be used, say, for research purposes? Does the type of agreement that we have endorsed for allowing for information-sharing and projects somehow cover off the fact that this is a piece of personal information that could comprise part of a health record which someone owns?

I'm not meaning to try and trap by asking this. It is just my mind wanting to go out to the margin and ask: what are the implications of that, if there are any?

[1550]

Hon. G. Abbott: The member may wish to follow up on this point to make sure that we've addressed the

example, which he poses as an example of the broader direction of what will occur with the passage of this legislation.

To use the example, as the member did, of PharmaNet, PharmaNet is a data bank, and there is the ability to access that data bank for a particular purpose. However, it is important to note that access to that bank of data would require an information-sharing agreement. Under the terms of this legislation and corresponding legislation, the information-sharing agreement would require review by the Privacy Commissioner. It would also require sign-off by cabinet through a ministerial order. Those are the protective mechanisms around that, and the personalized data is protected in the way it is aggregated and distributed.

D. Cubberley: That was useful as a response. I want to move to something else, which is another aspect of this — back to the patient and the control over the medical record.

It's interesting that if a patient requests access to a copy of a paper health record, there's a requirement that the patient or a designated third party be provided, by the doctor, with a copy of that unless — according to the College of Physicians and Surgeons rules — there is "a compelling reason to believe that information contained in the record will result in substantial harm to the patient or others." The illustrations of what the exceptions are usually about have to do with psychiatric patients.

I was just again thinking about this and thinking: what's the status of psychiatric records? Do they have a special status, within the design of health records, that has a sensitivity, if you will, beyond the sensitivity even of other forms of highly personal information? Is there any blanket shielding that's built in around psychiatric health records? How do you establish patient permission around that aspect of contribution to a general data bank of some kind or access by other parties to it?

I don't have a preconceived notion of how you would do that. I'm just trying to get a sense of whether it's been thought about.

[1555]

Hon. G. Abbott: As I think the member noted in the preamble to his question, the right of a patient to access records is laid out in a general and detailed way in the Freedom of Information and Protection of Privacy Act. As the member also noted, the College of Physicians and Surgeons has a supporting framework around some of the terms and conditions under which, for example, a psychiatric patient might access their records and when they might not access those records.

There is a joint policy discussion continuing between the college, the ministry and the commissioner of freedom of information and privacy to look at how the intent — the policy intent around the dissemination of paper-based records — can also be carried over into the transmission of electronic health records. If I am understanding the issue correctly, and I think I am, the

aim will be to have the same kind of safeguards around the movement of e-health records as one might aim for in the dissemination of paper-based records. Obviously, there is lots of work that needs to be done around that. Again, it is a different way of disseminating that information, but the aim is to try to have many of the same kinds of safeguards in place as one would have on paper-based records.

On section 2, section 10.1.

D. Cubberley: I'm speaking to the definitions under "Health Act" on page 1 of the bill. I'm looking for a little bit of clarification on the definition under 10.1.

A health care body.... It appears to provide four definitions. There is provision here for the ministry, public agents, not-for-profit societies and then a fourth one, "a society that reports to the Provincial Health Services Authority."

My question is: can a health care body include a private for-profit entity? If it can, are there any additional controls that are contemplated if and when it does?

[1600]

The Chair: One minute, minister. For clarification, shall section 1 pass?

Section 1 approved.

Hon. G. Abbott: That scenario would only be possible were a private health care body to be defined as such under 10.1(1)(b), under the Freedom of Information and Protection of Privacy Act.

D. Cubberley: Would that include a for-profit private entity? Can it be construed under that act as a public health body?

Hon. G. Abbott: An interesting question from the member. Having canvassed the brain trust assembled here to manage these questions, none of us are aware of an example of a private for-profit body that would qualify at this point — subject to a change in the definition of FOIPPA — to be here. It has always been contemplated that there would be the transfer from private bodies — i.e., MDS — into the public repository but not access to that information out of the public repository.

Section 2, section 10.1 approved.

On section 2, section 10.2.

D. Cubberley: Under 10.2, designation of health information banks, 10.2(6) — this is a curiosity question — says that the Lieutenant-Governor-in-Council may exempt databases by name or class. I'm just interested in whether someone could give me an example of a database that the Lieutenant-Governor might be asked to exempt and why you would want that provision.

[1605]

Hon. G. Abbott: I'm advised that the intent of 10.2(6) is that the minister not make any designations that would, for example, create a registry that already exists in another act. For example, to have an order that would create the assembling of a database which is already contemplated and established under another act is what we're aiming to avoid here.

Section 2, section 10.2 approved.

On section 2, section 10.3.

D. Cubberley: This regards authorization of disclosure of personal health information, which is 10.3(3). Under (a): "if disclosure is inside Canada...(v) for the purposes of investigation or discipline of persons regulated by governing bodies of health professions."

I'm just interested in what that clause is designed to do and how it relates to the intent of the act.

Hon. G. Abbott: This section and the applicable paragraph that's referenced by the member would read, just for clarity: "An order made under section 10.2 may authorize the disclosure of personal health information" — and then moving down to paragraph (v) — "for the purposes of investigation or discipline of persons regulated by governing bodies of health professions."

The best example here, and perhaps the only example here, would be the College of Physicians and Surgeons accessing case information that would allow them to form conclusions with respect to the appropriate treatment of a patient.

D. Cubberley: Thank you for that. I just wanted to clarify it, so I had a clear sense of what the words were enabling.

Likewise, in 10.3(3)(b): "if disclosure is inside or outside Canada," item (iii) identifies "a purpose for which the individual whom the personal health information is about has consented."

This is back to what we canvassed before, but it's trying to understand how it would work. Are all data banks containing personal information subject to patient approval? That's an off-the-top question, which seems unlikely to me because of the nature of some of those data banks and the way in which information is collected.

[1610]

We spent a lot of time last year looking at ways in which data that might be accessed through something like PharmaNet would be made anonymous in the course of its management to protect individual patients. Is what this area aimed at applying strictly to an individual health record created...? I was going to say created by a doctor, but it's moving into a dimension beyond created by a doctor, because the method of aggregating the information is collecting information beyond the doctor's office.

I'm looking for what form that consent takes and how far consent extends. It's not a trap question; again, it's just trying to understand.

Hon. G. Abbott: Again, I'll invite the member to ask additional questions here. This is the best answer, as I understand it. If, for example, a patient wanted to go to the Mayo Clinic in the United States and wanted to have a procedure done there and the Mayo Clinic required the paper or electronic health record for the patient in Canada, in every instance informed consent by the patient would be required to see that information move from Canada to the United States — or, indeed, to any other international jurisdiction. It would require, in every instance, informed consent.

[1615]

Inside Canada or inside British Columbia — if, for example, a patient had a serious accident in Victoria and their home and their health records rested in Kelowna — if everyone was authenticated within the care group, then that information could move without the informed consent because the patient may not be in a position to provide it at the time. Anyone who is not authenticated within that caregiving structure would require the informed consent of the patient for that information to move out.

Section 2, sections 10.3 and 10.4 approved.

On section 2, section 10.5.

D. Cubberley: Madam Chair, I'm hoping there's a question embedded in this. If not, we'll just take it as a statement for the minister.

I was interested in the notion of complaint and just in understanding better what it's trying to entrench. What I'm taking from it is that it's a protection for individual privacy — in the instance where someone is seeking access to the information, who does not have the appropriate approval or authorization to seek that. That's the primary purpose for which this right of complaint is there.

If I'm correct, then the commissioner, if he believes there's substance to that, would investigate it. He would make a determination, and then he might require that the person making the request desist and that any information collected would be destroyed, or something of that kind. So that's the sense in which privacy is being respected. It's not more expansive than that.

Hon. G. Abbott: This section, I'm advised, is not about patients and their access to the information or their complaints. A scenario that might be contemplated in this section would, for example, be a pharmacist who had collected data in respect of PharmaNet or Pharmacare and then, for whatever hypothetical reason, refused to share it appropriately with the ministry or the health authority in terms of collecting that material. That would be the scenario contemplated here, and that's how that would play out. It's not in regard to the patient.

[1620]

D. Cubberley: So it could be exercised by either, for example, the minister complaining about the non-availability of information for which there was a valid authorization, or it could be a complaint by the person requested to provide it, who believed that authority was being exceeded. Would it run both ways?

Hon. G. Abbott: The act as it's set out here would provide only those who have been asked for the information to file the complaint versus the reverse.

Section 2, section 10.5 approved.

On section 2, section 10.6.

D. Cubberley: Section 10.6 on information-sharing agreements: subsection (3)(a) through (h) identifies who the person responsible may enter into information-sharing agreements with, and the list of them is given. I'm interested in (e), "a health service provider," and want to ask the question: does health service provider include, potentially, a private for-profit service provider, or would it refer only to a health care body, which would be the entity contracting with the private service provider to supply the service?

Hon. G. Abbott: The answer to the member's question would be that a health service provider could be a private or for-profit provider, a walk-in clinic, an MDS type of health operation.

D. Cubberley: To move to (h), I'd just like an illustration of what "a prescribed body that is public in nature" is — an example of that.

[1625]

Hon. G. Abbott: The provision in paragraph (h) is to permit those entities which are not specifically contemplated in paragraphs (a) through (g). Examples of entities that would fit the bill — a prescribed body that is public in nature — might be Canadian Institute for Health Information, Canadian Patient Safety Institute, B.C. Reproductive Care Program. Those are the kinds of prescribed bodies, public in nature, that would be contemplated in (h).

D. Cubberley: Thanks, Madam Chair. We're getting very close now.

It says in here somewhere that information-sharing agreements must identify a range of things, including who has access, the circumstances in which personal health information may be disclosed. Then it says: "the limits, if any, on (i) the disclosure of personal health information by the administrator of the health information bank...."

My only question is why the phrase "if any" is in there. Would there not always be some limits applicable to the disclosure of personal health information? Why was the "if any" put in?

Hon. G. Abbott: I'm advised that the phrase "if any" in paragraph (c) reflects, more than anything, the ever-vigilant legal drafting which tries to contemplate every circumstance that could present itself, such that if, for example, the data bank had little, if any, information in it, there would be little, if any, requirement to put limits on it.

[1630]

Section 2, sections 10.6 and 10.7 approved.

Sections 3 to 37 inclusive approved.

Title approved.

Hon. G. Abbott: I move the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 4:31 p.m.

The House resumed; Mr. Speaker in the chair.

Report and Third Reading of Bills

HEALTH STATUTES AMENDMENT ACT, 2006

Bill 29, Health Statutes Amendment Act, 2006, reported complete without amendment, read a third time and passed.

Hon. G. Abbott: I call estimates debate for the Ministry of Health.

Committee of Supply

ESTIMATES: MINISTRY OF HEALTH

The House in Committee of Supply (Section B); L. Mayencourt in the chair.

The committee met at 4:35 p.m.

On Vote 35: ministry operations, \$11,767,963,000.

Hon. G. Abbott: First of all, I'd like to introduce the staff that are with me today. On my immediate right is Deputy Minister of Health Penny Ballem. On my left is Assistant Deputy Minister Manjit Sidhu. They are part of a large and, I think, very effective team in the Ministry of Health.

Obviously, given the size of the budget that we're contemplating here today and seeking approval from the House, there are a large range of functions, programs, policies and issues that the ministry is certainly confronted with on a regular basis. It's a challenging

ministry, and I am thankful each and every day for the remarkably capable, hard-working and thoughtful staff that support me as minister and have supported me now for... Sometimes I think it's 11 months, or sometimes I think it's 11 years; I'm not sure which. I think it's actually 11 months.

It has been a very interesting time. I have learned a remarkable amount from the remarkably capable and knowledgeable people around me. I do want to thank the ministry for all the work they do and express my appreciation for that.

I also want to take the opportunity early in estimates to thank the approximately 120,000 people who get up each and every morning in the province, whether they're doctors, nurses, pharmacists, health professionals, front-line health care workers, orderlies or cleaners — everyone across the system who works hard each and every day to provide the best possible care to British Columbians.

I think 120,000 people, if translated into municipal terms, is a large city in British Columbia. Occasionally things go wrong. Occasionally the infrastructure fails. Occasionally people make errors of judgment or mistakes. Those things happen, but I do know that we all benefit from the dedication that is displayed by those 120,000 people on a daily basis.

A second point, which I think speaks to how remarkably well served we are by the health professionals and front-line health workers that we have in the province, is that British Columbia has been recognized by more than one source in recent months as a national leader in the delivery of health care.

For example, the Conference Board of Canada, when it conducted its very comprehensive review of health care systems across Canada — and this is all available on the Web for those who are interested in seeing more — looked at 119 different indicators to assess the health of health care delivery systems in the nation. We were certainly pleased that on a number of measures and as a system overall, the Conference Board of Canada rated British Columbia number one in terms of health care delivery.

Similarly, the Cancer Advocacy Coalition of Canada stated what I think is certainly correct and appropriate. The Cancer Advocacy Coalition of Canada noted: "B.C. has the best-funded and most timely access to cancer drugs within a strong, well-organized, population-based cancer control program coordinated by the provincial cancer agency." It also goes on to note that B.C. has the best cancer outcomes and lowest cancer mortality — something which I think we can be very proud of. Certainly I am, and I'm proud of the many people who work in the area of cancer care delivery. They do a remarkable job, and it is something to be very, very proud of.

[1640]

While we're proud of the record, we also appreciate that the system is not perfect. In a system as large and complex as the health care system, there is always room for improvement. The Conference Board report was a signal to us that we should redouble our efforts

and try to build an even bigger, better, stronger health care system for British Columbians than we have today.

That's why, in the throne speech earlier this year, we announced an extensive dialogue with British Columbians to hear their views on how we can make a very good health care system an even better one. We do want to have a conversation with people about how we can create a sustainable health care system, notwithstanding some of the demographic and other challenges which we face in the system.

Health care has certainly grown over time, both in terms of the number of dollars that are devoted to it and in the percentage of the provincial budget which it occupies. I think it was back in about 1996 that the Health Minister of the day indicated that health now had assumed some 35 percent of the provincial budget and thought that might be an appropriate figure to hold the line at. It's been tough for everyone to do that. Today we are hovering around 44 percent of the provincial budget. We've moved from \$8.3 billion in the budget back in 2001 to just about \$12 billion today — in fact, well in excess of \$12 billion if one considers the \$1.8 billion that will be devoted to capital works in the next three years.

There are lots of challenges. It appears to me, based on my 11 months here, that there always appear to be insatiable demands for more services. Those always, for better or worse, come with a cost. We need to be ambitious, but we also need to be judicious in terms of the allocations that we make.

We have built our reputation as a health care leader through innovation leading to transformation. There are a great many examples of innovations in our health care system which have resulted in better, faster and safer patient care. Between 2001 and 2005, for example, we dramatically increased the number of surgeries being performed. Knee replacements over that four-year period are up by more than 65 percent. Hip replacements are up by more than 35 percent over that four-year period; cataract surgeries, up by 20 percent; coronary bypasses, 7 percent. Angioplasties, now becoming increasingly common heart procedures, have increased by 52 percent over those four years.

All of those, I think, point to the advance in the number of surgeries that we are performing. In the one area, hips and knees particularly — notwithstanding the fact that many more procedures are being performed — we have, because of the demographic challenge, a demand that is growing as quickly as the additional surgeries that we're performing here. That is a big challenge.

Recently, as members probably know, we have undertaken a commitment for eliminating that or reducing the surgical backlog, particularly in the hip and knee area but across the board. We've invested some \$75 million over three years for surgical wait time initiatives such as the Centre for Surgical Innovation at UBC Hospital, which will specialize in hips and knees and see approximately 1,600 additional or incremental hip surgeries done a year at that centre.

Again, when we look at the magnitude of the challenge, which is probably estimated at a backlog of somewhere between 4,000 and 4,500, the 1,600 incremental surgeries a year will be very helpful in, hopefully, beginning to move that wait time for those surgeries in a positive direction.

[1645]

The Centre for Surgical Innovation is based on the pioneering work at the Richmond hip and knee reconstruction project, where the number of hip and knee surgeries increased by 40 percent, in part by making the best use of operating room resources. There was actually a very interesting article in the *Vancouver Sun* not long ago, which laid out very clearly how the reorganization and realignment of operating room resources was instrumental in improving the productivity of the surgeons in that centre.

In February this year we announced funding to add another 1,000 elective pediatric surgeries every year, further reducing wait times and providing timely access to surgery for young patients.

In addition to these innovative programs, we are building additional capacity in hospitals around the province. We're building a new state-of-the-art emergency and urgent care facility at Surrey Memorial Hospital and expanding critical and acute care beds, part of an estimated \$215 million project to complete in 2010. We're providing \$140 million over three years for startup and first-year operating costs for the Abbotsford regional hospital and cancer centre, due to open on time and on budget in the summer of 2008.

For those who were listening, we are also in the earlier stages of an electronic health record project, for which the legislation we were just debating is the foundation. We've expanded or launched a number of e-health projects that will benefit patients by giving health professionals the most relevant and accurate patient information at their fingertips so they can make the best possible decisions about patient treatment and diagnosis.

We recently announced \$150 million to be invested in e-health. Canada Health Infoway will contribute \$120 million to electronic health initiatives in our province, and our government will contribute \$30 million. One example of an e-health project that will be expanded across B.C. is Fraser Health's and Interior Health's lead to implement a provincial diagnostic imaging system.

This project is one of the biggest of its kind in Canada. It's a fascinating piece of medical technology and will have profound benefits for all British Columbians but particularly those from more rural or remote locations. At Fraser Health, staff and physicians are able to electronically capture and share patient X-rays, MRIs and CT exams across 12 hospitals. Projects like this one result in better patient care, make the best use of radiologists' time and provide long-term cost savings throughout the system.

We'll also be expanding access to existing programs such as PharmaNet to doctors' offices so that doctors can immediately access prescription information for

patients, and we'll be further expanding telehealth service capabilities to improve access to specialist care for people living in remote and rural communities.

In the research area I think you'll want to note, Mr. Chair, that the province has a remarkably proud record around research. We have been investing not only in the future of our health care system but in creating more opportunities for health research as well.

We've carried out the commitment in our throne speech to provide \$70 million this year to the Michael Smith Foundation, adding to the \$30 million we provided to this amazing organization and thereby fulfilling our \$100 million commitment for health research. This funding will help maintain B.C.'s position as a world leader in disease and illness prevention and will ensure the best health care outcomes for patients today and for generations to come — research projects across the spectrum of health research, including prevention of hip fractures, new methods for cancer diagnosis and a better understanding of brain physiology. Our investment in the Michael Smith Foundation has already resulted in significantly more funds from federal research agencies coming into the province over the last five years.

In the area of cancer B.C. is a leader, with some of the most favourable patient outcomes in North America and, I think, across the world as well. In fact, the B.C. Cancer Agency is a leader in providing access to promising new treatments and is one of the reasons B.C. has such good survival rates. Through our continued investments in prevention, treatment and research, B.C. has created a cancer care system recognized as a model not only for other provinces but, I think, for the world. British Columbia is known worldwide for its excellence in cancer research, an important part of building a strong future for our health care system.

[1650]

We are building a sustainable health care system by focusing on disease prevention and health promotion. We are undertaking a number of programs to encourage British Columbians to make lifestyle decisions that promote health and well-being. We know that British Columbia is the healthiest province in Canada, and there are a number of measures for that. We should be very proud that we are active, smoke less and live longer than those in other provinces — longest life expectancy, best health outcomes and some of the best cancer survival and incident rates. We are, in fact, the model to which many other provinces aspire.

ActNow B.C. provides British Columbians with the support and encouragement to make healthy lifestyle choices, helping them to remain active and independent and enjoying every possible moment of their longer life expectancies. Some 224 communities from Armstrong to Zeballos have taken up at least one of the ActNow B.C. challenges, including Action Schools.

I was proud to be part of the unveiling of this program just two or three years ago. Action Schools has a remarkable 97 percent of school districts participating, representing 753 schools and having over 123,000 students taking part in improved access to physical activ-

ity. That's a remarkable participation rate, and I'm very proud of that.

Tobacco control initiatives. Tobacco-related illnesses are still the leading cause of preventable death in our province, killing more British Columbians than drugs, motor vehicle collisions, murder, suicide and HIV/AIDS combined. Those tobacco-related illnesses cost us. They cost in terms of dollars, but more importantly, they cost in terms of human lives and human potential. They fill hospital beds and operating rooms, and they contribute to chronic health conditions like lung and heart diseases.

That's why these initiatives, including school resources such as B.C. Tobacco Facts and Honour Your Health in smoke-free homes and vehicles, are so important in providing British Columbians with the tools and information to get and stay tobacco-free. ActNow supports healthy choices — choices that can and do make a real difference in not only our health but also the sustainability of the entire health system.

Recently, for example, it was noted that British Columbia's men now live longer than men anywhere else in the world, eclipsing Japan — where apparently too many Japanese men are still smoking. We're now number one there, and it's a remarkable improvement. I think it relates very much to all the things ActNow B.C. encourages us to do. We're aiming to make this province the healthiest jurisdiction to ever host an Olympic and Paralympic Games.

We all recognize and support the very important role of non-profit organizations as partners in healthy living. That's why we've invested \$30 million to promote healthy living in B.C. — \$25.2 million to support the goals of the Healthy Living Alliance; a blue-ribbon coalition of health-related organizations, including the British Columbia chapters of the Arthritis Society, the Canadian Breast Cancer Foundation, the Multiple Sclerosis Society and the Centre on Aging, part of the University of Victoria. We've provided \$4.8 million to 2010 Legacies Now to support physical activities and a healthy lifestyle.

In conclusion, our government is committed to a sustainable health system, and sustainability is more than just carefully managed budgets. It requires the support and involvement of health care professionals who share an obligation to educate their clients about health services, health promotion and prevention.

We said in our throne speech that British Columbia will define and enshrine the five principles of the Canada Health Act, and we will add a sixth, the principle of sustainability, in provincial law. We'll also create a foundation for health care innovation and renewal to help identify best practices in health care from around the world.

Throughout this process, what we need to remember is that we're dealing with human beings, and the greatest accountability we have is: did I provide the quality of care that I should have to this individual? That's why we asked in the throne speech what the fundamental changes were that we must make to improve our health and to protect our public health care system.

[1655]

In closing, I would like to end with a brief quote, one that outlines how we're changing the way we consider our health. Almost 300 years ago British physician Dr. Thomas Fuller wrote: "Health is not valued till sickness comes." British Columbia has the best health care system in the country, and we're building on those successes to ensure that it remains a sustainable system for the future.

I welcome questions that the opposition Health critic or other members of the House may have in respect of the budget and programs of the Ministry of Health.

D. Cubberley: I appreciated hearing the minister's comments about his views of the health care system in British Columbia. As always, it's good to see that he has pride in the health care system in this province.

He points to evidence — and, I think, substantial evidence — as to why we can all be proud of the health care system in British Columbia. I just want him to know that I, too, am proud of it and that members on this side are proud. We have a very long connection to the health care system in the province, with members on this side — some of them — and our predecessors having managed the health care system in the province for a good ten years.

I know the minister was there for a portion of that time. In fact, he alluded to it. I thought it was interesting, in going back to 1996 and the 35-percent figure.... At the time there was hope that would be the upper end of investments in health care.

In fact, my memory is vague about some things, but I believe I do recall that when the Martin ministry inflicted the reductions in health care spending and social transfers to the province, it effected an immediate reduction of \$800 million to the province. There was a loss between one year and the next. The amount of money coming from the federal government was the equivalent of \$800 million. I believe you indicated, minister, that the budget was in the order of \$8 billion at the time.

Hon. G. Abbott: That was 2001.

D. Cubberley: In 2001. You can imagine the impact of a reduction of that kind.

Just for members present and others who may be watching this, as an indication of how times change, at the time and afterwards, the opposition of the day said: "There is enough money in the system now. It is not a question of spending more money on health care. It is a matter of how we spend it." And they were insistent upon that.

Therefore, I think it's an interesting progress and a maturation of point of view. I think it goes with governing to come to understand that it is indeed a question of how we spend it but not solely a question of how we spend it — that there are increases in the demand for health services, particularly in a growing

province with an aging population, and that those demands are indeed likely to increase.

It is intriguing to contrast the situation we are in, collectively, in British Columbia today with the situation we were in during the '90s, in the second term of office of the NDP when it had to deal with an \$800 million cut in a single year. I would be interested in knowing the exact number, but a rough calculation suggests to me that today we have in the order of \$2 billion of additional federal transfer money flowing into British Columbia in health and social transfers, over what we were receiving in 2001.

That is a substantial new investment in health care. Now, a number may appear at some point in time, and that will be a good thing. But I think a rough calculation puts us in that position where today, while we are spending more, one of the main reasons we're spending more is because we have tremendously increased federal transfers. In fact, government cut areas of program expenditure in other social services — indeed, contracted the provincial budget.

I think there are challenges in funding health care, and there always will be, but the situation today in terms of the revenues flowing to the province is better than it was in the past, quite frankly. Part of that comes from the dialogue that was held Canada-wide through the Romanow commission. It arrived at some consensus about the priorities for change and investment in our health care system and, following that, the commitment of \$40 billion over a ten-year period to help carry out those changes, to help us renew and modernize elements of health care that may not have moved forward as quickly as we would have liked.

[1700]

It's interesting too. I think there is a lot to be proud of, and I think members on this side are proud of the health care system, and we're proud of what we inherited. Because the NDP didn't invent public health care; it took it over from another government that had been in office for a long time. That system had many strengths when we took it over, but it also had challenges. The response to some of those challenges, I personally am proud of, I hope other members in the House are proud of, and indeed, I hope the minister is proud of.

I hear members opposite talk about Pharmacare. Well, Pharmacare was brought in by the NDP government in the '90s. Reference pricing was brought in as part of Pharmacare, and it indeed is part of what has given British Columbia the leanest Pharmacare costs in the country and has allowed us to, I think, provide equivalent or better service than most jurisdictions, most other provinces, because of economical management.

Now, there are indeed some challenges to continuing with that in the future. Hopefully, we'll have an opportunity in the course of the next few days, at a point that we agree on so that staff aren't caught by surprise, to look at Pharmacare and where that may be going.

[S. Hammell in the chair.]

Initiatives like the therapeutics initiative, an independent assessment of the claims made by drug companies about the products that they wish to see listed.... I think that was innovative, and it remains innovative. Most provinces have not come to a point where they have that. So I'm very proud of Pharmacare.

I'm also very proud of the cancer strategy. The cancer strategy was elaborated under the NDP. Many of the building blocks of the cancer strategy, which allow us those excellent reviews that the minister talks about via the Conference Board, come from the foundations set in place in the NDP era in the '90s. I know that in this community, the building of the cancer care facility was achieved prior to the new government taking office, and that allowed them to take over and build upon — which they have done — an excellent foundation for delivering those services.

Something else that I think we can and should be proud of are the incredible initiatives we have shown in the area of tobacco control. The reason that we have the lowest smoking rate in Canada today is because of the initiatives of the 1990s undertaken by the NDP government of the day. We could enumerate all of those. I won't bore the House by doing that, but I think that when we see the central role that smoking rates and the lower rates of lung cancer play in the incidence of all kinds of disease, we can see that one of the main building blocks that gives us those good marks today is the population health we enjoy in the area of smoking relative to other populations.

I'm almost certain that one of the main contributing factors to the longevity of males in British Columbia, the longevity that the minister referred to in his remarks, has to do with the low rate of smoking that we have. I think that means that we need to renew our focus in the area of tobacco control, because as we know, smoking is the most preventable cause of disease, disability and death in the country. It is the area most susceptible to responding to population health initiatives, and it is a place where, in the future, we can continue to make substantial gains. We look forward to being able to canvass that more closely, moving forward, as they like to say.

I do want to go back briefly to the comments that the Conference Board of Canada has often invoked and the glowing report about British Columbia in which it did achieve the best rating in two of three areas that were assessed. Two of the main contributing areas are health care outcomes, which the minister talks about, and population health.

While I would argue that health care outcomes resulting from the system in British Columbia are a collective work of successive governments and are not something that this government or a previous government can lay any exclusive claim to, I do agree that we are achieving those collectively and that the current government is building on some strengths in that regard and also getting the benefit of the strengths put in place in a previous era.

I would also like to make the point, and to dwell on it briefly, that apart from the cancer strategy, which is

an excellent strategy, and the smoking reduction and the tobacco control strategy — which have an enormous, positive impact on our outcomes and affect incidence of all kinds of disease and therefore generate a lot of those higher marks we're getting — the other reason we have such high marks is because of population health due to a higher level of physical activity than any other jurisdiction in the country.

[1705]

Of course, we have had that since the year dot, since it was measured. I'm certain, if the figures were kept, that it was there under Social Credit. It was certainly there throughout the NDP era, and now it's there in the era of the current government. One of the things it would behoove us to do is not to lay claim to this as something that we have accomplished, because we have not accomplished it.

It is a result of factors that are not understood but can be inferred, which is the rather greater opportunity for outdoor recreation, given our climate and our access to nature and the self-selecting nature of these things. Immigration of population tends to favour those who would like to lead a more active lifestyle. A more physically active population generates vastly better numbers than a less physically active population in any kind of objective assessment of how a system is doing.

In terms of population health, we are very, very far ahead. In terms of an overall health care system, we have a good health care system, but a system about which we are concerned — and this is where we differ with the government. Some of the things that are occurring today are not carrying it forward in the way that we would like to see it done and are not improving it. In those areas we will have questions. We do differ, of course, on a daily basis, so I'm not telling you anything new.

There's one area in which I see no focus at all. Given the amount of reference to the positive rating that we get from the Conference Board of Canada, I think that it would be, shall we say, a more balanced approach to mention that we have serious challenges in terms of patient satisfaction with their access to the health care system. We have the worst rating of any province in Canada for patient satisfaction with access to the health care system. It's sustained; that wasn't just a bottom line. That is in a variety of categories — actually, I believe, five different measures of lack of patient satisfaction.

To my mind, to crow about how well we're doing when the patient who, if we were to refer to the *New Era* document, was to receive care when and where it was needed.... If the patient is dissatisfied — or more dissatisfied or less satisfied on average than patients elsewhere in Canada — we should want to focus on that and ask ourselves why. If we can take the time to credit ourselves with doing things well — and we do many things well — we can take some time to focus on things that we are doing less well, or to ask ourselves: "In what areas do we need to improve?" I think there are some obvious responses to that, and they are showing up in some places in our health care system.

I do want to say that over the course of the past year.... It's hard to believe, and I think the minister will share this opinion, how quickly the time goes by. It is a year or thereabouts since we were elected to office. I have had the opportunity, in that period of time, both to go to many health care facilities and to meet with many health care providers at many different levels. Like the minister, I believe I share a sense of admiration for the dedication of those who work in the system. I share tremendous respect for their continuing commitment to patient care.

I am mindful of the fact that there are many different levels to a health care system. Some of the workers in the health care system and some health care providers enjoy, shall we say, greater opportunity, greater support and better working conditions within which to express their commitment. What impresses me the most is how hard people work in the situations where they are not adequately supported. It emboldens me and motivates me to continue to focus on those areas, not simply for partisan reasons, but because those are the areas where we need to address the concerns.

I think the minister is, at least by inference if not explicitly, saying this: our most important asset is really the commitment and the morale of the people who are care providers. What we do not want to see, in any sector of our health care system, is the morale of those who deliver the care undermined by the conditions in which they're working. Of course, we have expressed concerns, and this will continue. It won't be the focus of our discussion in estimates, but it's obviously one element of it.

[1710]

We have continuing concern with what is happening in the hospital sector, and choices that were made in the first term — especially to cut residential care capacity and to cut acute care beds — have had a significant impact on the ability of hospital emergency rooms to deal with the demand which is showing up at their doors.

This is a situation that we have to continue to lay emphasis on, because it's a situation that requires correction. It is one in which there is a disconnect, if you will, between the narrative that one might hear in this chamber or through the media about why there is hospital overcrowding and emergency room congestion and what those who work in that situation will tell you about their circumstance if you go and speak with them.

I think it's quite clear to those who work in the system. It really doesn't matter which hospital you're at or what degree of challenge they're facing. They're all facing substantial challenge, but in some cases it's extreme. They will tell you that the source of hospital overcrowding does not lie in the emergency room and that the ability to modify it and shape it, if focused solely on hospital emergency rooms, is limited in its ability to make the kind of changes that are needed.

The minister referenced, and I was pleased to hear it, the dialogue on transformative change. I'm hopeful that we will get to spend a little bit of time on that and try to flesh out what shape that may take. I wanted to

thank him for his comments and, also, to say that I would like to begin by asking some relatively general questions about the service plan update as it pertains to funding and then to move from there — if it's convenient or agreeable — to the dialogue on health care. Is that okay?

To begin, working from the resource summary in the service plan update that I have, I'm just wondering if the \$11.915 billion figure is still the figure we're working with or if some of the new announcements or additional money that may be coming through the federal government have moved that up even higher — and if you could give me another number if there is one?

Hon. G. Abbott: The answer to the member's question is yes. The \$11.9 billion figure is still the apt figure here. The recent wage settlements are in a different ministry budget — another ministry outside of the Ministry of Health — so that \$11.915 billion is still accurate.

In terms of the issues raised by the Health critic — I think, generally, thoughtful comments — I do want to say this. Often our exchanges do not occur in estimates, which tends to be, I think, a very thoughtful and constructive process. More often our relationships are characterized by our exchanges in that wonderful institution that we call question period. Question period is invariably interesting, sometimes delightful, but not all of the exchanges are characterized by temperance, thoughtfulness and balanced appraisal of respective contributions to public policy over time — not to be critical, Madam Chair.

Let me note that the total incremental federal contribution to the province over the past four years is \$1.148 billion. That is welcome and helpful, but it still comprises a small portion of our budget.

The only other comment I'd make — and the member may wish to go back to this point — is around the Conference Board report, because I think the point the member raises is an important and interesting one. I think it is probably one of the most interesting features, actually, of the Conference Board report.

[1715]

It's in chapter two, where how the provinces and Canada rank overall is looked at. Table one, the provincial comparison, has an overall ranking for British Columbia of number one — number one by a considerable margin.

Table two goes to an alternative provincial comparison of the health care systems and again the overall rank, again by a very considerable margin, is British Columbia. When we go to health status ranking, which is a weighted count by category, British Columbia is number one, again by a considerable margin. And with the health care outcomes ranking, British Columbia is number one. So we're very pleased by that.

The member rightly noted that in terms of health care utilization and performance ranking, which draws in some of the subjective feelings that British Columbians have about their health care practitioners, hospitals and community health facilities, we see British Colum-

bia actually at number eight out of ten. Interestingly, New Brunswick, which is typically number eight overall in the earlier rankings, enjoys the highest performance ranking and appreciation by its citizens.

The Conference Board itself is clearly fascinated by this. It goes into some detail around male and female satisfaction rates for hospital care, physician care and so on and concludes with this question: "Why are British Columbia's patient satisfaction scores low when it appears to have the best overall health performance in the country?" In typical fashion, they answer their own question, saying: "It will take considerable research and effort to answer this question."

I agree, and I do look forward to seeing that, because it is important not only to have, objectively, a very strong health care system; it is also important that the citizens of the jurisdiction also share a comparable appraisal of the effectiveness of that system as the system enjoys when it is objectively appraised by professionals and others who might look at our system from the outside.

D. Cubberley: Yes, it will be interesting if they do look further into it. I would encourage that to happen, but I also would encourage us to reflect upon it, using our own resources. As is often the case, and perhaps this is parochial on my part, I think we can do an equally good job as a central Canadian institution in evaluating how well we're doing on any particular front, although news from outside is always welcome, especially if it's good news. There.

I thank the minister for his comments, and I quite agree with him. I believe the member for Nelson-Creston made the point today that question period isn't a great place for shaping public policy, and hopefully, estimates and other discussions are, perhaps, a less charged forum.

[1720]

Speaking of charged forums, I am challenged many times to read balance sheets and things, so my questions may be a bit plodding around this. I wanted to come back to the comment that the minister made about the wage increases not being included in his budget. Can you elaborate for me how that works, and whereabouts they would be? And they would qualify, presumably, as part of health care spending — no?

Hon. G. Abbott: The increment for the negotiated settlements is in the Ministry of Finance budget. As the member knows, the agreement for the nurses actually concluded at the 11th hour and 59 minutes prior to March 31. Doctors were concluded a little earlier but just only recently ratified — as, of course, the nurses agreement was. At the time that these estimates were prepared, the province was still in negotiations with all of the health care unions and health care professionals.

The way this works is that for the current fiscal year there will be a transfer from Health to us to pay those increases in the wages that are the product of the collective agreements. For next fiscal year and every fiscal year after that, embodied in the collective agreement,

our estimates will be increased by that proportionate amount.

D. Cubberley: Just looking at the lines on page 13, Medical Services Plan spending.... It bumps about \$100 million or so this year, then flatlines. I'm interested in what that reflects. Is that a flatlining of expenditure for MSP-insured services? Does it represent no increase in revenue to the Medical Services Plan? Just unpack that a little bit for me so I know what it means.

Hon. G. Abbott: The numbers the member referenced reflect what had been concluded with the B.C. Medical Association prior to their current agreement, which they have just recently ratified with us. It's been the practice of governments not to attempt to anticipate or contemplate what might be.... It has been practice to keep it at that stable line. Again, as with the last question the member asked, now that we have concluded that agreement, future years will reflect the growth in that number.

D. Cubberley: Another question based on a lack of experience, or ignorance. The Medical Services Plan expenditures are based on the current agreements and projections of demand for listed services or billable services that we would expect to see in a given year. Are those offset...? I believe I know the answer to this, actually. They're not offset by Medical Services Plan billings to patients — to members of the plan. They would be offset by a combination of the revenue generated to the commission through what we pay monthly, plus an additional fee which is put in as part of the budget.

I'm just attempting to get a sense in my mind of what impact the addition of 40,000 to 50,000 people a year has on something that appears as a straight-line projection in here. I believe that's what I saw recently — last year 47,000 additional people, contributors and drawers-down of services, and that much more in each of the next couple of years.

Just trying to get a sense of why that number projects flat, given a larger mass of billing, presumably.

[1725]

Hon. G. Abbott: MSP premiums don't come to our ministry. They go into the consolidated revenue fund. The government allocates to our ministry a budget to cover off all of those eventualities that are contained in the estimates. Again, as we achieve a better understanding of any increased costs due to population growth, physician remuneration or the range of things which physicians are remunerated for, then the next year's estimates reflect that better understanding of those issues.

D. Cubberley: Moving to the Pharmacare line. It's interesting. Evidently, there is an attempt to project out more accurately what costs might be — to foresee. Pharmacare is rising by \$65 million this year, approximately \$59 million next, and then it drops down to \$24

million, which is not inconsequential, but that's less than half.

In the mind of those doing the projecting, what accounts for the trend line turning, especially in light of an aging population, a rising population and the more or less continuous demand for the addition of new Pharmacare-listed drugs? Obviously, there are going to be some initiatives for cost control embedded in that projection, so I'm interested in what that might look like.

[1730]

Hon. G. Abbott: I thank the member for his question. There are a number of aspects to the answer. In part, as with any budget in any area, the certainty and reliability of numbers are greatest in the current year and then probably diminish, typically, as one moves to the out-years in the three-year budget.

Year one projects the certainty around the costs that we'll be facing. Years two and three incorporate, in some measure, the planning targets, issues that we're looking at. For example, one of the major things that may have a bearing in years two and three on continued Pharmacare cost pressures will be our national pharmaceutical strategy discussions with the federal government and with our fellow provinces and territories.

Within that national pharmaceutical strategy, there's continuing discussion of how to make the Common Drug Review even more effective than it is today, ensuring that, unlike the past, when there was less coherence among jurisdictions in terms of what drugs to add to the formula, the Common Drug Review does add some technical rigour around the assessment of the efficacy and value of these drugs.

Similarly, the therapeutics substitution initiative, again, has some potential for — one is always reluctant to say "reduce costs" in any area of health delivery — hopefully, cost containment.

We're also looking at best practices in prescribing. I think the member recognized, in last year's estimates, this issue of how.... What we see too often is that drugs that have been prescribed are either underutilized or, in some cases, overutilized. So we need to really work on those best practices in prescribing and work at it at a national level in collaboration with other provinces.

Finally, we believe the addition of the e-health record will really improve our performance in that area and in the general area of Pharmacare in the future.

Those are the reasons why one would see those different numbers in years two and three.

D. Cubberley: I'll resist the temptation to go further into that, but just for the information of the minister and staff for planning, we're hoping to be able to look at Pharmacare a little more closely tomorrow morning, and there may be some questions about specific drugs or some other issue areas that members will want to canvass. That's the plan right now. Hopefully, that will allow you to plan a little bit. It would be first thing and not a hugely long amount of time — to canvass some of the issues around Pharmacare.

Just as a layperson attempting to sort out the meaning of lines on a piece of paper, looking on page 14 at the health care facilities capital plan, I'm interested in how the P3s that the province is engaged with currently are reflected in this spending. Just to give you a better sense of what I'm looking for, in a brief section of Finance Ministry estimates, I asked the Minister of Finance some questions about the structure of P3s, and I was trying to, as a layperson, get an image of what it is that the private sector providing a hospital owns and what it is that we own and who is contributing what.

[1735]

This could reflect just the limits of my own understanding, but what I basically understood the minister to be saying was that what the private sector owners purchase is a revenue stream and that in return for the actual purchase of the revenue stream is the investment in the physical facility and the fitting-out of the facility and then a contract which provides for the operation of the non-clinical aspects of the facility once it's built.

I guess the question is: embedded in that amount of money that's shown each year, does it include an element of capital investment in Abbotsford? Or does that money, because it's actually...? If it is the revenue stream that is being guaranteed to those who have purchased this, does it appear in some other point in the budget? How does the money get to them, and how is it reflected in what we show in capital spending?

Hon. G. Abbott: The framework is very important here, and I appreciate the member asking this question. We can use the Abbotsford hospital and cancer care centre as an example. The capital is comprised of dollars from the Ministry of Health, from the regional hospital district and from the private sector. The capital flows through the capital budget of the Ministry of Health.

The government funds, on an annualized basis, the health authority, and the health authority will, under the terms of the agreement with the operator, fund the operator for operational services, including some recognition of amortization of capital. That goes to the typically complex structures that are negotiated in those P3 agreements. Ultimately, the operator does have a reliable revenue stream that flows from that, as the member had indicated the analysis of the Ministry of Finance had advanced.

D. Cubberley: As a tag-on to that, would the contribution...? I understand the regional district was ardent in its desire to continue to contribute to this project despite there being the possibility of capitalizing it more substantially as a P3 with a lesser public contribution. But does the contribution by the regional hospital district, if that's the entity making it, show up as a capital expenditure under this line?

Hon. G. Abbott: No. That would be on their books.

[1740]

D. Cubberley: One of the things that's noted in the text is that the.... It says the ministry and health au-

thorities are moving towards developing a comprehensive ten-year capital planning process. I'm just interested in some comment on that. If memory serves me, as a municipal councillor.... It was perhaps early in this government's first term or late in the prior government's last term that municipalities were required under law to move to ten-year capital planning. I'm intrigued that senior government is in the position of moving slowly towards providing a ten-year capital plan.

I don't want to land that responsibility on this government or blame any government for it, but we really are at the point only now of moving into a ten-year capital planning framework where we put together a list of priority projects and then move systematically through building those. Is that what that means?

Hon. G. Abbott: The question is an interesting one. I don't know offhand when any obligation to the municipality for ten-year capital planning might have been imposed. That may well have happened. I do know, though, that often it takes the province longer to adopt things than it takes us to adopt what they should do.

One might, for example, point to the requirement for balanced budgets. For decades we obliged local governments to produce balanced budgets when we didn't design it appropriate for us to be doing that ourselves. That has changed, as the member knows.

I would also note, in terms of the importance, the desirability and the complexity of the ten-year capital planning, that British Columbia is the first jurisdiction in Canada to be planning on a ten-year capital cycle. Perhaps the member is right that it is something we should have done ten or 20 or 50 years ago. We didn't, but we're doing it today, and I think it is the right thing to do. It's a very valuable planning tool from what I have seen, and hopefully, we will produce better allocative decisions on the capital side as a consequence of it.

D. Cubberley: Well, I'm sure the minister will agree — having, I believe, a background in local government himself — that it's better late than never, certainly, to move to these things, but when you think of the scale of investments involved and the breadth of them, it is shocking that it isn't already in place. So it is good to know we're moving towards it, however belatedly.

A follow-up question in the same area. I did want to say two things. One is that we would look to canvass capital projects more extensively, I believe, on Thursday — again, for you to think in terms of future staffing of questions in the House. I don't want to delve too deeply, but I'm trying to educate myself a bit through this process.

As I recall, at some time — whether it was 2001 or 2002 — there was essentially a capital freeze, and the projects that were lined up that had whatever level of approval, and in the normal course of events would have translated into some bricks and mortar, were put on hold. I certainly know that we dealt with that here

around the Jubilee redevelopment. I've never known exactly how to characterize it.

There was a switchover in some fashion from the old 60-40 formula, and whatever the process of agreeing around bringing a project on stream was to a period of freeze, within which one or two projects like the Abbotsford facility and the ambulatory care centre continued to be worked on. Correct me if I'm wrong in this.

[1745]

My sense was that few, if any other, major capital projects... At some point that freeze came off. Or is it still in effect? How, prior to the development of this ten-year capital document and a more comprehensive planning process, does a facility get to yes in British Columbia? Do the local government partners still contribute 40 percent to a major capital project? Do they have an ability to put something on the agenda or negotiate around local needs? How are we currently in this interim period...? If it's not an interim, characterize it otherwise. How does capital funding get approved?

Hon. G. Abbott: I may give the member more of an answer here than he ever dreamed of, and probably invite 15 other questions.

Interjection.

Hon. G. Abbott: Oh, the hour's young yet, for heaven's sake.

Just to be clear, to begin, the 60-40 formula remains in place. There's never been a change to it, and it remains in place to this day. In fact, in recent years the health authorities have all moved to put in place memorandums of understanding with their regional hospital district boards so that there is a clearer understanding of processes in respect of moving forward with capital requests or capital ideas. So that's been very useful.

A second important point is that there never has been a capital freeze in Health. There never was. Just to underline that point, the budgets here.... I've got the PCAs — the prepaid capital advances — for the years '95-96 through '05-06, and I won't do them all. Basically, we go from \$275.32 million in '01-02, to \$216.61 million in '02-03, \$232.36 million in '03-04, \$229.67 million in '04-05 and \$388.31 million in '05-06. There never was a freeze through that period.

Just again, when we have ideas or requests for capital expenditures, there is an ongoing dialogue with the regional health districts around what's appropriate and what's not in relation to the health care needs of the constituents that we jointly serve.

Projects over \$40 million go to Treasury Board for their specific review. Projects under \$50 million would be reviewed by the ministry and, I think, considered on a more overall basis by Treasury Board as well.

D. Cubberley: Madam Chair, in view of the lateness of the hour, I would suggest it might be appropriate that we recess until 6:45, and I would so move.

Motion approved.

The committee recessed from 5:50 p.m. to 6:48 p.m.

[L. Mayencourt in the chair.]

On Vote 35 (*continued*).

D. Cubberley: Mr. Chair, I had one question to finish off before passing to another area — just general budget things. Following the discussion that we had today in question period about contributions by other ministries to Legacies Now, I'm wondering if the minister can tell us how much money the Ministry of Health will be investing into Legacies Now in the current year.

[1850]

Hon. G. Abbott: For the fiscal year '06-07 it's \$5.4 million. I can give the member a more detailed breakdown of that, if he should wish.

D. Cubberley: It might be nice to receive that at another time. If it could just be on a piece of paper conveyed as a note, that would be great.

I'd like to move into, as indicated, the dialogue on transformative change that was announced in the throne speech. The throne speech was essentially conceived around health care and recognizing the apparent financial pressures on the system, looking at the Canada Health Act's five principles and citing the need for transformative change. It also included some notion of recalibrating the role of public and private payment for medical services.

To date, apart from the Premier's European whistle-stop tour, we've actually heard very little about government's intentions for the dialogue. Although there are occasional effusions from the Premier's office, it continues, at this point, to be more of a monologue than a dialogue and not even much of a monologue. Considering the fanfare with which it was announced, there's a real sense of uncertainty as to what government intends around the dialogue.

Just to open it up a little bit, does the minister have a sense of what kinds of opportunities may be involved in this for real dialogue with British Columbians? Does he have any sense of the timing, at this point, of these initiatives?

[1855]

Hon. G. Abbott: The answer to the member's question, in terms of the dialogue forthcoming in the months ahead, and I do underline "in the months ahead," is that I expect we will be participating in this dialogue through at least the end of 2006 and possibly even into 2007.

The structure around the dialogue itself remains in the planning phase. It is still a work in progress. The member will know that since the throne speech announcements of February, the House has been in session, and we've had a range of issues to sustain our

interest over those months. But there is considerable thinking being done about how one might embrace a broad-based consultation with British Columbians, and we'll be doing that.

Undoubtedly, some of the features of the dialogue would be things like a website, which people can both visit and leave comments at; community open houses; health provider meetings and academic forums. We've had some interest from universities already about hosting forums on health care policies, and I think that would be useful. A lot of public regional forums, as well, will be a part of it.

That is not an inclusive list of the kinds of things we'll be doing. There will be others. But those are the kinds of things we are thinking about, discussing and planning right now. After this legislative session is concluded, there will be more details forthcoming in the weeks ahead.

D. Cubberley: One of the things that the throne speech alluded to was a claimed lack of clarity regarding the fundamental principles of the Canada Health Act, but it didn't actually elaborate on what that lack of clarity or lack of precision was. In the public pronouncements I've heard the Premier make since then, I haven't heard a further allusion to it. Given that it was a core argument in the throne speech, my question is: can the minister clarify in some way where the lack of clarity lay — or lies — in the Premier's mind? Is there some intent to develop this in a way that would allow the public to have some sense of what the Premier's apprehension is about the fundamental principles of the Canada Health Act?

I know he said he will respect them, but he said they lack clarity, and he expressed some frustration with that. The question is really: what's that about? Is that based on a reading of the interpretation to date that leaves something that requires a clarification?

Hon. G. Abbott: The member may wish to pursue this particular issue with greater vigour in the Premier's estimates, when he might have an opportunity to speak directly to the Premier about those concerns. We understand those concerns to be around the "medically necessary" phraseology which is used in the Canada Health Act. There has never been clarity in the Canada Health Act around that issue of "medically necessary" and where the bounds are of what is or is not medically necessary.

[1900]

D. Cubberley: One of the other things in the throne speech, and that actually has been said subsequently about the dialogue, is a comment that the process in British Columbia wasn't going to be "another exercise in avoidance, designed to produce more of the same." I have tried for a long time to figure out what that was alluding to. The only conclusion I could draw from it was that he was referring to the Romanow commission, because, of course, we have had a widespread public airing through the Romanow commission, a federal

commission, of the whole gamut of approaches to funding health care and delivering health care at every level. I can't think of anything else it could be in reference to, because that's the only, and the major, public undertaking we have had that has engaged the broad Canadian public in a dialogue around the future of health care.

I want to ask the minister what his own sense of this is. The Romanow commission, although it didn't literally translate into the \$40 billion or \$41 billion over ten years, led to the accord that was agreed to between the federal government and all the provincial Premiers regarding what Paul Martin called "a fix for a generation," which saw defined levels of investment go to targeted areas of need. All of the Premiers, as I recall, endorsed the direction for this additional federal spending.

I'm trying to get a sense, given this vast public exercise in consultation, with a great deal of research that looked at options, leading to a set of outcomes that the federal government proposed to invest more federal money in areas of health care and the provincial Premiers all endorsed.... What is it between that and where we are now that leads the throne speech to see the challenge in the way that it framed it, particularly given the very direct interest — I believe it's in the subtitle of the Romanow commission report — about sustainability of health care?

There's a buy-in to the idea of sustainability being generated through this targeted federal added investment in health care, but at the same time, this question is raised in British Columbia, which suggests that what we're doing now somehow isn't sustainable. I'm just interested in whatever insight the minister would care to provide on that.

Hon. G. Abbott: I'm going to restrain myself from attempting to be a diagnostician in respect to the throne speech and trying to presume what people may or may not have been thinking as they constructed the throne speech. The member asked me for my assessment of where we're at and, I guess, how that relates to the value of the discussions we will be having in the months ahead.

[1905]

I think the key challenge that we have in respect of the health care system in British Columbia is around sustainability. The fact that the fastest-growing demographic group in British Columbia is the 85-plus group is something that we should view with great pride but also, in terms of health care costs, with some concern. The fastest-growing demographic is 85-plus. I think that the next-fastest-growing is probably the 80-plus.

British Columbians are living longer; they're living healthier. That is a wonderful thing, but we also know that the post-war baby-boomers, the generation that I'm a part of, are making their way now up into their early, mid- and late 50s and early 60s. We know that as people achieve that age — as they move into their 60s particularly and then into their 70s — as consumers of health care resources, they become bigger and bigger

consumers. As the balance in our population shifts to an older cohort — culminating, I think, somewhere around 2023 or 2024 in the 65-plus group actually forming 25 percent or more of the population of British Columbia — we're going to have some very big challenges in terms of the financial sustainability of the health care system in British Columbia. I think it's challenged now.

We talked earlier about how over the past decade, despite the best intentions of everyone, the percentage share of the provincial budget for health had moved from the mid-30s to the mid-40s in terms of percentage of the overall provincial budget. I don't expect that, given the demographic challenge we will be seeing in the next five, ten, 20 years, there is going to be any easing of the pressures on the budget, whether it's in emergency rooms or residential care or acute care beds or Pharmacare or any of the other dozen areas of major public policy and major health care delivery that we have in this province.

We need to recognize that the challenge is coming, and we need to have an honest dialogue with British Columbians about how we should meet that. In terms of Europe or any other jurisdiction, I think the experience of other health care systems can be remarkably instructive and useful to us in terms of incrementally improving what we have here, which is without question a very good health care system that can be improved in some measure. I think it's always instructive to look at the national and international experience with the delivery of health care systems and to see if some of those lessons can be applicable to our situation in British Columbia.

D. Cubberley: I would certainly agree that one should look to examples everywhere in an attempt to draw the best out of them. I do think that there is both a challenge and a danger in dipping into other people's health care systems that may not be built in the same manner as ours and drawing conclusions from relatively short exposure to them.

There's also the challenge of fundamental beliefs, because, as we know, how you interpret how well a health care system is doing.... There may be some objective measures in terms of the way it is provided. In particular, the debate about publicly funded or privately funded tends to follow ideological lines, so how people feel about those things does tend to condition what they see. What one person might see as a positive example in another country's health care system might in fact, read differently, be a cautionary tale.

I think — and it's something that struck me — that one of the fundamental challenges we have in our health care system is that the Canadian system is a unique system and a kind of outlier, if you will, compared with both the American approach, from which we differ entirely, and the European approaches, where we differ substantially. I think it arises in part from the fact that the fundamental elements that have been socialized or, if you like, brought under the single-payer system are hospitals and doctors in Canada.

[1910]

Probably no European health care system is so substantially based in bringing hospitals and doctors under an insurance scheme. Almost all those European systems offer a broader array of services. If one thinks of England, dentistry is under the basic definition of the medicare system there. I'm sure that if you look at other countries, you will see other elements that are not added-on extensions of it but are core services that are part of what they do. Whereas in Canada, really, it has fallen to provinces to add in some of these additional elements, as we have been doing with drug coverage for people, for example, which was not part of the original design of the system, other than, as I understand it, drugs administered in hospitals — which comes back to hospitals and doctors.

Obviously, we have co-payment systems in areas that lie outside of hospitals and doctors. But within that sector, for medically necessary services, we have agreed as a society that there would be no user fees.

I agree with the minister that there are enormous challenges and that there are going to be enormous strains on the system. Not the least is that — at least this is how it appears to me, as I grow to know more about it — unlike virtually any other undertaking or service that is supplied, where new technology typically increases efficiency and productivity — and profit, if it's privately supplied — new technology in health care increases costs. It enables the better management of disease, but it almost immediately increases the mass of illness that needs to be managed. Every time there's a new discovery, whether it's a drug or a diagnostic imaging technique, it actually increases the costs of the delivery of health care. That's part of the constraint that we work with.

I do agree, as well — and we'll come back to this in a particular area shortly — that in order to keep a sustainable health care system, we are going to have to work in a much more sustained fashion on population health measures. We're going to have to focus on improving health. I know the government has some programs in the field like ActNow B.C., but there are certainly other areas of activity where we need to be increasingly present. We have good examples of where gains can be made.

The one thing I would like to comment on a little bit further.... Again, I'm looking here to the minister to be an advocate on behalf of the dialogue side of the throne speech commitment and to help the public in British Columbia, who haven't a clue what is intended at this point, to have some comfort that there will be an extensive public process — not the Premier simply discussing things in public and musing about ideas, as he was again today on the radio. He apparently indicated on CKNW that he now wants to add two more principles to the Canada Health Act: sustainability and accountability.

It's actually, I believe, not possible for a province to add a principle to the Canada Health Act without going through the federal parliament. It may be that what

he is thinking of is generating ideas for a further principle and creating a national debate.

I would ask that the minister give us, however soft it may be, an undertaking to be an advocate on behalf of good, open, public process around this and that where there is an issue such as a lack of clarity, something other than one or another politician's feelings about this word be put out as a document of some kind that would enable the discussion and allow people to bring forward ideas in relation to something, so we have a clear sense of what people have in their minds when they're raising issues that could fundamentally transform our health care system.

Hon. G. Abbott: I'll provide some thoughts here which I hope the member will find appropriate and, to the extent that they can be, comforting. There will be, without doubt, a discussion document for people to reference and see some of the ideas and so on. I think there will be many, many opportunities for the public to engage with me, with the Premier and with MLAs on these very important issues.

[1915]

I think the member may also find it reassuring that the throne speech itself... I think all of the comments that the Premier or I or others have made in respect of this is that we are talking about improvements within the bounds of the Canada Health Act and the publicly delivered health care system that we have in British Columbia and Canada. I think that's important.

Again, the discussion doesn't always have to be around the big and volatile issues. I think, for example, that there are many, many things that we can do better in terms of primary health care delivery in this province. Some of those opportunities, hopefully, will be realized now that we have an agreement with the B.C. Medical Association, which seems to be more supportive of primary health care and better chronic disease management. Many of the issues that we see, then, showing up in emergency rooms, on surgical wait-lists and so on, are often a product of either insufficient or inappropriate counselling around the management of issues like diabetes and so on. There's lots of work to be done.

"Incremental" is one of those terms that can frequently be used to understate the thing. I think that if we had, for example, better management of a chronic disease like diabetes, which, as the public health officer recently noted, is growing by leaps and bounds in this province.... It is remarkably frightening — the report that he has done recently on diabetes. The fact that only 43 percent of diabetes patients get quality care in the sense of getting a sustained and appropriate level of guidance around how to manage their condition means that they may later be in hospital for an amputation; they may later be in hospital as a result of a second illness or an injury that is at least indirectly a product of their diabetes.

We know we can improve there. There are lots of great ideas out in the prevention area. Some jurisdictions, for example, have done more work around falls prevention. British Columbia has been pretty good,

and we've done lots of work in recent years around that. But we need to look at how other jurisdictions are looking at falls, particularly among seniors. They can be, particularly during the winter season, a major source of pressures both on the surgical wait-time side and on the emergency room side.

E-health. I understand that Britain is somewhat more advanced — probably considerably more advanced — than we are in the e-health area. We've done a lot, but we can learn from what they've done.

I think one of the reasons why it's exciting to be Health Minister at a time when we are undertaking this conversation with British Columbians is that there are many, many exciting things we can do in this area of public policy and public health care delivery. We can do it within the bounds of the Canada Health Act. I think the dialogue will be interesting, but I think it will be a dialogue that can help us make a very good health care system an even better and stronger one.

D. Cubberley: It's a good segue in some respects into some questions on primary care and the direction flowing from the agreement recently inked with the doctors. Presumably, the additional money going into primary care will help to begin funding some aspects of primary care which family doctors have been claiming for some time they have had to do off the side of their desk or in their own spare time.

I'd just be interested in getting a sense from the minister of how consciously that money is being aimed to try to put primary care physicians in a better position to develop care plans and to manage chronic disease on an ongoing basis, and what the basic flaws were that are being addressed through the new money that's going into it.

[1920]

Hon. G. Abbott: Thank you to the member for his question. The lift, the incremental increase for primary health, is \$137 million annually.

I'll give the member an example of a doctor's office and a general physician, perhaps, who was doing the 15-minute rotation of patients through the office. Should he have the need to spend additional time with a patient to go through a comprehensive discussion of diabetes or asthma and how one might better manage it, there was no compensation for that prolonged discussion. The doctors could now spend more time with individuals and be remunerated for it. They may also work with people in groups, and provide support in a group discussion or as part of a health care collaborative with nurses, pharmacists and others — again, to get people together in groups and talk about all of the different aspects that might be inherent in managing a chronic disease in this province.

The \$137 million is in addition to the 10-percent overall fee increase, so this genuinely is an incremental lift. It is targeted to building on some of the very good early work that I have seen by the ministry in collaboration with the B.C. Medical Association, with B.C. Nurses and so on to start building collaboratives, and

to better understanding and managing those things. It's also maternity that's contemplated within that \$137 million.

That's the range and the kind of things. If I've missed a point, I'd be pleased to accept another question on that.

D. Cubberley: I'm strongly encouraged by the direction.

[1925]

From all that I have heard from primary care physicians, it is indeed a struggle to deal with chronic disease management, given the old fee schedule. A great deal of the care, particularly the design of care packages and the mobilization or arranging that's necessary for a team of care providers — none of that work was adequately compensated or, in some cases, compensated at all.

Just as an aside, I have liked the idea for a long time, because it's appealing to all of us, of physicians working in an associated practice with other skills. In my mind, that has always been something that revolved around everyone being in a single place. An advocate doctor who I talked with extensively over a period of time disabused me of the idea — not of the value of that kind of work, but of the necessity of the people being in a single location — and reminded me that these supports needed to be available within the community and that doctors needed to be funded in a manner that allowed them to put them together to achieve the care package. It could be done if everyone was in the same location with a great deal of convenience, but it didn't require it. So there's evolution even in my thinking, minister.

I wanted to pass to another question, which relates to the way in which we remunerate physicians. It has to do with what kinds of checks are built into the design of the fee structure to ensure that additional money going to physicians translates into sustaining the existing level of service or mobilizing more and doesn't translate into physicians taking more money but reducing their hours of work.

I don't have hard evidence of this, but I have seen a couple of things. In fact, just the editorial in the *TC* on the weekend stated — I don't know whether they've seen something or if this was a horseback figure — that younger physicians are working 20 percent less than they did a decade ago. There is an economic principle about, I think, the backward-bending supply curve of labour: the better remunerated people are for an hour of labour, the greater the tendency to withdraw some of that labour in order to earn the same amount of money they did before rather than to work more.

My question is: when you're dealing with something as big as the fee schedule for doctors, how do you build things into that to ensure that we're not purchasing — not to be flip — more rounds of golf rather than something else?

[1930]

Hon. G. Abbott: The concerns the member expresses are legitimate ones. We aim to ensure that, in

fact, British Columbians will enjoy better service and better health outcomes and so on as a consequence of this agreement in a couple of important ways.

We have a very good auditing function now in the province in respect to value for payments. The aim will be to strengthen that auditing function and look at how these value for payments can be strengthened elsewhere in Canada and in the world. So we'll be looking at patient outcome, and in addition, we will be looking under alternative payment plans to enhance patient care at collection and analysis of data on the productivity of alternative payment plans in comparison to other payment models.

Our current data shows that doctors getting our incentives for chronic disease are performing at twice the level of excellence than their colleagues. That's encouraging. I think it's something we need to be mindful of. To their credit, the B.C. Medical Association have strongly committed to working with the ministry to try to ensure that we enjoy the outcomes that we believe are possible in British Columbia.

I guess this goes back to something that we talked about a few months ago. I think often doctors went into their profession not to necessarily earn big dollars and to be able to spend quality time on the golf course. They went into their profession because they wanted to have the opportunity to make a difference in people's lives. In some respect, the fee models we've had over time in British Columbia are ones that have tended towards high volumes and shorter intersection with the patients, or with the clients they serve.

Hopefully, the shift in this model to having doctors feel they're not just churning volume through but are actually having an opportunity to give the time that is important to patients, to understand the disease challenges they have and to set them on plans that hopefully will improve their health outcomes.... I don't want to be Pollyannish here, but I would hope that the job satisfaction of general physicians and others will be improved as a consequence of this most recent agreement.

I think, given that the direction was so clear around that piece when physicians voted on the package.... The fact that they voted 94 percent in favour of it is, I hope, a powerful expression by the BCMA that, in fact, they embrace this direction, and they want to work towards better, healthier British Columbians as well.

D. Cubberley: That's encouraging, and it's certainly what I took from it.

I must say that I have direct experience with a family member who is currently in medical school. It's very interesting to talk with him about what he's thinking of doing and what his colleagues in the class are thinking about doing when they come out the other end. He says, and I don't know what the number was — eight out of ten: "We're all going to be specialists." So I asked: "Well, why are you all going to be specialists? Is it because specialist medicine is your calling and you've determined that?" "Well, no, it's a combination of things." It's that \$100,000-worth of debt, and it would just take forever to pay that off on a GP's salary. The

idea that you have to become involved in running a business in order to earn the salary was one of the other things.

There's a sense in which the specialties trump everyday medicine, because there's a hierarchy, obviously, in the way that the learning occurs. The good stuff's up at the top.

[1935]

It's the best remunerated. It's the most socially acknowledged. It's got it all, so they tend to look in that direction — at least, that's what I surmised, and it appears to make sense to me.

Here are my questions that arise from that. It would seem to me that the schools.... Oh, one of the other things. I asked the question: do you learn anything about running a general practitioner's business as part of your schooling? No.

I look at that, and I think to myself: here we have this challenge. At one level, the quality of our health care system is dependent upon getting people into family practice, and in a way, it can do more, or as much, for us — if we don't have enough of it — as the specialties. So what are we doing, by way of influencing the way the schools are shaping the awareness within them, to help orient people towards general practice — both in terms of selling them on it and in terms of facilitating their developing the abilities to tackle running a business, which is what that storefront practice is likely to be?

It may be that we're not doing that much right now, but I guess what I would look for is a response of: is it worth our while to go into this area and begin to engage, so that we begin to contend for a share of each graduating class to ensure that we replace and expand our network of GPs?

Hon. G. Abbott: There are a number of things which are being undertaken to ensure that, in fact, general physicians are the centre of the universe in terms of patient care in the province.

We know that young people coming out of university will often see some shift in what they plan to do, so one can't necessarily be too certain about where they will land. I think, though, that what we want to do is, in the context of the collective agreement, first ensure that we are resourcing general physicians in a way that they know they are tremendously valued by the province — that they are the centre of the universe in terms of patient care in the province.

That's why in the current agreement, just recently ratified by the BCMA, the major priorities tended to advantage the general practitioners as opposed to others. For example, there are change-management teams contemplated in the agreement, which will assist in building on the business side for physicians.

[1940]

One of the key elements, as well, in the agreement is the funding to increase the number of full-service family physicians, doctors, in communities with a demonstrated need for additional full-service family physicians. There's \$10 million in there for 125 more of

those physicians in communities that are believed to need them. It's aimed at recent graduates — that is, current in the last five years — with debt forgiveness of up to \$40,000, assistance in the setting up of a family physician office to a maximum of \$40,000, short-term income support while establishing practice, and guidelines and protocols to be established by GPSC. All of that, I think, is supportive of the future for family physicians.

I think, also, that in a different way the extension or devolution of the UBC medical school — to UNBC initially and subsequently, I think it's 2009, to UBC Okanagan — will be something that will have a fairly profound effect upon this. Medical graduates will have an opportunity to know and understand and appreciate the joys of living in the interior or the north or on Vancouver Island. I think that that'll be an important part of strengthening general practitioners in the province as well.

A final point, and I think it's part of something we're seeing in this province. I had lunch a few weeks ago with a couple of physicians in Armstrong. I'm not sure whether they lived in Armstrong or Vernon. They were probably about my age — I'm guessing early 50s — and they were really looking forward to trying to find some opportunity to work in the primary care sector, to move to a salaried position and have the opportunity to really spend their time dealing with these addictions issues, mental health issues, chronic disease issues — to do that as opposed to being involved in the....

We need all of these different kinds of physician opportunities. Fee-for-service clinics are a very important part of providing health care, but these primary health care centres are growing in importance, as well, in areas like Enderby. There's a primary health care centre there, and it is better and better utilized every day. Now they're looking at expanding the hours and stuff because as people became aware of all of the services they could access there, it has become a very important part of the provision of health care in the North Okanagan.

D. Cubberley: I appreciate those comments. I think the one thing I would offer up is that it would be worthwhile bringing to the attention of people in medical school the suite of options and encouragements for people to enter into general practice in a way that is compelling, because they really do....

I mean, the big bucks in the specialties are very, very attractive to young people, and in lots of ways I think it takes them away from any idea of following what their calling might be. I think that for many people who wind up in general practice it is, in fact, a calling and only secondarily a way of making a living, and that's a very important attachment to have to the health care system.

One question I did have — you may not have it at your fingertips, but I would like to ask it — is whether you can supply me with a physician-to-population ratio for British Columbia, relative to Canada as a

whole. You don't have to scurry around for it now. You could bring it to me or send it to me.

[1945]

One other question I did want to ask was in the area of... Call it preventive health. Have we in any way increased the routine screenings or periodic screenings that are available to people under MSP with the current agreement? In particular, what is the status of something like colorectal screening?

Hon. G. Abbott: I thank the member for his question. Just to begin, 5 percent of the 137 million incremental dollars that was referenced earlier will be used on the prevention side. We will use it to work with the BCMA and with physicians generally to build best practices around how we can engage physicians in screening for chronic diseases.

Right now there is a broad range of insured screening procedures which are available to British Columbians — pap smears, for example, breast cancer mammograms. In the cancer area there would be screening for colon cancer through occult blood analysis for low risk, colonoscopy for high risk, and blood pressure screening, which we saw some examples of today. There's a broad range. That's not inclusive; those are some examples of the screening measures that are available.

The trick of all this is to try to use the general physician as the agent by which we can ensure that should British Columbians have diabetes, for example, it's picked up early and management begins early. I know of a case where someone I knew very closely had very early-onset diabetes or the very high risk of it. He changed his diet, lost body weight, got more exercise, actually retired from the provincial public service and now has taken his health beyond that.

That's great. That's the kind of thing we need to do. Hopefully, what we've got here is the package of incentives that will make all of that work.

[1950]

D. Cubberley: Thanks to the minister for that.

I would like to switch to another aspect of questioning to do with extra-billing and user fees. I thought what I might do is go back to the case of the Dr. Follows letter, which the minister was asked about in the House. He had, prior to question period that day, quite wisely referred the matter in this case to the College of Physicians and Surgeons. He reported to the House at the time that the college had indicated to him that elements of the Dr. Follows letter were, in fact, non-compliant with the Canada Health Act.

My question is about whether he can tell us in particular which actions in the end, or which parts of the offer by Dr. Follows, were identified as being non-compliant. Just to recall it, he said his fee was intended to cover the cost of time taken for all the procedures not covered by the Medical Services Plan. He included amongst those: referral arrangements, letters and conversations with specialists, liaising with hospital staff and health agencies, reviewing of charts and laboratory

results, costs of chart maintenance and reviews, and the unpaid cost of being on call. He also included time spent lobbying on the patient's behalf for timely appointments and procedures. He had enumerated a pretty extensive list of what this annual fee was going to be for.

My first question is: did the minister discover in the end which of those elements the college felt were non-compliant? How was it handled from that point on? Has it been followed through to a conclusion?

Hon. G. Abbott: We're getting into a fairly involved area of public policy, but it's a very important area of public policy and one that the member quite rightly can pursue here. I think Dr. Follows was his name, as I recall. We're going to have to follow up on that, because we don't know specifically where that is at.

Just to sort of set out what the playing field is around these issues, our Medicare Protection Act, which is a statute of the province of British Columbia, establishes the Medical Services Plan — MSP — and contains provisions aimed at ensuring compliance with the Canada Health Act.

The Medicare Protection Act provides, among other things, that medically required services provided to B.C. residents by a physician enrolled with MSP are benefits or insured services unless they have been specifically exempted.

[1955]

It also establishes rules regarding billing for services provided by physicians who are enrolled with MSP, generally patients or their representatives, and they must not be charged for benefits.

Thirdly, the MPA prohibits anyone from charging patients for "materials, consultations, procedures, use of an office, clinic, or other place or for any other matters that relate to the rendering of a benefit" unless specifically permitted.

That's what the Medicare Protection Act does, but there are also rules both with the Medical Services Commission and the College of Physicians and Surgeons around how you can charge a fee, if that is not a fee for an insured benefit. Even if the fee is something outside the bounds of insured benefits under the Canada Health Act and the Medicare Protection Act, there are still rules around that. We're going from memory here; it's been a few months, but I think the issue was the physician going outside of those bounds in terms of both fees related to insured services and fees related to non-insured services.

[S. Hammell in the chair.]

D. Cubberley: Well, the minister explained on one level why he referred the matter to the College of Physicians and Surgeons. A question that I would have, though, just to understand the role that entities play here, is: was the matter subsequently referred to the Medical Services Commission for a determination? Has the commission made a ruling at this point, or is one

expected? Is Dr. Follows continuing to charge the fees in the interim, or has the practice ceased? Any or all of the above?

Hon. G. Abbott: I've just got some information related to Dr. Follows, a North Shore doctor who had created some controversy around a letter he sent out to some or all of his patients. The issue was followed up with the College of Physicians and Surgeons. In terms of the rules which are set out by the College of Physicians and Surgeons, if they wish to charge annual fees for services not covered by MSP, here is the list from the college around that point:

- (1) Physicians may not charge a patient an annual fee for a period of less than a year.
- (2) The bill for the annual fee must list in writing each of the services that is covered by the fee. The patient has the right to ask the physician about any charge he or she does not understand.
- (3) The patient must be told how much each service would cost if paid for by itself.
- (4) The patient does not have to pay an annual fee. Patients are allowed to pay for each service which is not covered by the Medical Services Plan one by one.
- (5) The patient may decide whether or not to pay for services not covered by BCMSP as an annual fee. The physician may not refuse to see the patient or refuse to include the patient in his or her practice if he or she does not wish to pay this way.
- (6) Before a patient is charged an annual fee, the physician must give the patient a copy of these rules and ask the patient if he or she agrees to pay an annual fee.
- (7) The physician may not charge the patient a fee for "being available" in advance (for example, being available to take calls from patients).

[2000]

That's the guidance we have in respect of the College of Physicians and Surgeons, and it is sort of the understanding that.... There may be additional information I may bring later, but that's what we know to this point about the Dr. Follows issue.

In respect to the member's first question around the ratio between physicians per population, according to the Canadian Institute for Health Information, B.C.'s 2003 ratio of 200 physicians per 100,000 people ranked third, behind Nova Scotia at 209, Quebec at 207, and Newfoundland and Labrador at 108.

Between 1999 and 2003 B.C.'s ratio of physicians per 100,000 grew by 3 percent, meaning physician growth is outpacing population growth by a small margin, a trend that is expected to continue and, I'm confident, will continue, given the investment we've made in expanding the number of physician education spaces at the universities in the province.

D. Cubberley: While I wouldn't in any way dispute or even comment on the College of Physicians and Surgeons having rules about what additional charges the doctors can levy, would I be right in thinking, especially given the powers enumerated under the Medicare Protection Act, that the agency that is there to ensure compliance and to interpret particular charges for particular services — and whether they are in fact out-

side medicare or are pursuant to or attendant to a medicare-insured service — would be the Medical Services Commission? And was this matter ultimately referred to the Medical Services Commission?

Hon. G. Abbott: The member is generally correct around the referral of these kinds of issues to the Medical Services Commission. I'm advised that the way the Dr. Follows issue evolved was that this was an issue raised on one of the prominent newscasts on the evening of March 1, 2006. The newscast had indicated that "the doctor has sent a letter to his patients demanding they pay an annual fee for expenses not covered by the Medical Services Plan."

That was the reason why the letter was forwarded to the College of Physicians and Surgeons for their comments, which they provided. The issue has not been referred to the Medical Services Commission. Normally, those referrals are based on a complaint, and I gather we've had no written complaint or request for referral to MSC, but I guess that still remains a possibility.

D. Cubberley: Well, that actually segues into a question that I wanted to ask, and that is about the complaint process with the Medical Services Commission. The minister has confirmed that it would be the appropriate body to make a determination in that regard. I'm interested in knowing what the avenues for complaint are.

[2005]

Obviously, the minister could refer an issue to the Medical Services Commission because he has, in the instance of the Copeman clinic. Presumably, the Medical Services Commission could identify an issue itself, but I would be interested to know if that's the case or if it takes a complaint to activate the commission. A patient can also refer a specific matter to the Medical Services Commission.

My question would be: can any citizen refer a complaint? Can any group identify a practice and register a complaint with the Medical Services Commission? How are complaints made?

Hon. G. Abbott: In response to the member's question about who can lodge a complaint or request a review or investigation at the Medical Services Commission.... Can the commission identify issues that they wish to pursue themselves? Yes. They have that authority under their statute. Can the minister make that request? Yes. Can patients lodge complaints or make requests? Yes. The medical community itself, broadly speaking, can make requests of that nature as well.

In fact, it's pretty much an open field. Anyone can make a request or levy a complaint. Now, whether the MSC will deem all of those requests to be appropriate for their continued review is another question, but the theoretical ability of anyone to complain and request remedial action is there.

D. Cubberley: At the risk of putting the minister on the spot somewhat, I'm of a mind to ask why this mat-

ter wasn't referred to the Medical Services Commission after the indication from the College of Physicians and Surgeons was that elements of it were not compliant with the Canada Health Act.

Just to give you a sense of the extent of the concern I have and the reason I feel it is.... Not only was the doctor engaged in putting a new offer out to patients to pay an annual fee to belong to his practice and pay him money for services that he felt were outside of the Medical Services Plan — clearly, some of which were not — but he also has a paragraph in here which is intriguing to me and leads me to be concerned about the extent of certain practices.

That paragraph reads — this is a reassurance paragraph: "Those of you who already subscribe to my 'uninsured services plan,' as outlined in my practice booklet, need take no notice of this letter, as you are already covered for these services." So he has a plan in place, which has been there for a period of time, where he is already charging people for these services with another fee. He says: "The added advantage of the uninsured services plan is your ability to reach me by cell phone at any time or hour."

[2010]

This, to me, is a matter of serious concern, because this would appear to have some of the elements of offering preferential access to physician care. I would like the minister to comment on that — what I brought to his attention — but I would also like to ask him why this wasn't referred on and.... Well, let's just leave it there.

Hon. G. Abbott: Again, in relation to the Dr. Follows case specifically, we are still attempting to get information with respect to the detail around that, so I won't speak to his case specifically here. Well, I guess I will, but I'll just say that we need more information to totally put this issue to bed. We're attempting to determine if the matter was satisfactorily resolved. It may have been, or it may not have been. It may still be something that is being pursued within the ministry, because the ministry does have some delegated authority from the MSC in respect to following up on some of these issues as well.

What the ministry has been attempting to do is ensure that there are no charges for insured services. That is prohibited under the Medicare Protection Act. We have also been attempting to ensure that the physician ensures that the guidelines around non-insured services, as we discussed earlier in regard to the College of Physicians and Surgeons.... That's where the matter sits, and I hope that answers the member's question.

D. Cubberley: The file is still active, is what I take from that, and I would encourage that the file remain active.

I did want to correct something. I said that I quoted the letter. I want to correct the last phrase in it. I said: "The added advantage of the uninsured services plan is your ability to reach me by cell phone at any time" out of hours. It says "out of hours." That's what it reads.

But it's a very interesting idea, and it's obviously been in the field for some time. I think it's a billing practice that's worth investigating.

One of the things that I wondered, just working through this stuff, the offer of a fee of this kind.... The question that was in my mind is whether this kind of fee.... This came to light because an individual got the letter and brought it forward; otherwise we would not necessarily have known anything about it.

[2015]

The question arises whether the Medical Services Plan, the commission.... I know it has a billing integrity program of some kind, which reviews the way that payments are vouched for or requested under the plan, and there is an audit of some kind. It would be interesting to know whether the Medical Services Commission has the tools in place to actually detect this form of billing were it occurring, and based on being able to detect it, to be able to initiate its own intervention, and whether there is any precedent for that happening, whether the method of reviewing billing practices under the billing integrity program of the Medical Services Commission is sufficiently fine-grained to pick up a fee that's being charged by a general practitioner for access to his practice, whether it would pick that up and whether there is any history of that being found and the Medical Services Commission intervening to stop the practice.

Hon. G. Abbott: The billing integrity audits that the member referenced are for picking up potential fraudulent billings or inappropriate billings. When auditors are doing field audits, it is possible that they might identify extra-billing at that time.

Let me just read a quote here from this document around extra-billing, because I think it lays it out rather well and fairly concisely.

If a beneficiary complains about extra charges, the medical services branch generally asks the patient for copies of any materials needed to ascertain or document the facts of the case. Based on this documentation, MSP then confirms the patient is a beneficiary, the physician is enrolled with MSP, the service appears to have been medically necessary and is considered a benefit under the act, and the service is not one for which the patient charges have been approved under the act.

If it appears to be a case of extra-billing, MSP then writes to the physician to remind him or her of the provisions of the act and to request a review of billings. MSP also writes to the complainant advising them of the provisions of the act and suggesting they seek a refund. MSP sends a follow-up letter to the complainant asking them to confirm whether or not they received a refund from the physician. In communicating with physicians and patients, staff use approved template letters.

For 2005-2006 there have been nine cases of extra-billing, and in 2004-2005 there were 26 cases. Most cases of extra-billing are reported to MSP well after the fact by the complainant or discovered through random service verification checks performed by the billing integrity program of the Ministry of Health.

[2020]

Again, it is a very small number in relation to the number of intersections there are between patients and

doctors in the province, but there is the opportunity to pick up those inappropriate billings.

D. Cubberley: Just looking at the time, I'm thinking we probably need to switch into another area of inquiry. The time does move along rather quickly.

I'd like to just probe a little bit around the wait times reduction strategy that the province is putting together. Obviously, the announcement of the new specialized surgery at UBC is one tool in helping to address the backlog of waits for joint replacement and, presumably, will have some impact on bringing wait times down.

How do I want to frame this? There are a number of elements involved in waits in order to access a joint surgery. The wait that we appear to put the emphasis on is the wait from the time that a surgeon confirms that joint replacement is necessary. That is where the province keeps some numbers on wait times. That is where the development of additional capacity of specialized surgery can have some impact.

I want to ask a question about another significant component of the wait, which is the wait that people have for access to the surgeon from the time at which their general practitioner makes a determination that they need to see a surgeon. An initial question is: is the ministry aware that patients routinely discover that that wait is somewhere between a year and two years in many parts of British Columbia? Is there the beginnings of a focus on that element of the wait?

[S. Hawkins in the chair.]

[2025]

Hon. G. Abbott: In terms of the question, there are really two periods that are of particular concern to a patient waiting to get a surgical procedure, as the member rightly noted. There's the interval between a visit to the general practitioner and the opportunity to meet with a specialist to have further consideration or consultation around the injury or disease. We have somewhat better information on that period between identification by the specialist of the need for the surgical procedure to the time the surgery is performed. But we're actually in a relatively early stage on that too.

I mean, we have information, and it's not bad information, but we've actually improved that information hugely, just even over the last year, in terms of understanding why people sometimes wait longer periods of time than others for surgical procedures, how many are waiting, where they're waiting, if there's a variation among the health authorities — which there is — and so on. We actually have better information on that piece than we have on the time it takes from the time the GP identifies the need to see a specialist and the time the person meets the specialist.

Our general assessment is that, rather like the procedures themselves, there is probably some variation. In cancer we have quite prompt diagnosis, specialist consultation and surgery, should it be required. The period is quite abbreviated. That's the strongest area.

What we're trying to do is gather, through Canada Health Infoway, through CIHI, or the Canadian Institute for Health Information, and through the Canadian Institute for Health Research, more information on that period between the two.

[2030]

What we do know is that there is very considerable variation among health authorities in respect of those wait periods. There is a considerable variation among the health authorities in terms of the distribution of the specialists. There are some good examples here of that. One of the best would be to look at psychiatrists per capita in British Columbia. There are 2.85 psychiatrists per 10,000 population in the Vancouver Coastal Health Authority. In the Northern Health Authority, it is 0.44 psychiatrists per 10,000. That is roughly at least five times or close to six times as many psychiatrists available to the population in Vancouver Coastal as in Northern Health, so that is obviously going to have an impact.

Some of the other issues. Looking at B.C. median wait times compared with the Canadian average for specialist visits, B.C. — and again I'm not sure this is... Generally, we're doing better than the Canadian average, but it doesn't really tell you, because there's going to be such a variation among the specialities.

The other point I guess I should add... When I mentioned earlier about the number of physicians per 100,000, there's actually a difference between specialists per 100,000, in which British Columbia is fourth among provinces, compared to general practitioners per 100,000, where B.C. is second by provinces. I'm not including the territories in those numbers. So we're doing okay, but the distribution can be a problem. Again, staff may have some additional advice that can be generated here for the member.

My sense is that, just as our biggest challenge is around the orthopedic area and the wait for hip replacements and knee replacements, notwithstanding the vastly increased number of procedures we're doing, the biggest wait times are in that area. I sense that the biggest wait times for the period between a GP visit and specialist consultation is probably longest in that area as well. That's anecdotally what I hear, but we don't have real solid information to back that up. I sense that's probably what the case would be.

D. Cubberley: It is indeed the case, at least based on the anecdotal evidence that comes to me and what I have seen in studies. The wait for access to the surgeon or specialist from the time at which the GP diagnoses that there is a problem with end-stage arthritis is... Well, down here in Victoria it's about a year. If you go up Island, it's as much as two years. In many places in British Columbia it's two years or more to see the specialist.

The thing of it is, if you have end-stage arthritis, the point at which you go to the GP is usually the point of collapse. What I hear from people — and I've got three acquaintances who've gone through this in the last couple of years — is that the joint collapses. It gives

out, and it happens quite quickly when it comes in. There are symptoms that worsen, but when it goes, it goes entirely.

What we see happening with people who are in this situation, who are waiting to see a specialist, is that they become prisoners at home. They lose their mobility entirely. They become entirely dependent on their spouse for everything and frequently enter into depression.

Because of the wait in that period of time, those with any means at all begin canvassing options. The idea that you're going to live like that for a couple of years or a year even before you get to see someone who will confirm that yes, the diagnosis is that you need the surgery and then book it from there.... Then there is another wait, which in some locations is as much as a year as well. Many people find that intolerable, and that is one of the things which appears to be driving the purchase of private surgeries.

[2035]

Of course, there is a very active market in private surgeries. There are on-line referrals for people who are willing to go to the United States to buy the surgery. If they can draw their savings down to the tune of \$25,000 U.S., they can get it done on a moment's notice. They can get the full array of care that's required to return them to 100-percent mobility.

With the federal money that we have sitting in the bank, and it's substantial, my question is: is the ministry reviewing what's being done in other jurisdictions to reduce wait times, particularly for surgeon access and for surgery proper? And what, if anything, is being considered to act on this problem in the year ahead?

Hon. G. Abbott: There is some validity to the concerns expressed by the member, but it is important to keep these matters in perspective as well, as I noted in my initial answer. Depending on what health authority we are talking about, depending on what speciality we're talking about and sometimes depending on what portion — whether it's the populated or the non-populated portions of the health authority — there may be quite remarkable variations in the number of specialists available.

I understand, for example, further to the member's question, that rheumatologists are in much demand in Victoria. That's an issue we are working on with our partners, to try to identify some ways to improve that.

Again, to keep the matter in perspective and not let the exceptions entirely define the rule and the expectations, we have from the Statistics Canada health services access survey of January to June 2005: "Median waiting time for specialist visits for new illness or condition." The median wait time for that visit was 4.3 weeks in 2005.

That's certainly not two years. So some are getting access to a specialist more quickly than 4.3 weeks; some are waiting longer than 4.3 weeks. That is the median wait time for those specialist visits — so first, to put things in perspective. Second, in terms of perspective around this — again, this is from the same

Statistics Canada health services access survey and for the period January to June 2005 — this looks at median wait time for diagnostic tests. In British Columbia that's three weeks. Again, some will wait longer, and some will wait shorter periods, but the median wait time for diagnostic tests is three weeks.

It's a reflection of the huge investment that we have made in this province in MRI machines, in CT scans, in X-ray and in a range of diagnostic investments. We have actually tried to ensure that people get timely service to diagnostics across the province. That's not to say there won't still be some challenges on occasion, because there will be. But it is important to appreciate that.

As well, the last example I'll provide from this survey of 2005 from Stats Canada is the median wait time for non-emergency services. British Columbia was among the lowest in Canada again, at about 4.3 weeks. We all want them to be shorter, but I think we're doing pretty well.

[2040]

A number of areas in surgical procedures and other important areas of care and treatment. Radiation therapy: there was a two-week wait in the year 2000; it is less than a week as of December 2005. Cataracts: the wait for cataract surgery, 12 weeks five years ago; now eight weeks. Open-heart surgery: reduced from 12 weeks down to 10 weeks.

The one area where we have had a challenge around wait times, as I acknowledged off the top, is in the area of hip and knee replacements. That challenge exists notwithstanding doing 65 percent more knee replacements and 35 percent more hip replacements than five years ago. We still have longer waits than we would like, because the demographically driven demand curve climbs just as steeply as the extra resources and extra procedures which we've applied to that.

We have undertaken a hip-and-knee strategy to deal with that. We are looking at access in each health authority. We have a UBC project, as the member knows, to deal with the backlog. We have, just as importantly, I think, two other features: what's called the OASIS project, which is looking to improve the management of patients on the wait-list and which would, I think, include timely access to specialists; and B.C. NurseLine, which is helping to coordinate patient access and give us a better understanding about the information we have around why people are waiting sometimes longer than they should for things like hip and knee replacements.

All of that, hopefully, will place some perspective around the issue raised by the member.

D. Cubberley: I do appreciate the broad view and all those numbers on median wait times for all surgeries aggregated together, or specific surgeries, but the one that I was focused on was joint replacement. In particular, I was raising the issue of access to the specialists from the time at which the GP makes the recommendation. I will wager in the House any amount of money that once you analyze the length of that wait, 4.3 weeks will seem ridiculous as a number to assert. I

can tell you that it bears no relationship to reality as experienced by living beings outside of this chamber, for joint replacement.

Joint replacement is the problem that's in front of us. It's the one that's not being actively addressed, and we will not address that in British Columbia simply by increasing the number of surgeries that we do every year. We have to increase the number of surgeries to stand still because of the increasing population and the fact that this operation is applying to wider and wider groups of people. We're obviously going to have to do more surgeries, but we have to change the organization with which we handle people through the various waits that make up the total wait that people are experiencing.

I can tell you that there's a thriving market in off-shore surgeries because people can't get them done in a timely manner in this province. I can introduce you to people in my own neighbourhood who have done it because the waits are too long.

Let's leave all of that and go to another aspect of this which fascinates me. I want to ask a question relating to the physiotherapy that is or isn't supplied following a joint-replacement operation. I know that in the previous term of office, many formerly MSP-insured services were delisted, and physiotherapy was one of those areas where there was delisting.

The question I have is: was the physiotherapy that's required in order to return to full utilization following a joint-replacement surgery listed previously? Was it something that was supplied as part of that or was accessible by someone under MSP prior to the delisting of physio?

[2045]

Hon. G. Abbott: In-hospital physiotherapy — for example, physiotherapy for those who have recently undergone a hip or knee replacement — remains exactly the same as it has always been.

D. Cubberley: I have heard, just as a comment, that they now triage physiotherapy in hospitals, because there isn't enough physio time available to supply the hospital component of physiotherapy. But in a joint-replacement operation, the hospital component is the minor portion of the physiotherapy — that's my understanding — that's required to return to full utilization. What I'm interested in is the portion that takes place after the person is discharged. I don't know if I have an estimation of the exact length. It's a number of weeks.

For one quite famous patient, who was Pat Carney, she said it had a value of about \$800. What did she say? It was an eight-week course of physiotherapy. My question is: was that course of treatment previously listed as an MSP-insured service, was it de-listed along with the others, and is the ministry looking at re-listing that service?

The Chair: Minister, noting the hour.

Hon. G. Abbott: In terms of this, and the member can pick it up again tomorrow if he wishes, there has

been some adjustment in terms of the outpatient physio support. I should note, though, that there was always co-payment with respect to physio. It has never been fully an insured service, but it was subsidized to some extent. The only area where the subsidy continues is for those who are on premium assistance.

Currently, for those who may be likely to have a hip or knee replacement in the near future, Vancouver Coastal Health Authority is working with other health authorities to determine the capacity of hospital and community rehab services to support the additional 1,600 surgical cases per year. They want to identify how physio services might be extended to those 1,600 cases, and they have issued a request for expressions of interest to see how that might be provided. We can, perhaps, pick this issue up again tomorrow if the member is interested.

Noting the hour, I move the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 8:49 p.m.

The House resumed; Mr. Speaker in the chair.

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

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

Hon. G. Abbott moved adjournment of the House.

Motion approved.

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

The House adjourned at 8:50 p.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF TRANSPORTATION

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

The committee met at 3:03 p.m.

On Vote 41: ministry operations, \$839,458,000.

Hon. K. Falcon: Just before I begin, some opening remarks. For the benefit of the members opposite, I'd

like to just take a moment to introduce staff who are with me today. My Deputy Minister John Dyble, Assistant Deputy Minister Sheila Taylor, Assistant Deputy Minister Kathie Miller, Assistant Deputy Minister Frank Blasetti and Assistant Deputy Minister Peter Milburn are joining me here today.

It is a real pleasure to rise today as we begin the estimates of the Ministry of Transportation. Some time ago, as the members know, the province laid out a plan to revitalize the economy. I think all of us can agree that the evidence is fairly clear that that plan is working, and it's working well. This is a time of growth and expansion in British Columbia. Our economy is thriving. B.C. leads the country in job growth. We've got more people moving back to B.C. than we've seen for a good long time, and there are good reasons for that.

We know that the Premier and our government laid down five great goals for the province of British Columbia. One of those goals that is particularly germane to the ministry, though not the only one, of course, is to create more jobs per capita than anywhere else in Canada. Of course, none of that will be possible without the work that we're doing in investing in our transportation system to ensure that it can meet the needs of British Columbians right across the province.

[1505]

I do want to preface some of my remarks, hon. Chair, with some comments about the recent loss of the *Queen of the North*, because I think it's worth putting on the record once again how impressed both government and opposition were with the community of Hartley Bay and how they rose to the occasion to deal with what was an incredible tragedy. Our hats certainly go off to the community of Prince Rupert and the folks there who helped receive many of the people from the *Queen of the North* and, of course, the crew of the *Sir Wilfrid Laurier*, the Coast Guard vessel that also assisted the folks from Hartley Bay in helping to get those people off of the sinking vessel.

It was nice to see B.C. Ferries president David Hahn and the Premier in Prince Rupert to greet the crew and passengers as they arrived after what must have been an extraordinarily harrowing experience. I think the professionalism of the crew and their ability to undertake the emergency procedures very calmly, without panic, is a testament to them all.

Finally, I know that members of this House would certainly want to join with me when I say that our thoughts and prayers remain with the families of Gerald Foisy and Shirley Rosette, who remain unaccounted for. This is indeed a very difficult period for all British Columbians, but certainly more so for the families and friends of those two unfortunate individuals.

As you know, hon. Chair, B.C. Ferries is working hard, and has worked hard with the northern ferries advisory committee and with coastal communities to put together a plan to restore service to those communities on the northern routes as best as they can, given the extraordinary situation. The combination of barge service, of flying those who had previous bookings on the northern routes and, of course, their ever-

continuing quest to find another vessel to try and help replace the *Queen of the North* is something that is currently ongoing.

We have no illusions, though, in government. We should be clear about the fact that this will be a challenge. There is one less vessel in the fleet, and there will be inconvenience. I don't think we should try and skirt around that. I don't think we should try and pretend that everything will be the same. It will not be the same. I am asking those communities for patience and understanding but also giving them my commitment that our government will do everything we can to work with B.C. Ferries in trying to replace that service to full complement of service just as quickly as we possibly can.

I mentioned the fact that the plan is working well thus far — certainly the transportation component of the plan. Certainly, the economic results in terms of a 30-year low unemployment rate, 17 consecutive quarters of economic growth and the fact that we're seeing some real resilience and broad-based economic recovery in virtually every sector is something that encourages me.

Transportation is so critical to that, of course, because we deal with over 43,000 kilometres' worth of roads and highways. There are over 3,000 kilometres of rail line; 2,700 bridges, tunnels and snow sheds; a 35-ship ferry fleet; nine deep-sea ports; four major airports and 19 regional airports. All of those contribute to the \$81 billion a year of goods that move in and out of British Columbia. We are, after all, a small, open trading economy competing with the best around the world. Our ability to be competitive and our ability to be successful and to ensure that we secure a future for our children and grandchildren is directly related to how efficiently we are able to move those goods in and out of the province.

I do want to take a moment to talk about roads, because this is always an issue of great interest to MLAs from across the province. Although I'm always quick to emphasize how roads are not the only part of the Transportation Ministry that's important, they do play a very important role. We will be investing over the next three years just over \$2.3 billion, direct from the government. Of course, we will leverage that into much more than that when you factor in P3s, federal government participation and local government participation, but just from the province alone — over \$2.3 billion to maintain and upgrade our highways.

[1510]

That does not include our capital projects like the Kicking Horse Canyon, a \$730 million capital project; the \$600 million Sea to Sky Highway project; the \$210 million in border improvements that we're undertaking; the almost \$145 million William R. Bennett bridge in the Okanagan. All of those are driven by the need to improve safety and reliability for commuters but also to ensure that we have goods movement in British Columbia.

We want to expand British Columbia as Canada's trade gateway. This is the opportunity for British Co-

lumbia to really become the Pacific gateway to the world through improved ports, airports, border crossings and key transportation corridors.

Finally, I want to mention some of the challenges that we will face in this ministry. There will be a challenge. One of the great flip sides to the challenge of a growing and a booming economy are the challenges associated with labour shortages; challenges associated with rising fuel costs; challenges associated with some of the key material costs, particularly on the structural side in steel and concrete and how that can impact our ability going forward to ensure that we must be extra diligent in costing our projects, in putting aside contingencies and in making sure that we are bracing ourselves for what is clearly going to be a period in which rising costs will be a challenge for government and the private sector to manage on an ongoing basis.

It's one of the reasons I'm particularly pleased with the public-private partnership arrangements we've entered into, where we have an ability to cap the risk for the provincial taxpayer so that the ongoing operational and construction costs during the project.... The ongoing operating costs are in fact borne by the private sector partner, not by the government and, of course, by taxpayers. That is one method which we will continue to examine as a way to keep costs down.

I want to touch briefly on the Gateway program. The Gateway program is also an important announcement that the Premier and I made when we released the project definition report at the end of January at the B.C. Chamber of Commerce transportation forum, a transportation forum that brought together participants from across the province that were looking at the transportation challenges this province faces and the requirement and need for government to show leadership in this regard — leadership that, frankly, has been lacking, certainly over the last couple of decades.

The Gateway program is a wide-ranging plan to try and meet the needs of the Pacific gateway, of the fact that there's a global shift that's taking place that sees China — and to a lesser extent, India — becoming the new global powerhouse in terms of manufacturing. That will have an enormous impact on North America and the growth of trade. British Columbia, being so well-positioned geographically, can capitalize on that, but we're going to have to deal head-on with some of the challenges in our economy. Of course, one of the key ones is congestion.

We know that the federal government did a study looking just at congestion costs in the lower mainland — \$1.5 billion annually in costs associated with congestion. It is our premise that this is something that we need to deal with. These are costs that are only going to grow, and they are costs that the economy cannot bear, and they are costs that will have implications were we to do nothing.

For those voices out there who say we should do nothing and that that is the option we should take, they need to be aware, and they need to answer the question of what they will do to deal with the increasing costs of congestion.

We intend to move forward with the Gateway program — a multimodal approach to dealing with it, dealing with the challenges of congestion. By multimodal, I mean that we will deal with it in a very broad-based manner. We will, as part of the Gateway program, see the largest single expansion of cycling network in the history of British Columbia — a \$50 million commitment. We will see the restoration of public transit across the Port Mann Bridge for the first time in 20 years. Today it is so congested that there's no possibility of public transit.

[1515]

We will see HOV lanes extended out to Langley, and they will exist in both directions over the Port Mann Bridge for the first time. Of course, we will also see improvements, including the centrepiece on the North Fraser perimeter road side, being the new Pitt River Bridge. We'll also see, on the south side of the Fraser River, the South Fraser perimeter road — something that's been called for, for some 25 years and never acted upon. All of these are driven towards increasing the opportunity to make sure that goods and people can flow effectively across this important corridor.

Here's the final point I would add to that. This investment is important for the entire province of British Columbia — the folks in the interior, in Prince George, in the Cariboo, in the northeast. All of those are important to making sure that we can move goods along this corridor, because their goods — whether they're coming to their communities from the Vancouver port or whether they're trying to export their goods through the Vancouver port to the marketplaces — need to get across that corridor. For them and their economies to have the same opportunities for growth and expansion, we need to ensure that those goods can move through that most important corridor as efficiently and effectively as we possibly can.

Finally, I just want to talk for a moment, if I could, about the Kicking Horse Canyon. I want to touch on the Sea to Sky Highway and border improvement as part of some of the final comments that I wish to make, and then we can go straight into estimates questions. I do think it's important to point out that the most important transportation project in British Columbia, the number-one transportation priority project of the Premier and the Minister of Transportation, remains the Kicking Horse Canyon. As the hon. Chair is probably well aware, we're close to completing phase one, a \$65 million section of the Kicking Horse Canyon. This is a very important gateway from the rest of Canada into British Columbia. Phase two is the \$130 million phase of this project, to be completed by 2009; \$67½ million of that will be provincial dollars.

I was pleased to welcome in March my new federal counterpart, Minister Lawrence Cannon, to British Columbia for his first visit as the new Minister of Transport. Together we announced that we would be moving forward to fund phase two of the Kicking Horse Canyon project. This, I think, marks a continuation of something that we're very proud of, and that is the exceptional working relationship the Premier has been

able to forge with the federal government. Whether it's the current government, which happens to be a Conservative government, or the previous government, which was a Liberal government, we have made it a priority to ensure that we cooperate as effectively as we possibly can to the benefit of British Columbia taxpayers.

That is in marked contrast to what we saw, certainly, throughout the '90s, when the relationship was characterized by much bitterness and, frankly, very little investment from the federal government into British Columbia. This is something that I am personally committed, as are all of my colleagues, to ensuring will continue, because at end of the day we need to put the politics aside and make sure we deliver for the residents of the province of British Columbia.

On the Sea to Sky Highway, we're very pleased with the progress to date on this \$600 million project. It is extremely important from a safety point of view. I can't tell members here just how difficult it is every time there is a horrific accident along that corridor, unfortunately often involving fatalities, including some that just took place in recent months. This is a corridor that has an average of 15,000 to 16,000 vehicles a day. It's extraordinarily busy, and frankly, it's a very, very dangerous corridor. We expect almost a one-third reduction in accidents once work is completed on the Sea to Sky Highway — a one-third reduction in collisions. That will be very, very important to providing a sense of comfort for those folks that are taking that drive along what is spectacular route.

We will continue to move ahead quickly on the balance of the Sea to Sky project. I'm very encouraged with the work that's been done to date, the fact that it's been delivered well ahead of schedule and on budget. We expect and have said publicly many times before that this project will be delivered, in fact, not only ahead of schedule but under budget.

[1520]

On the border infrastructure improvement. Again, this ties into the broader vision that we have for making sure that we can move goods efficiently in and out of the province. We are investing jointly, federally and provincially almost a quarter of a billion dollars into improving our key border crossings.

The member opposite, who I know is from the Vancouver area, will be familiar with some of these corridors, including the four-laning of Highway 15, which goes down to the Douglas border crossing, the fourth-busiest border crossing in the country. With trade and activity, they're growing exponentially.

Improvements to 8th Avenue, which connects Highway 99 and Highway 15 — that work in fact has been completed. It's been four-laned to ensure increased mobility and movement back and forth across the border crossings, depending on how busy each of them may or may not be.

We have work underway on Highway 10 to complete the four-laning so it will be continuous right from Langley through to Delta. We've got improvements underway on Highway 91 and Highway 91A, includ-

ing a new Howe Street interchange and some planned interchanges on Highway 91 at 72nd. All of this continues to move forward in a manner which gives me a great deal of comfort, and it's a great testament to the workers that are involved in much of this work.

Finally, I would say this. We are investing very significant dollars right across British Columbia. In fact, of the \$2.3 billion being invested over the next three years, \$1.3 billion of that will be invested outside the lower mainland. This follows what has taken place over the last three years, where we saw over 80 percent of the dollars invested outside of the lower mainland.

I know there are members that sometimes for narrow, partisan political reasons will try and suggest — incorrectly, I might add — that the dollars are being focused to the lower mainland. I state here on the record that that is absolutely false, and any member that says that will now be saying that, knowing that that is in fact false.

We are proud of the investments we're making outside of the lower mainland, right across the province. That is where the majority of wealth is created in British Columbia, and that's why we're plowing significant dollars into ensuring that they continue to play an important role in building the economy of British Columbia.

I think it's worth pointing out that there are unique challenges, particularly in northern communities, particularly with the impact of the pine beetle and what that's doing to traffic volumes, particularly truck volumes. The damage that continuous and heavy truck traffic does on a highway is rather extraordinary. There's a rough equivalency that it can equal several hundred thousand commuter vehicle trips, just on the kind of truck traffic we're seeing up in that northern part of the province. It's one of the reasons why over the next three years we will be investing, on top of the dollars that we're already investing in road rehabilitation in the north, an additional \$90 million to ensure that we can make those investments into the road network to deal with the increased traffic volume that will be coming about as a result of the pine beetle challenge.

I am very proud of the work that is being done in this ministry, and I do want to take a moment to recognize this reality. As much as I would like to believe that it has a lot to do with me as Minister of Transportation, the truth is that it's the staff that deserve the credit in this ministry, and not only the senior staff that sit here with me today, but the staff that work in every office throughout this province. I can't tell you how extraordinarily proud I am of those staff, how extraordinarily proud I am of the work they do each and every day, and I want to say on the record that there's not a single part of the province that I visit where I don't hear unbelievable, positive feedback on the work that our staff do each and every day. It is a tremendous testament. They make me look way too good. They make me look far too competent when I'm not anywhere near as good or as competent as they make me look.

I do want to state for the record how proud I am of the work they do, how proud I am of the work they do

as public servants for taxpayers in the province, and how proud I am to continue to be Minister of Transportation and try and help them as they deliver what is, after all, a very aggressive, ambitious program to ensure that transportation will continue to be the backbone of a growing, strong British Columbia.

[1525]

D. Chudnovsky: Hon. Chair, good afternoon to you and, through you, to the minister and to his staff. I'm looking forward to the opportunity to ask some questions and see if we can get answers to those questions.

Just to give the minister and his staff a bit of a sense of where we may be going over the next number of days, I'm going to start, in a minute, with some questions about RAV and the RAV project. Sometime around eight this evening we'll have a number of MLAs who will be coming to ask particular questions about particular projects, situations, challenges and problems in their constituencies.

Tomorrow morning, first thing, the member for North Coast will be here to deal with some questions with respect to ferries and ports. As we proceed, I'll do my very best to give the minister and his staff a bit of a heads-up as to where we may be moving as we move along. I hope that's helpful.

Let me begin by referring to the value-for-money report on the RAV. I wonder whether the minister could provide for us a summary of the process that was used in preparing that report.

Hon. K. Falcon: The member probably knows that, although we were provided copies of the report — which we appreciated — this was a report undertaken by Canada Line Inc., which is the subsidiary of TransLink. I'm not entirely sure what process they would have gone through. I would imagine it would be a similar process in pulling together a value-for-money report, which would identify, presumably, the comparator that is undertaken between what's called the public sector comparator.... I imagine they probably used the same approach that is utilized in other value-for-money reports that have been done for the province.

Again, I just want to underscore, it's very important for the member opposite to know that the Canada line project — of which we are a funding partner — is not, indeed, our project. This is a project that is undertaken by TransLink. We're a proud funding partner, but it's not a project that I am personally involved with.

D. Chudnovsky: Thank you to the minister for that. It's an interesting response. Technically, there's, of course, a germ of truth in what the minister says. He sounds like he's in charge a lot of the time when he talks about this. Anyway, we'll ask some questions, and we'll see how it goes.

The minister will be aware that the Auditor General made some comments about the value-for-money report. I wonder if I could ask the minister for his

response to some of what was put forward by the Auditor General. For instance, the Auditor General, speaking of the value-for-money report, said: "The revenue and cost comparisons are based on forward-looking information, and consequently, the \$92 million...differential" — that is between the costs of the project through the P3 and the estimate for the public sector comparator — "is not an absolute assertion, and the difference may be less or greater than expected."

Is it the minister's view that that assessment on the part of the Auditor General is correct?

[1530]

Hon. K. Falcon: By the very nature of these reports, it's fair to say that they're based on assumptions, and the issue is whether the assumptions are reasonable or not. One of the things that I also would point out that the Auditor General said was: "...the Auditor General concludes that the...final project report fairly describes the assumptions, context, decisions, procurement process and results to date of the Canada line rapid transit project."

But at the end of the day, these are indeed assumptions, and assumptions, by their very nature, are just that. Until such time as all the final numbers come in, you are operating on the basis of assumptions. You hope that the assumptions are reasonable, and the history of previous value-for-money reports appears to bear them out.

D. Chudnovsky: I take it, then, that the minister does agree with the Auditor General's assessment that the \$92 million that is projected as the savings under the structure being used, the P3 structure, is not an absolute and that it could be higher or lower.

Another statement of the Auditor General: "The scope of the assessment is limited to determining if the competitive selection process has delivered value for money; it is not an assessment of whether or not the system is the best option for addressing the transportation issues in the Richmond-Airport-Vancouver corridor."

Does the minister agree with that assessment by the Auditor General?

Hon. K. Falcon: I would agree with the comments of the Auditor General. I rarely would disagree with an Auditor General. I rather doubt I have the expertise to, frankly, disagree. Well, actually, now that I think about it, I'm known to actually disagree with lots of people, and I suppose the Auditor General....

Interjection.

Hon. K. Falcon: Yeah, the Auditor General probably will join my lengthy list of people I sometimes disagree with, but in this case I actually do agree with the Auditor General. I think that the Auditor General was not looking at what kind of transit system was the best system — whether it would be light rail or rapid transit or all the various other permutations that could have

been possible. So I think he's right when he points that out.

D. Chudnovsky: The Auditor General states in the report: "It is not possible to absolutely assert that the project will have lower net costs than the public sector comparator or will meet the affordability tests described in section 3.1.2." Forgetting for a minute the technical section that we're talking about and just focusing on the first part, "It is not possible to absolutely assert that the project will have lower net costs than the public sector comparator," would the minister agree with that statement of the Auditor General?

Hon. K. Falcon: Yes, I would agree with the Auditor General. These are indeed best efforts and best estimates that show a range for different scenarios. They'll show a range of value for money for the different scenarios that are contemplated. But again, at the end of the day, as the Auditor General — as I read out earlier — points out.... The Auditor General clearly states that it "fairly describes the assumptions, the context, decisions, procurement process and results to date of the Canada line rapid transit project."

I would agree with the member opposite and the Auditor General that at the end of the day, these are their best estimates based on the available information that they have.

[1535]

D. Chudnovsky: We're going to be looking at the information that they had at hand, and we'll be looking at some of those figures in some detail in the next little while.

It's interesting to me and, I think, useful to the province to have the minister state at this late date that he agrees with the Auditor General that in fact the P3 structure of the project may not save the people of the province money. I think we've all heard.... The minister in his own words last fall told us that he was very hot about P3s. We've all heard him express his heat about this issue at various times and very enthusiastically, and to have the minister at this late date agree with the Auditor General that it may not be the case at all is an interesting fact.

In the value-for-money report and in the other documents there is reference made to performance payments — \$150 million paid as a provincial contribution that will be paid through performance payments outside of the construction period to repay borrowing by the concessionaire. I wonder if the minister could explain to us what that \$150 million is and what the performance payment means.

Hon. K. Falcon: Just before I respond to that, I know the member got some excitement over the fact that the member thought that I had said something which I hadn't. I think we need to be clear for the record, before the member gets swept away with his enthusiasm about what I may have or may not have said. I want to be clear about that. We're real clear that what

the Auditor General is saying is that the value-for-money report is demonstrating a potential of \$92 million in savings based upon the assumptions which the Auditor General views to be reasonable. They are laid out in the report. That's what we're saying.

I should let the member opposite know that while I find these reports to be of great interest to me as the Minister of Transportation — and they always are, just as an affirmation of the fact that there are potentially significant savings available to taxpayers, as I have stated many times before to this member — the great value for me and for government is the risk transfer that takes place. There's also the fact that, unlike so many of the megaprojects that member's party was involved with that went spectacularly off the rails, so to speak, I have the comfort of knowing that in our major projects.... Because of the way these deals are structured, because of the fact our performance payments are based on very clearly defined outcomes, we have the comfort of knowing that those projects — which are often very risky, very complex — will be carried out in a manner which does great service to the taxpayer.

I have never flagged or wavered in my belief that this is the right thing to do on many projects — not all projects; I've always been clear about that too. P3s don't necessarily work on every single project, but they make an enormous amount of sense on certain projects, particularly where there is that element of private sector innovation that we're looking for but also, more importantly, the risk transfer we're looking for to shield taxpayers from what often can be a very open-ended financial commitment. The member opposite comes from a party that knows only too well what can happen when that kind of open-ended commitment is made without the benefit of the kind of strictures and structures that are put into place through a P3.

[1540]

In terms of the member's specific question regarding performance payments, the performance payments that the provincial government will be responsible for making on the Canada line project begin to be paid once it is in operation. It's predicated upon certain performance outcomes that are necessary for the project to have in place. I must say to the member that I haven't got those specific outcomes in front of me here now, only because I hadn't anticipated the member would spend a significant amount of time on a project of which we were only a funding partner and not the actual project manager ourselves. Hopefully, that will be helpful.

D. Chudnovsky: Thank you to the minister for that. I wonder if we could ask the minister to bring for us those outcomes that he refers to for which the \$150 million is a payment — if we could have those provided to us.

Hon. K. Falcon: We will absolutely get that to the member. In glancing at sort of a high-level overview here, I can assure the member that it makes the most

fascinating reading. The formulas involved on the calculation of performance payments are most enjoyable. We'll certainly make sure we get that across to the member opposite.

D. Chudnovsky: Let me pursue this just for a second, and I thank the minister for committing to provide that to us. My first question — and maybe I'll get away with asking two at once; we'll see how that goes — is a technical one: can we expect that information perhaps tomorrow so that we can pursue this issue here in estimates? That's the first question. The second question is.... You see, \$150 million to provide to the P3 partner for borrowing sounds an awful lot like capital costs, and that's why I'm asking the question. It sounds a lot like reimbursing the P3 partner for the costs for capital investment, and I thought there was a limit on what the province was paying for capital investment. Perhaps I'm wrong, but maybe we could pursue that for a minute.

Hon. K. Falcon: No, the member would be incorrect in making that assumption. In fact, when the line is operating, what will happen is that performance payments will be made based upon the availability of service and the quality components over, obviously, a pretty long period of years. But it's based on performance outcomes around availability and quality.

D. Chudnovsky: I just want to pursue this a little bit longer because \$150 million in payments for what is described as borrowing by the P3 partner, I want to repeat, sounds a lot like capital to me.

[1545]

If we're recompensing the partner for \$150 million in borrowing, doesn't that have to be added to the provincial contribution, which I understood — from the minister through previous statements and from the Premier's previous statements — was a capped figure? Is the minister saying that there's \$150 million in additional provincial contribution that we didn't know about before?

Hon. K. Falcon: No, the member has got it wrong, and I'm always happy to correct the member. The fact is that \$235 million of the provincial contribution will be during the construction phase of the project, and the balance, \$152 million, will be recovered by — I always say "RAVCO" — InTransit B.C./RAVCO through performance payments that will be made during the operating period. As I said to the member, those performance payments are made on the basis of availability of service, and quality issues associated with that. They are paid to RAVCO and not to the concessionaire.

D. Chudnovsky: Earlier in the process, the private consortium was reported to.... The 2003 Pricewaterhouse report on financial feasibility said that the incremental revenue from incremental cash flows would pay for \$181 million in private capital. In the report it's indicated that the required capital for these incremental

costs will be \$506 million; that is to say, the private partner is going to have to borrow a whole lot more money than was anticipated even two years ago in the report of Pricewaterhouse. Where is that money going to come from?

Hon. K. Falcon: I must say that I don't have the report the member is referring to. I certainly won't pretend to speak on behalf of the private sector partner involved in this project, for sure, but whatever their borrowings are will be up to the private sector partner. I think the significant thing for the provincial government and the taxpayers of British Columbia is that we are making a \$435 million contribution on behalf of the B.C. taxpayers that is capped. That is our contribution. That is our contribution in total. It is contributed. It is capped. That is why we are a funding contributor, and that is why this is not our project that we are responsible for delivering. That is TransLink's responsibility.

We insisted and fought very strongly for the fact that we wanted this to be a public-private partnership, for the very reason that we knew that on a project of this nature, this size, this level of risk, with all the uncertainties associated with tunnelling and boring and the construction risks.... You look at the kind of heated market we're in now, and I am very, very comforted by the fact that we entered into this form of a model in which our participation was capped as it is.

[1550]

D. Chudnovsky: But the minister will agree with me that the value of the project is not the structure of the project. The value of the project is what it delivers in the end in terms of transportation services. For the minister to say he is comfortable that the total of the provincial contribution is some hundreds of millions of dollars and that's the end, and you get a project at the end that doesn't work.... While the minister may be comfortable with that, we on this side are certainly not comfortable.

If in fact the private partner in this project is required to raise significantly more money than it was anticipated they had to raise in the structure of the deal, isn't it a fact that one of the only places the additional revenue can come from is additional ridership?

Hon. K. Falcon: In the member's question, actually, the member has provided the answer. The member says: "Gee, what happens if this thing doesn't work?" That's why we're making performance payments, because if it ain't performing, we ain't paying. That's why we structure the deals this way.

[A. Horning in the chair.]

If you end up, say, with three ferries that didn't operate, as opposed to being stuck having to pay for them and then having them sit there providing absolutely no service to taxpayers.... Had we structured this as a P3, we would not have had to pay for those

fast ferries. We would have only paid if they were performing to the standards that were set out.

That is how we have structured the deal with the ships that are being built in Germany. They are based on payments that are going to be predicated on very clear performance standards that are in place, as is this. That's why we have a deal that is structured where we make performance payments based on quality and availability. That's how the taxpayer gets protected.

If it doesn't work, then we don't make those performance payments. I'm very comfortable with that arrangement. In fact, I'm very satisfied and pleased that we've got that kind of arrangement and that that kind of foresight was put into the structuring of this P3 arrangement.

As far as the private sector and their responsibilities, they have to govern themselves accordingly. They're all big players. They build these kinds of projects around the world. They understand risk a lot better than government does. They're going to have to deal with whatever risk exposure they have under this agreement, and they'll do that.

In terms of ridership, I believe, if my memory serves me correctly, we canvassed the ridership-risk question in the last go-round when we spent time in estimates. The member well knows that there was an enormous amount of work done by some of the leading experts in the world in terms of ridership risk, in trying to evaluate what the ridership levels would be on this project.

One of the reasons why ridership risk doesn't get transferred to the private sector proponent, or the P3 operator in this case, is because so much of the ridership is dependent upon the bus routes and all of the decisions that TransLink makes in terms of marketing, in terms of how they distribute the bus routes, etc., that the operator would have absolutely no control over.

It's very difficult to transfer risk to somebody when you say: "We want you to take on this risk, but you control none of the levers that could dramatically impact what would happen in terms of ridership." This ensures that TransLink will make sure that as they move forward, they are coordinating all the bus routes, their SkyTrain routes and all the other decisions they make in terms of marketing, etc., in a manner that will not impede the ability of the ridership to reach the levels that are predicated in the agreement.

D. Chudnovsky: The ridership projections themselves — the 100,000 riders a day — were met with skepticism by everybody in the community that looks at the way transit works in the lower mainland.

There's virtually nobody who actually lives and works and observes transit ridership in the lower mainland who believes for a second that the 100,000 is going to be met. In addition to that, I would add that with the additional borrowing the private partner has to do and the corollary requirement for additional ridership, we're going to be below that.

[1555]

Let me go on to another issue that we talked about at some length last time. Let's look at it again. What

was the discount rate that was used for the value-for-money report on the RAV? I think the minister will probably find it just as interesting as I did when he finds what the discount rate was.

Hon. K. Falcon: I apologize for taking time. I had to dig out the report and dig through. I believe it's on page 20. They used a 6-percent nominal rate as the discount rate.

D. Chudnovsky: Thank you very much for that, although I must confess that, as I did for most of 30 years in teaching, I did know the answer to the question I was asking — not always in all those years of teaching, but most of the time.

The last time we spoke, the minister went into some detail in explaining to us the reasoning behind the setting of the discount rate. Mr. Blain, who is in charge of all of this stuff and is well paid to be in charge of all this stuff, says: "Don't worry. I can do anything. I can make the public sector comparator say anything, so don't worry about these things." But we do, on this side, worry about these issues, and we try to pin them down.

Would the minister explain to us why the RAV value-for-money report shows the discount rate that's being used as 6 percent when the other big projects — Sea to Sky, Bennett bridge — are at the 7.5-percent and 8-percent rate?

[1600]

Hon. K. Falcon: The member knows well that I always enjoy these opportunities to talk about discounted cash flow analysis and the wonders of the discount rate. As the member is very much aware, this isn't one we specifically called for. I believe this was undertaken by RAVCO or InTransit B.C., but it'll be based upon the same principles that Partnerships B.C. uses whenever they're going out and trying to determine what's the appropriate discount rate to be utilized.

As the member knows, they use a weighted average cost of capital. The weighted average cost of capital they will utilize is based upon an estimated rate of return that a private sector participant, given other alternatives for investing their dollars, would need to utilize — factoring in, of course, the risk profiles associated with the particular investment in the project.

You have to look when they're making the determination on what the appropriate discount rate is, and they're going to use a weighted average cost of capital. They're going to look at previous projects with similar risk profiles, and those may vary depending on the project.

As I say, I'm not intimately familiar with this, because this is not our project. This is a project that's being undertaken by TransLink, of which we are a funding partner. I do know that historically, the weighted-average-cost-of-capital approach that has been utilized by Partnerships B.C. has been their way of providing an effective discount rate that can be demonstrably

justified, given the historical discount rates on projects of equivalent risk approaches.

D. Chudnovsky: With respect, minister, that didn't help very much.

We have these big projects in the province, and they're all being done at approximately the same time. In fact, some of them were being done a little earlier. The Bennett bridge and Sea to Sky are a little bit ahead of the RAV project, and those discount rates used to determine what the projected cost of the public sector comparator would be were way higher.

One percent or 1½ percent, when we're talking about this kind of money, is a truckload of money. The question is very relevant. If the minister could show us what kinds of risks are involved in the other projects that aren't involved in the RAV, or if the minister could show us that the interest rate had gone down between the time of the value-for-money reports on the other projects as compared to the RAV project, maybe we could get somewhere.

Basically, the minister — with great respect — hasn't helped us very much at all. He says it's different because it's different. We want to know why it's different.

[1605]

Hon. K. Falcon: The challenge, of course, in dealing with the Canada line is that this is not a project the province is responsible for delivering. The member knows that well. Naturally, the member is asking some very interesting questions, I think, and I wish I could say I had Partnerships B.C. here to be able to answer those questions directly. I don't.

It's not a project that we're delivering. Therefore, the level of detail the member wishes me to go into, on a report that is not a report on a project this provincial government is responsible for delivering, makes that a challenge. I would be happy to get the resources of Partnerships B.C. to address the specific rationale that went into the discount rate they utilized for the public sector comparator for the member opposite just as soon as I can.

D. Chudnovsky: Just for the information of the minister — and it may be that he wasn't following this with the kind of rigour and enthusiasm that I was, because I was there during the estimates for the Ministry of Finance, and Mr. Blain was there — I asked the Minister of Finance not the exact same question, but we were focusing on the same general questions. We were instructed to talk to this minister, because these were projects under the Minister of Transportation.

I don't mean to imply anything with that about either the Minister of Finance or the Minister of Transportation. What I mean to more than imply and what I mean to say is: we want answers to these questions, so I seek the help of the minister in figuring out how we're going to get those answers.

We would very much like, if it's possible, to have somebody here to provide guidance to the minister so that we can ask this question and get a clear answer. It

is central to the debate the minister and I have enthusiastically participated in around what in fact saves the people of the province money.

The minister, to his credit, is consistent and consistently enthusiastic about P3s as a way that the people of the province save money. We're skeptical about that. We will continue to advance our skepticism, but our skepticism can't be either accepted or rejected until somebody's here who can answer those questions.

Hon. K. Falcon: I would be happy to talk to Partnerships B.C. and get an answer for their specific rationale regarding the discount rates selected for this particular project.

You know, I will say to the member opposite... And I'm always happy to hear the members opposite talk about their concern about delivery of projects and taxpayer investment. I think that's a notable turning of the leaf, I suppose I would say.

The member should know that the provincial government... The way I look at this project is that we are a funding partner that is contributing \$435 million, a significant chunk of which is predicated on payments that will be made based on performance — the availability of this asset operating and the quality that is being delivered.

[1610]

All of that also will be forwarded to the member opposite. The member needs to know that the biggest risk involved in these kinds of major projects, and I would hope the member understands this, is delivering these projects, building these projects. That is an enormous risk for the taxpayers of British Columbia, in historical context, the way that the projects typically were undertaken.

Hence the use of the public sector comparator to essentially try and say: were we to build it in the traditional procurement method, what would be the result? Granted, they're based on assumptions, and the question is whether the assumptions are reasonable.

I can only go by what the Auditor General says when he concludes that it fairly describes the assumptions, the context, decisions, procurement and the results to date as being reasonable. I would assume that the Auditor General thinks about these kinds of things a lot more than I do. I totally understand that in every project, there are going to be differences. There is a range of reasons why there will be differences.

As I say, I will be happy to contact Partnerships B.C. and ask them to provide the rationale on this particular report, which is not on our project that's being delivered by the government of British Columbia but is, in fact, a project of which we are a funding partner. I will have them, nevertheless, provide us with a rationale for that, and I will share that with the member, hopefully as soon as tomorrow.

D. Chudnovsky: To the minister, thank you very much for that. We would very much appreciate having the opportunity to canvass this issue in some detail with somebody or other, and tomorrow sounds like a

good day, as good a day as any, to do it — better than many days to do it.

Would the minister agree with me that the comments of the Auditor General on this value-for-money report are dramatically more ambivalent and conditional than previous comments by the Auditor General on other projects?

Hon. K. Falcon: I'm certainly not going to try and put words into the Auditor General's mouth. I'm not going to speak for the Auditor General. What I can say is I think the Auditor General has attempted, as accurately as the Auditor General is able to do, to provide an assessment of the project and the assumptions and the context that underlined the project rationale. I think the Auditor General has done a fine job, as the Auditor General does in all the reports he brings forward.

D. Chudnovsky: Could the minister explain to us what the term "value engineering" means?

Hon. K. Falcon: Value engineering is when you review engineering assumptions, typically done through a peer review where you bring in other engineers who will look at the assumptions that underline the particular project you're reviewing and determine whether things can be done better or can, indeed, be done more cost-effectively. It is quite commonly utilized, certainly within our ministry.

[1615]

D. Chudnovsky: I would be correct in assuming, would I not, that value engineering is a process that would be used both by the private partner in preparing their bid and their costing for any particular project — in this case, the RAV — and in the work that was done on the public sector comparator? It's to be expected that value engineering would be done on both of those processes — would it not?

Hon. K. Falcon: Typically, whether projects are delivered by government or delivered by the private sector, there is value analysis that's done at the planning-level stage of the project. Then what happens is, typically, you'll see value engineering done at the detailed design stage, which is the post-bid stage, where you're getting down into the detailed design of the project. That's when you will see the value engineering undertaken.

D. Chudnovsky: This is an interesting turn of events. Is it the case that the...? Here we have a process which purports — now I'm beginning to understand Mr. Blain much better than I did before — to compare a public sector structure of a deal to a P3 structure of a deal, but the value engineering gets done after the contract is let to the private partner. So what are we comparing?

Shouldn't the public sector comparator be compared to the private sector deal as apples and apples?

Isn't the minister saying to us on this side that, in fact, apples are being compared to oranges?

Hon. K. Falcon: For the member's benefit, value analysis contemplates that you are going to be building in a reduction in the costs. You always do that when you are doing the value analysis, because you know there are going to be some cost reductions once you get to the detailed design stage.

[1620]

The member opposite should know that you can't do that level of detailed value engineering until you have detailed design. It is just not possible. You'll get into a circular discussion. You do the value analysis at the outset. When you do that value analysis, you're already contemplating the reduction in costs.

Then, of course, when you get down to doing the value engineering on detailed design, you've contemplated that there is going to be detailed reduction. You know there will be, but you won't be able to quantify that until you get to detailed design where you've got an actual design and the engineers can take a good hard look at it and start to do that value engineering.

D. Chudnovsky: Perhaps we can get down to brass tacks. In the case of the RAV, for instance, there has been a station disappear in Richmond, and there has been single-tracking scheduled for Richmond — all of this in the value engineering and the detailed planning of the private partner. And there has been an assumption that there will be increased ridership during the midday period for the RAV plan — all of that in the private value engineering.

Does the minister know whether those assumptions were built into the public sector comparator? If so, how much was the public sector comparator reduced so that we can in fact compare apples and apples?

Hon. K. Falcon: The member is confusing scope changes with value engineering, and I think the member should be aware of that.

The other thing the member should know is... Again, this isn't a project that we are delivering. It isn't a provincial government of B.C. project. I don't know how many times I can point out to the member that this is a project being delivered by TransLink through a subsidiary previously known as RAVCO and now known as InTransit B.C.

The member can talk all he wants about this level of detail if he wishes, but I have to keep reminding the member that I'm not delivering this project. We're not delivering this project. I would suggest that the member go talk to some of his colleagues that sit on the TransLink board. He can have the most interesting discussion about why they did or did not make scope changes.

I think it's important that the member shouldn't confuse that with value engineering. Value engineering is referring to the decisions that are already made. It hasn't changed the scope of the project. It's just improving on what is already there in the detail design.

D. Chudnovsky: I appreciate the detailed report back from the minister and the suggestions that he makes about the categories that are used from this side of the House. The key, as the minister reminds us over and over again, is how much money the people of the province are paying to get goods and services.

That's the key. On this side of the House we want to make sure that people actually get value for money and that the assessments made around value for money are done in a fair way.

I do think that it's certainly fair, from our point of view, to ask this of a major participating partner in the project — and in particular, a major participating partner that expresses its enthusiasm for this kind of structured deal endlessly to the people of the province. It is absolutely fair of us to say, and it seems to me that the people of the province will want their government to be accountable for the kind of deal that is structured.

Is it the case that whatever you call it — value engineering or scope changes or the other descriptor the minister used...? Is it the case, had the public sector comparator included those changes that were built into the P3 project when it was put together, that the public sector comparator would have been significantly cheaper than it turned out to be?

[1625]

Hon. K. Falcon: Again, because it's not my project that I am delivering, it's very difficult for me to speak with that level of detailed knowledge. I would operate from the assumption that had those scope changes been contemplated, they would have been reflected in both the public sector comparator and the analysis that was done. But I don't have that information at my fingertips, because, as the member well knows, this is a project of which we are a funding partner, not the deliverer.

D. Chudnovsky: Let's just unpack this a little bit more. If, in fact, issues like the transferring of the costs of the trolley overhead infrastructure; the design and construction of bus loops; providing fare machines; obtaining commercial general liability, property, boiler, machinery and crime insurance; providing a policing unit; the reduction in the number of stations; the single-tracking in Richmond; the assumption of increased ridership during the midday... If, in fact, all of those changes were assumed in the P3 structure of the project and were not assumed in the public sector comparator, would the minister agree with me that we were comparing apples and oranges in the public sector comparator as it relates to the P3 structure of the project?

Hon. K. Falcon: No, I wouldn't agree. As the member goes off on these rhetorical flights of fancy, the member should be reminded of the fact that he was just, minutes ago, referring to the Auditor General. The Auditor General reviewed this, and I read to the member — shall I read it again? — that the final project report fairly describes — not unfairly describes, not apples-and-oranges describes, but fairly describes —

the assumptions, context, decisions and procurement process.

I don't know what part of the Auditor General report this member opposite can't seem to fathom. I assume that we trust and respect the integrity of the Auditor General. If the Auditor General is saying that this isn't apples and oranges.... I would presume that if the Auditor General agreed with the member opposite, the Auditor General would point out that we've got a problem here, that we appear to be comparing apples and oranges. I'm quite sure the Auditor General would have pointed that out. But, you know, the Auditor General didn't point that out.

So I am left, as the Minister of Transportation, betwixt and between whether I should listen to the Auditor General, who described these as fair, reasonable assumptions, or the member for Vancouver-Kensington who, in his rhetorical flourishes, believes that we're talking apples and oranges. Well, I side with the Auditor General.

D. Chudnovsky: For the record, it's our view that my questions are neither rhetorical nor flights of fancy. I'll accept and say, okay, flourishes from time to time, but neither rhetorical nor flights of fancy.

What we're talking about are concrete — you'll excuse the metaphor — issues that have to do with the way that the comparison is done. I'll remind the minister, and I'll remind those present, that the reason we're looking in detail at the comparison is because this money comes out of the pocket of the folks in the province. If we're doing a serious comparison, notwithstanding Mr. Blain's comment that he could do what.... Don't worry about the public sector comparator, because he can make it say anything. We take things more seriously than that. We think there should be a real comparison.

[1630]

When I ask the question, it's not for the purposes of rhetoric, nor is it a flight of fancy. There are a whole series of costs that were reduced, because they were excluded from the project, in the contract with the private partner. Reduced — didn't have to do them anymore. That cost is compared to a public sector comparator in which those costs, we think, haven't been reduced.

I ask the minister a simple question: does he think that's fair? I ask it again: does he think it's a real comparison? It's a real comparison when you take one project, one contract, and it includes a whole bunch of stuff that the other contract doesn't include, and you compare them, and what do you know? The one that includes the additional pieces costs more. Does the minister think that is a fair comparison with the costs of doing it under the traditional procurement method?

Hon. K. Falcon: You know, the member should know that InTransit B.C. actually chose to have the Auditor General come in and review the assumptions. I'm pleased they did that, because what I think it does is lend a lot of credibility to the fact that, as the Auditor General says, this report fairly describes those assump-

tions and decisions and context and procurement process. I'm very satisfied with that.

You know, it's not my project. I'm not delivering this project. I'm a funding partner in this project. I can tell you that as a funding partner, committed with \$435 million of tax dollars, a substantial amount of which is based on performance payments based on something these members would never understand, which is actually outcomes.... They don't focus on outcomes; they focus on inputs and process. We don't do that. That's why I'm satisfied when the Auditor General takes a look and says that those assumptions are fair. I am satisfied with the fact the Auditor General's done his homework.

This member opposite seems to be talking about how he cares about taxpayer dollars. That's fascinating to me, because it would appear I have to, once again, provide some instruction on the history of his NDP government in power and how they delivered major projects. The one that naturally comes to mind is the one that they are most famous for, which had it been delivered as a private-public partnership, the taxpayers of this province would have been so better protected. But sadly, it wasn't delivered as a private-public partnership. It was delivered in the traditional way.

These members will recall that no doubt it was financed with cheap interest rates, and they were creating a whole new industry of shipbuilding for aluminum ferries, but they had absolutely no experience or background or knowledge whatsoever. They went forward without a business plan. I don't recall them inviting the Auditor General to look at that and say: "Are we doing the right thing here? Does this make sense for taxpayers? Are we protecting taxpayers?" I don't recall any of those questions being asked.

Now fast forward, and I've got an NDP member sitting across from me saying he really is concerned about these issues. "Oh, well. Let's just ignore what happened in our decade of absolute disastrous project management. Let's just talk about this."

Well, let's do that. One of the things I will say to this member opposite is I am sure proud of the fact that when a major project like this is undertaken — a \$1.9 billion project, of which we are a minor partner at \$435 million, capped, of taxpayer investment — that InTransit B.C., responsible as a subsidiary of TransLink, responsible for delivering this project, actually goes and says to the Auditor General: "Come and take a look. Come and take a look at this project."

They invite the Auditor General, unlike what happened under the NDP government where, sadly, they never invited the Auditor General until it was time to look at the entrails of the financial disaster that was wreaked upon the taxpayers of this province. That's the only time the Auditor General finally got a chance to look at it and come forward with a report that just castigated the government in the most unbelievable terms for the total lack of discipline — no business plan; firing the board that dared to ask questions about whether this was even realistic, whether the assump-

tions were even remotely connected to reality, which they weren't. No, none of that happened.

Well, under this government it's a different era — thank goodness. It's a different era because we invite the Auditor General. When a project is being delivered by someone else like TransLink, I'm pleased to see that their subsidiaries also follow what we do, and that is we invite the Auditor General to do value-analysis reports, value-for-money reports.

[1635]

Are these reports the perfection that we would all hope they would be? Well, of course, they can't be. Naturally they have to be based on assumptions, because the project is not complete yet. But the question that needs to get asked is: are the assumptions reasonable? What I read when I read the Auditor General's report on the Canada line is that they are in fact reasonable.

This member can go on about his speculation about whether scope changes have been introduced and whether they're part of the public sector comparator or not. I can tell you: that's something the Auditor General would have thought about, member. I can assure you that the Auditor General would have thought about that.

The Auditor General and his staff of well over 130 people think about this kind of stuff every day, and if they felt that there was an apples-and-oranges comparison here, I can assure you that they would have said it on the record. They would have set the record straight and said: "This is apples compared to oranges. It's not appropriate, and this value-for-money report is not appropriate." But that's not what the Auditor General said, so again, I say to the member opposite....

The member opposite may wish that there are discrepancies here, may believe — in his rhetorical flourishes — that he hopes there are, and he's hoping the Minister of Transportation will stand up and say: "I believe you're right. There must be apples-and-oranges comparisons taking place." But I will not be able to give him that satisfaction because I will be listening to the Auditor General, who says that these assumptions are fair and reasonable, and that's good enough for this Minister of Transportation.

D. Chudnovsky: Whoa, we got to him, eh?

Well, one thing that the minister said with which I agree wholeheartedly.... He said early on in his — dare I call them? — rhetorical flourishes that this government doesn't care about process. I could absolutely agree with him on that, and we'll get into process on a whole number of issues a little bit further down the line of these estimates.

I hope what I'm not hearing, and I seek guidance from the minister, is that the minister rejects the notion that if the public sector, with a traditional procurement practice which has come to be known in these processes and these structures as a public sector comparator.... The way we look at that possibility is through a public sector comparator. I hope I'm not hearing the minister say that if it can be shown or if questions

could be asked that would point to the fact that the public sector comparator — the way that we make the comparison, a comparison that the government has stood on and has told us is a good idea....

I hope I'm not hearing the minister say that if we take seriously that public sector comparator and we demand of those that make those comparisons that they include in those comparisons changes to the project which made it cheaper for the private partner to do.... I hope I'm not hearing from the minister that we shouldn't do that — that we shouldn't ask those questions, that we shouldn't seek answers to those questions, that we shouldn't seek the actual cost of a comparable public or traditional procurement project that included all the characteristics of what in the end was the private contract.

If what I'm hearing the minister say is that, then he is condemning us to a situation in which it may very well cost more to do the P3 project.

Hon. K. Falcon: Well, here's what I would say to the member on that. First of all, I would say that if this was a project being delivered by this ministry, then naturally, I would be able to speak with a much greater level of confidence and knowledge on all of the details involved in the value-for-money report than a project being delivered by TransLink, which is being delivered by their subsidiary. But you know, I keep coming back....

If the member has questions, if the member disagrees with the Auditor General's characterization of the assumptions being reasonable, then I suggest that the member opposite go and sit down with the Auditor General and his staff and suggest to the Auditor General and his staff that you believe that their assumptions were wrong and that they apparently neglected to look at some fundamental issues around scope change. Go have that conversation. I encourage the member to do that.

[1640]

The final thing I would say is that the member said that we don't care about process. No, that's not what I said. That was a mischaracterization. What I said, which is very different from the NDP members, is that this government cares about results and that this government is very different from the member opposite in government that cares so much about the process and so much about the money going into a project, never measuring the outcomes, never measuring the results, never tying in accountabilities with delivery results, with cost results. That's something we do very, very differently, and I'm pleased we do that differently.

That is actually why you see major projects going on at a scale we've never seen in British Columbia, in all different areas. Delivery of hospitals, like the ambulatory centre in Vancouver — again, delivered ahead of schedule, under budget, consistent with the value-for-money report.... That, if my memory serves me correctly, was about \$39 million of value to taxpayers.

I encourage the member.... The member should go visit these facilities, you know, because this isn't theo-

retical, what we're talking about. These are actual projects that have been built, that have been delivered, that haven't turned into the kind of financial disasters that characterized that opposition party's term in government for that decade. They are very, very different results.

It's one of the reasons why I imagine the Sea to Sky Highway project is ahead of schedule and will be delivered under budget. It's because we've entered into these kinds of arrangements that provide that protection to the taxpayers of British Columbia. I'm extraordinarily proud of the fact that we do that — and even on projects which I am not responsible for delivering, like the Canada line. By our very insistence that we wanted a structure that would provide that protection for the taxpayer, we see that, frankly, reflected in the value-for-money report of the Auditor General.

I've stated before, and I state it again: I don't for a second pretend that these are the culmination of perfection, because at the end of the day they are based on assumptions. The question is, really, this: are the assumptions reasonable? Are they reasonable?

You know, we could have, as we have in the past, lots of debates about whether we think their assumptions are reasonable, whether the discount rates are reasonable, whether the utilization of the weighted average cost of capital is reasonable, whether the discounted cash flow analysis approach that they've used is reasonable, whether the sensitivity analysis they undertake when they are looking at the alternatives available on a discount rate is reasonable. I know and I take comfort in the fact that when the Auditor General reviews those assumptions, the Auditor General will also look at them in light of whether they are reasonable or not.

As I've said before, I'm comforted by the fact that I think the Auditor General has reviewed the Canada line budget very thoroughly. I think that he's provided a very thoughtful, reasoned analysis of the project, underscored by the fact that he considers the assumptions that were made and utilized to be reasonable.

I agree with him, and I would suggest to the member that if the member does not, or if he feels there are glaring absences in the value-for-money, the member should immediately, forthwith, sit down with the Auditor General and staff and bring forward his concerns about how the Auditor General has missed this apples-and-oranges comparison and has somehow overlooked something which this member opposite has stumbled across himself. I'm sure that the answers will enlighten the member opposite.

G. Robertson: The question to the minister about the total costs of this project to the taxpayers of B.C. — will the minister confirm that there has already been on this project a performance payment made by the province to the contractor for this project?

[1645]

Hon. K. Falcon: The member should know — and in fairness to the member, he wasn't here during an

earlier discussion — that there has been an initial milestone payment made. As I mentioned earlier, for the benefit of the member, milestone payments will be made up to \$235 million during the construction period.

In the post-construction period there's \$152 million worth of performance payments that are made once the line becomes operational. Those payments are predicated based on availability of the assets — so the asset has to be operating, of course — and on quality issues.

G. Robertson: So there has been a performance-based payment made.

In the Auditor General's report there is a notation of a provincial performance payment in the net present value of \$181 million and the total sources of funding that are due to the Canada line. Can the minister clarify the Auditor General's reference to this as a performance payment?

Hon. K. Falcon: Could the member direct me to the page? It'll simplify and shorten things so that we can go right to it.

G. Robertson: Happy to do so. It's page 33 of 36 in the final project report.

Hon. K. Falcon: The characterization that's given under the line there, showing a net present value of \$181 million, is as provincial performance payments. There's a little number eight beside that number, which refers you to a subnote that says that this amount of \$181 million is the net present value of payments forecast to be made by the province in support of the investment by InTransit B.C. of \$166 million nominal of capital during construction, including interest during construction, etc.

If the Auditor General is referring to the payments made during construction, those are not performance payments. Those are milestone payments. But he does make reference here that these are payments forecast to be made by the province in support of the investment by InTransit B.C.

To raise the question of whether the characterization of performance payments is perhaps one that the Auditor General would normally use for those payments — that would be a different characterization than I would apply to them at first blush, but again, this is having the minister look at this page 33 of 36 for the first time since the report came out.

[1650]

G. Robertson: I'm concerned that there's confusion in the minister's response, not only confusion around it being a provincial performance payment of \$181 million, which doesn't match up with the \$235 million anticipated, but also in that there's an additional capital raise that InTransit B.C. is coming up with — \$166 million, which the Auditor General refers to.

Does the minister know if this provincial performance is for InTransit's successful fundraising for capital

on the project? Can the minister clarify exactly what's going on here?

[B. Lekstrom in the chair.]

Hon. K. Falcon: Two points. The first is that I think the member needs to be careful about the comparisons the member is making in terms of the \$235 million of construction capital contributions and the net present value that's being utilized here. This is a net present value of payments forecast to be made.

I must tell the member that I do think the interesting thing here is that it would appear to me that these are referring to capital contributions the province is making, which the province refers to as milestone payments. The performance payments are payments that are very specific in the agreement, that are made upon completion of the construction of the project — payments that are made based on the issues that we talked about earlier.

For the benefit of the member opposite, we will certainly seek clarification from the Auditor General, because I have a feeling that the characterization that the Auditor General utilized there may have just been one in which they lumped all the payments that the province is making and called them performance payments. It's a little bit of splitting hairs, but at least to us, we refer to the construction contributions as milestone payments during the term of construction, the performance payments being very specific afterwards.

Based on the note that I'm reading underneath here, they were referring to these payments forecast to be made as capital during construction. That would suggest to me that those are milestone payments, but we will clarify that with the Auditor General and provide that information to the member opposite.

G. Robertson: I would just point out to the minister concerns, specifically around the language used here by the Auditor General. There may be some slight errors in the interpretation and the wording used. That same slight inaccuracy may apply to these questions around apples and oranges and to whether the Auditor General's report specifically focuses on the matter that my colleague here was canvassing with the member earlier. We will seek clarification on that as well.

[1655]

I'm curious, though. The word "performance" and the importance of the word "performance" in all of this, it should not be lightly treated.

Performance payments, which appear to be due here in the Auditor General's report, are different from the numbers that the minister quoted after my first question earlier. There are in fact performance payments that have taken place. The minister confirmed that there have been performance payments already taking place. With the RAV line construction, the majority of it is currently taking place in my riding of Vancouver-Fairview. A fraction of the construction that is required for the Canada line to be in place and functioning has taken place, which doesn't really match up

with performance payments already being delivered by the province.

I'm concerned, then, on the notion of completion dates and successful outcomes here, particularly triggered by the fact that in my riding of Vancouver-Fairview there's a general sense right now that the completion date is no longer going to be in 2009. In terms of performance, we've already lost that completion date, and we're looking at January of 2010. Will the minister confirm whether the new performance standard applies to a completion date in 2010 versus what was originally targeted?

Hon. K. Falcon: To the member: first of all, let me state that I'm not aware of any change in the final schedule or completion date of the project. I don't anticipate at all that there'll be a change there.

The member should know that as they go through the different portions of the project, schedule adjustments are undertaken all the time. That is not at all inconsistent with a project of this size. I am unaware, nor do I anticipate, that there will be any change in the final completion date of this project.

The other thing the member should take some real comfort in knowing, again, is the way these deals are structured. They don't get paid until they meet these certain milestones in the project. That's how we've structured the deal; that's how the taxpayer gets protected. If they're delayed at any part of the schedule and not meeting those milestones, they don't get paid. When they meet those milestones, they get paid. That's the kind of pay-for-performance program that this government believes in and supports. I would hope that the member will stand up and cheer the fact that we have these kinds of disciplines in place at long last in British Columbia.

[1700]

The other thing I would recommend to the member is reading — because I know they've spent a lot of time on it — the value-for-money report. You know, on the website the member can find the RAV Project Management Ltd. audited financial statements. I would encourage the member to have a look at those audited financial statements, because he'll find on page 6 under "Deferred Capital Contributions" a listing of the contributions by the various partners to date in both 2004 and 2005.

The member will also find of particular interest, I think, that there's a reference to the performance payments to be made in the future. It very clearly states that the province's contribution includes performance payments during the operating period to the concessionaire, which will vary as a function of the concessionaire's operating period performance. That, I think, will help elucidate some of the earlier discussion that we had.

G. Robertson: I'm a little disappointed to hear that there isn't some leadership being shown around meeting completion dates. The minister continues to default to: "All this is, is an investment of taxpayers' money,

and there is no financial liability for the province beyond the current commitment." The minister has certainly affirmed that commitment in estimates debate last year. I'm sure the minister would be happy to commit once again that not a penny more will be spent on this project than he has committed to date.

I would like to hear from the minister, as well, some leadership and some commitment to meeting the completion dates, which the people of B.C. have an expectation of. Certainly, there's an expectation that this line will be up and running for the 2010 Olympics. It would be an incredible embarrassment to the province to have a partially constructed line right through the middle of our city, right through the middle of our Olympic facilities, that was not up and running. I think it's inherent that this government show leadership and commit to the dates, not just to the financial aspect around completion.

To that end, I'll note that in my riding of Vancouver-Fairview, where the tunnelling is taking place right now, there are real concerns around the impact of the skills shortage. Of course, over the last five years the failure of this government to act in addressing the needs of the skilled trades here in B.C. has had a great impact.

In projects such as this, we are facing real shortages in terms of skilled workers. I've heard through the grapevine in my riding that there are shortages of workers on the Canada line right now. There are crews that should have a dozen workers going on different aspects of the project, and progress is slow because they are unable to fill all those positions. Again, it tracks back to the fact that cuts were made to training and education in the trades over the last five years, and this government has chosen to invest in a number of megaprojects in an overheated economy.

So we have challenges on the ground. Those will directly affect completion dates. I'm wondering if the minister — beyond committing financially and on time lines to this project — has gone out to his fellow ministers in Advanced Education and Economic Development and to the Industry Training Authority and made sure there's robust investment going forward in the trades that are required to make sure that these projects do complete on time and that there are skilled workers available to complete these projects. Does the minister see that as an important part of his mandate to get these projects done and to deliver them to the taxpayers of B.C.?

Hon. K. Falcon: Well, I guess if I heard the member correctly, the member is suggesting that on behalf of the province and as one of the, frankly, minority funding participants, I should wade into this project and — under the definition provided by the member opposite — take a leadership role and apparently rescue the day from what this member perceives through his grapevine reporting in the community.... I don't even know where to begin.

[1705]

You know, the fact of the matter is — and the member should know — that there has been nothing to

suggest that the final completion date of the schedule has changed at all. If the member knows differently, please tell me. As I said to the member — and, I thought, quite clearly — during the course of a major project like this, schedules for particular sections fluctuate all the time. That's not at all unusual.

I don't know what involvement the member has had in major projects in the past, but I think that if he goes and asks around, maybe there's another grapevine of business people who know what they're talking about, whom this individual could talk to and share some of that knowledge with him.

The member talks about, again, his grapevine telling him that there are labour shortages. Well, there's a big surprise, you know. There's a real big surprise.

The fact of the matter is — I will remind the member — that we lost 30,000 skilled workers during the '90s, who left the province because we had a government that was so stunningly incompetent that there were no jobs available. They left mostly for Alberta and, to a lesser extent, Ontario. One of the challenges when you have a young skilled workforce leave is that they settle in these other provinces. They get married, they buy homes, and it's difficult to bring them back.

I recognize that to a large degree we're victims of our own success. The economy is booming. I'm proud of the fact that we have the lowest unemployment rate since they started keeping statistics on unemployment rates — 4.8 percent. I'm proud of the fact that in parts of the province that historically — certainly during the '90s — enjoyed horrific double-digit unemployment rates, we've seen those rates, in some cases, reduced by over two-thirds. What an incredible record to be proud of, and I am.

Does that create challenges for a lot of the projects underway? I have no doubt it does. I'm unaware of the specific challenges being faced here, but I have no doubt that they probably find themselves in the same position as many other major construction projects, in that there's so much work available for workers that often it's a challenge trying to arrange those workers for the project.

I can tell this member that I also drive through his riding on a regular basis, and I make a point of driving and visiting the areas in which construction is underway. I have never been more impressed with the level of construction activity and with the scope of the construction activity and the way they are able to do it in such a way as to minimize the inconvenience as much as humanly possible to many residents of that member's riding.

Interjection.

Hon. K. Falcon: I heard the member for Vancouver-Kensington suggest Cambie Street merchants. Well, it's true. There's no question there's an impact. My goodness, who believes that you can undertake a massive generational-type investment like this without having some inconvenience? Of course there's inconvenience,

but there are going to be benefits too. How quickly the members opposite forget those benefits.

You know, I remember that the NDP strongly opposed the SkyTrain. We all recall that. That was a bad project too, apparently. Yet you know, we have these events at the SkyTrain to celebrate the tens of millions of riders that have ridden for over 20 years. The first people that show up are the NDP members, wanting to take credit, wanting to be part of these successes.

Well, let me make a prediction right here today. Let me make this prediction here today. When the Canada line, which they opposed, which they continue to try and find every reason to oppose, say how bad it's going to be and try and whip up opposition — unsuccessfully I might add — is built and operating and there are hundreds of thousands of people every month getting onto that Canada line and enjoying the benefits, I can assure you that the biggest challenge we'll face at that opening will be all the NDP members trying to crowd onto the stage and be part of the success.

That'll be the biggest challenge. I know that the member for Vancouver-Fairview will be one of the ones pushing his elbows forward and trying to get onto that stage and trying to pretend that he was always there, that he was always supporting it.

Interjections.

The Chair: Members.

Hon. K. Falcon: How optimistic are these members opposite. The members are so optimistic that they believe they will actually be in government at that time, cutting the ribbon.

Well, I like to allow the members to have their moments of flights of fancy. But I can assure you that especially in the Greater Vancouver area, where this member resides — both those members opposite who are doing the questioning — I'm looking forward to opening not only the Sea to Sky, the Vancouver Convention Centre and the Canada line but the \$241 million of border infrastructure improvements and all the other improvements we're doing throughout the great province of British Columbia.

[1710]

I can't wait to find some portion of that stage that those members can stand on, because I know they are going to want to try and accept some of the benefit, try and pretend they were onside. Sadly, we all know what the facts will be. It will be similar to the SkyTrain. It will be similar to Expo. I might have commended the members to listen to a former Premier who spoke just recently on the 20th anniversary of Expo. Oh, how those members were probably involved in the protests, saying what a terrible idea Expo was. I have no doubt about that.

What a great, great result Expo was. You know, I remember at the time the NDP members saying: "Oh, 13.7 million visitors — what a crazy.... Those visitation numbers" — just like these ridership numbers — "are so wrong. This is going to be so terrible. Think of all the

people who are affected. Think of how bad this is going to be for the economy. Think of how terrible it is that this government will go and spend that kind of taxpayer dollars on a party for six months."

I remember all of that, and 20 years later not very much has changed — has it? Here they are — the same old arguments, just a different project. Instead of Expo, it'll be the Olympics they are against. Instead of Sky-Train, it's the Canada line. Instead of 13.7 million visits.... By the way, we saw over 22 million visits to Expo, not 13.7 million — blasting through all that pessimism that those members opposite so beautifully envision and typify.

We now have the Canada line, and it's the same old arguments: "They shouldn't be doing it. This is a terrible waste of taxpayer money. The ridership figures are all wrong. The Auditor General is probably wrong too. Gosh knows he didn't understand what we can only see in the opposition is apples-and-oranges comparisons." Well, I've heard it all before. It's the same old record, the same old negativism, pessimism and destructiveness that typify the initials in that party — the NDP.

Negativism, destructiveness, pessimism — and it's back, hon. Chair. But I will tell you this. This is a great project. It's a project that is generational, and 40 or 50 years from now — long after this project is paid off, when this project is spinning out enormous amounts of cash flow for the benefit of lower mainland residents who are trying to utilize public transit and will be able to utilize those revenues for additional buses and investments — I have no doubt that they will still be complaining. They will still be wondering what went wrong, why everything is working and why people are so happy and why this economy continues to grow.

D. Chudnovsky: We here on this side just want to assure the minister that when the ribbon is cut on the RAV line, whether it's in January of 2010 or December of 2009 or whether it's further along.... Whenever it is, I commit to lobbying with the Premier to allow the former Minister of Transportation to attend that ceremony. I personally make a commitment to doing that.

The problem with getting the minister wound up the way we have a tendency to do is that it just reduces the time to talk about substantive stuff. It's entertaining, but it reduces the time.

When the contract was announced for the RAV line, it was said that the contract was going to be with SNC Lavalin and a group called Serco. When the contract was finally signed, Serco was gone. What happened to Serco?

[1715]

Hon. K. Falcon: I thank the members for allowing me the indulgence of discussing some of the great historical projects in the province of British Columbia, concluded so successfully by the previous government which was led by another great Premier, who is a builder.

The member had a question about SNC Lavalin and Serco. Again, I have to remind the member that the member should best direct those questions to InTransit B.C. as the concessionaire or perhaps to RAVCO as the project owner. They are better able to answer those questions. Again, the critical thing for the province of British Columbia as one of the funding partners involved in this project is to ensure that the project meets the milestones and is going to perform exactly as set out in the agreement.

D. Chudnovsky: Well, you'd think — given that TransLink is the key partner in all of this and that the minister has described the goings-on at TransLink as a circus — that he would want to watch a little bit more carefully, but he gets to decide that himself.

I want to talk about lobbyists and lobbying for a little bit, if I might. There are a group of registered lobbyists who are active on transportation issues. I wonder if I could ask about a number of them and ask the minister whether the minister has met with these folks — whether the staff has spoken with, corresponded with or met with these folks. Let's see how we go with that.

I don't know what the best format is. Let me try them one at a time, and perhaps the minister can respond on his own behalf and on behalf of the staff — you know, ministerial assistants, executive assistants, deputy ministers, assistant deputies and so forth.

The first one is a person called Craig Fitzsimmons. Have there been meetings with that gentleman?

Hon. K. Falcon: First of all, I want to make some comments about lobbyists, because the tone of the member opposite's voice suggests to me that the member is looking upon lobbyists in a negative light. I find that interesting because — I'll tell you this, to the member opposite — I think, actually, lobbyists play an important role in establishing important workings between clients and government. Many of them, as the member opposite probably knows, are former members or may still be members of his party.

I'll just be right upfront with the member in saying that I am not going to try and cast aspersions on the industry or the work that they do, because I know that's going to be the undercurrent of the line of questioning that the member is going to start engaging in. Let me just be real upfront about that, because I would disagree fundamentally with the member about that. I would very candidly say that I think there are probably some lobbyists that are better than others, but I believe there are probably some politicians that are better than others.

Now the member asks about a specific individual, Craig Fitzsimmons. I do know Craig Fitzsimmons. In fact, if my memory serves me correctly, I think I went to university with Craig Fitzsimmons. I could be wrong, but I guess it's going back a ways now. I can't recall the firm he works for. I believe it's National, but I don't actually know. As to whether I've met with him, I honestly don't know for sure. I've certainly seen him at

social occasions. I don't believe I've ever met with him in my office.

Again — and I'll warn the member upfront — if the member is going to be asking whether I have met someone or different lobbyists at any time over the last two, three or whatever number of years, I honestly don't have that information in front of me. I will make absolutely no apologies for meeting with any of them, but to the best of my recollection I rarely meet with lobbyists personally — quite rarely. That's to the best of my recollection.

D. Chudnovsky: Now, that wasn't very defensive — was it, Chair?

That wasn't my question. My question was much broader than that, and it may be that the minister reads into my voice all kinds of things that he wants to read into it. I'm asking questions; it's my job. It's his job to answer the questions, and we'll just continue doing that.

[1720]

My question was: has the minister met with that individual? The minister says he doesn't think he has. It would be good if he could check; we'd appreciate that. As well, I asked whether staff had met with that individual. I'm not casting aspersions on that individual. I don't know that individual. Nor am I casting aspersions on anybody on the staff who happened to have met with him; nor am I casting aspersions on the industry of lobbying or anybody else. Just asking questions. That's what they pay me for.

Hon. K. Falcon: I've just caucused with the staff members that are with me today, and they are not aware of this individual and, to the best of their knowledge, have not met with this individual.

I have tried to think whether I've met with this individual. I don't recall having a meeting, but it's very possible I have. I have an enormous volume of meetings. It's very possible I met with him, and I would never do anything to mislead a member. I'm not aware that I've met with this individual, but it's possible that I could have at some point.

D. Chudnovsky: Thank you. I appreciate that answer from the minister. Perhaps we could ask him: in a situation...? He's been pretty clear about what he's heard from staff, and we appreciate that. He's been as clear as he could be at this point about his own situation, and we appreciate that. I wonder if we could ask him to check whether, in fact, meetings....

He's pretty sure, and that's good, but we'd like him to be 100 percent sure, and we wonder whether we could ask him to check that. If it's okay, I'll put that on the list of things that will be coming from the minister. I want to check that before we finish here today.

I have a second lobbyist who I'd like to check about — same question about the minister and staff — Michael Bailey.

Hon. K. Falcon: First of all, I would point out that the member may want to talk to their research depart-

ment. I know that the members opposite regularly FOI my schedule, so if you actually go back, you'll probably be able to look through there with great interest. I'm pretty sure we've sent my schedule for at least the last couple of years to your research department, so that might save you some time.

In terms of Michael Bailey, I am advised by my staff that they've met with him on numerous occasions over various different issues.

D. Chudnovsky: Could we be told what those issues were?

Hon. K. Falcon: Again, I think, with the member's forbearance, the member will recognize that we're not sitting here with all of our schedules in front of us. My staff advise that on the issue of Fraser port and the Abbotsford Airport, they have met with Mr. Bailey in the past. That may not be a conclusive number of the meetings or the issues or topics, but those are the ones that certainly come to mind for staff at this point.

D. Chudnovsky: Thanks to the minister for that. Another one — a person called Marcia Smith.

Hon. K. Falcon: Again, the name certainly rings a bell with me. I'm sure I've met with her before. I don't believe I've met with her in an official capacity, but... I'm probably embarrassing myself now, because she's probably saying: "Well, gee, he doesn't even know me." My staff are not familiar — or at least, to the best of their knowledge at this point, don't recall meeting — with someone named Marcia Smith.

D. Chudnovsky: Same question: Bruce Young.

[1725]

Hon. K. Falcon: To the best of my staff's recollection, they haven't met with Bruce Young. I certainly know Bruce. I've met him at many social events. I don't believe I've met with him in an official capacity with his clients. But again, if you check my schedules, which you have, you'd be able to know that for sure.

D. Chudnovsky: Just a parenthetical note. I think that when we get the minister's schedule after an FOI, it mostly says: meeting. It mostly doesn't say: meeting with whom. That's why we're asking these questions now.

So the minister's suggestion that we go to the FOI schedule and find out the answers to these questions — we're past that. We've looked, and it's my recollection that rather than.... Perhaps when I'm a minister, if I ever get to be a minister, I'll do that too. Right now, in my schedule I try to put the person I'm going to meet with, because otherwise, I forget who I'm going to meet with, and it's embarrassing. But ministers have staff, and all of that stuff.

In any case, that's why we're asking. The next one is Cindy Burton.

Hon. K. Falcon: This is going to be a most enjoyable evening, I have to say. I kind of like this.

Interjection.

Hon. K. Falcon: Yeah, it's your time. Anyhow, I'm happy to do this.

Cindy Burton: that name doesn't ring a bell with any of my staff. It doesn't even ring a bell with me, although again, I hope I'm not embarrassing Ms. Burton, if I've ever met her before. It's very possible I have. I meet thousands of people in the course of months, frankly, but no, I'm not aware of Miss Burton.

D. Chudnovsky: There are a number of other questions in this area that I want to ask, and I ask the patience of the minister and his staff. We have two other members who are here to talk about other issues. I would just let the minister know that we'll come back to this, because there are some specific questions and some general questions I want to ask. Right now I'd like to turn it over to my colleague from Cariboo North.

B. Simpson: Has the minister met with the mountain pine beetle? No. Sorry, just kidding.

With respect to the \$90 million for the mountain pine beetle, I can tell you — and the minister is probably well aware — it was received with much joy in the neck of the woods that I come from, but with many questions. I'd like to canvass a few of those questions as succinctly as we can.

First off, is there a discrete plan associated with that money for each year over year — the \$30 million for the area?

Hon. K. Falcon: I appreciate the member's comments. We found, as we were doing our road rehabilitation work in the areas affected by pine beetle, that the damage being done by the volume of truck traffic, in particular, was just unbelievable. The impact that has on the life of the roads is very, very dramatic. It was clear that we needed to provide extra dollars to try and deal with the impact that the increased volume of wood cut and truck traffic is going to have.

Essentially what we're doing is trying to identify where the needs are greatest. What we'll do is like we always do with our roads: identify where the needs are greatest and then start prioritizing projects based on that criteria.

[1730]

What we are hoping to do that's a little bit different is also trying to get ahead of the curve on this. In other words, identify the areas where we know the Ministry of Forests is planning — so we're working quite closely with the Ministry of Forests, as you can imagine — on making future cuts, and try and get ahead of that by making the investments in the roads and, obviously, not just resurfacing but strengthening the road base and also doing work on the bridges to ensure they can deal with the heavy volume of truck traffic that's going to be contemplated as these cuts move forward.

Ultimately, that's our goal: identify the greatest needs and start pouring the money into the areas to repair what's already damaged, but also to try and get a way ahead, if we can, of where the future volume of traffic is going to come from and anticipate some of that.

B. Simpson: The minister indicated that he was amazed as he saw the level of damage. This is the first year that we've got this funding. When did the ministry become aware that this was going to be an issue that needed addressing?

Hon. K. Falcon: Probably about two years ago we really started to notice the accelerated deterioration of some of the roads as a result of the increased volume of traffic. What we did, naturally, in our rehabilitation budget, was start seeing more money going towards trying to deal with some of the impact that we were identifying.

As that volume of traffic was increasing, about a year ago we started to do some real work in terms of trying to figure out how we were going to deal with this and get ahead of it, because as more of our rehabilitation budgets go in towards these roads, it ultimately will have the impact of diverting dollars from some additional works that we want to get done somewhere else.

We started doing some really serious work, I think about a year ago, in terms of trying to identify what dollars would be necessary for us not to just deal with the impact that we currently see but to actually get ahead of the curve and anticipate, as I say, where the future cutting is going to take place and try and get those investments in place beforehand. That's why the \$30 million a year over the next three years is going to be utilized for doing exactly that.

B. Simpson: That's interesting, because I have a document in front of me dated September 2001 that was funded by the Ministry of Forests. It's the *West Central B.C. Mountain Pine Beetle Strategic Business Recommendations Report*, which says a 30-day action plan should be developed from the Ministry of Transportation and Highways with a decision and commitment on an enhanced and transportation infrastructure in the mountain pine beetle-impacted area.

This is in 2001 that it was raised to the Ministry of Transportation and Highways. I'm wondering why there was a three- or four-year delay in realizing this.

Hon. K. Falcon: In fact, there wasn't. That's what the whole rehabilitation heartlands program was all about: responding to that, in part, but also, frankly, responding from what I feel is an underinvestment that was made throughout the province, certainly in the '90s — a very serious underinvestment. That's what the heartlands investment was all about, and the rehabilitation investments were all about, and you can see that in much of the project. I know this member is from the Cariboo and knows well. You can't drive anywhere

without seeing work that's been done or is being done by this government.

The issue became one of us saying that as the beetle haul was dramatically increasing, as that impact was dramatically having an impact on the road network and as we started to anticipate and think about the future, what we wanted to do was recognize that though we're spending, frankly, historically high amounts of dollars in our rural and heartland road and rehabilitation program, we wanted to also make sure that we provided additional dollars to get ahead of this, to try and get ahead of this as best we can.

We recognized that it was going to have to be done in cooperation and consultation with the Ministry of Forests. That's where we came forward with this \$90-million-over-three-years figure. I'm pleased that we are going to be, and are, working very closely with the Ministry of Forests as we go forward in terms of how to allocate that.

[1735]

B. Simpson: If I understand the minister correctly, this is a morphing, then, of the heartlands strategy more explicitly into the mountain pine beetle-impacted areas as a result of the incremental loading. With respect to the fact that it's not a definitive plan yet — it sounds like it's a work in progress — will the local government and communities be involved in the determination of the strategic areas that this money will be applied to?

Hon. K. Falcon: First of all, I emphasize to the member that it's more than morphing. This is new money, and this is very serious new money, as I'm sure the member will recognize. In fact, I recall with great fondness the announcement we made in Prince George with my colleagues the MLAs from Prince George. The reaction of the folks in attendance was, to say the least, shocked and certainly thrilled, and that was the same reaction we heard back from the folks in the Cariboo.

I think the one thing that can give comfort to the member is that we always involve community, and we always involve individuals in bringing forward their recommendations. The member should also know that we also have regional transportation advisory committees that have also been hugely helpful in providing me, as the Minister of Transportation, with advice and recommendations and prioritizations for regions.

That is always the more difficult challenge, because everybody needs stuff done and everybody thinks that whatever they need done is the priority. The bigger challenge is looking at all those various priorities and trying to establish some prioritization. Certainly, the RTACs have been extraordinarily helpful in that regard. So have, by the way, local governments and mayors and councillors, who I'm speaking with on a regular basis.

B. Simpson: By "morphing," I meant that an explicit program had been established, not that it was old money rolling in and looking different.

With respect to local government involvement in Prince George, Quesnel and other communities where they have truck traffic going through the communities, that is a significant issue. Of course, in my own estimates with the minister, I canvassed the issue of communities dining out on their industrial property tax rates when many of those communities are faced with serious infrastructure issues related to some of that truck traffic.

In that 2001 report it pointed out, explicitly, concerns raised in Quesnel and Fort St. James for log truck traffic in congested urban areas. Major haul routes for both of these communities include main streets in municipalities where current safety concerns would be heightened by increased industrial traffic. Will any of this money be targeted explicitly for those roads in those communities?

Hon. K. Falcon: No, the member probably knows that the province doesn't invest in local roads. This would be for the roads that are under the jurisdiction and responsibility of the provincial government — the side road network, which is probably what this member is referring to.

B. Simpson: That's not what I'm referring to, because those municipalities have highways that are their main streets. It's my understanding that they are still under MOT. In fact, the mountain pine beetle funding indicates that it's invested in both the main highway system and the side road system, unlike the heartlands strategy. For Prince George and Quesnel, which I'm more familiar with, there are major thoroughfares that are highways, still come under the ministry of highways and have been beat to you-know-what by these. Will those be targeted under this funding?

Hon. K. Falcon: Yes.

B. Simpson: When might communities have an opportunity to actually look at the three-year plan, know which areas are targeted and which are not, so that, particularly for some of the communities, they can start to either do lobby efforts or find other ways to get attention paid to road infrastructure?

Hon. K. Falcon: I think it's important for the member to know that this isn't just a case of laying out a three-year plan and being able to very clearly identify every single project. The reason is that it changes each and every year, and it changes based upon what's happened to the roads, what kind of winter we had, what that did to the roads.

[1740]

There are a whole bunch of issues that come into play, but I can assure the member that as we go forward, we will be involving the local communities in the decisions that are made in terms of the dollars that will be invested and where. They will be, as they always are. I say that with a great deal of pride, because I think we and our local staff do an exceptional job of

making sure the local community leaders are included and involved in a lot of the discussion and decision-making that goes around this.

B. Simpson: I'll leave off the mountain pine beetle and ask a question with respect to the strategic plans for rural areas. We have been trying in our area.... As you're well aware, it's a mountain pine beetle-impacted area. Many of our roads were supposedly covered under the heartlands strategy and now are mountain pine beetle-strategy. Many of our residents are trying to get definitive answers on when bridges might be repaired, roads might be repaired — in particular, Nazko Highway, Barkerville Highway, Horsefly Lake Road. When will those regional plans be released so that people will know what the strategies are for local roads, bridges and infrastructure?

Hon. K. Falcon: It's always the same process. I mean, we have competing priorities. We look at those competing priorities. We make some decisions based upon the whole range of issues like safety benefits and the condition of the road, all those kinds of things. Once we make those decisions we announce the project. We make sure the local community leaders are involved in that, and we get on with it.

S. Simpson: I'm looking to just ask a few questions here in relation to climate change, greenhouse gases and the relationship to the ministry. When I look through the service plan, I realize that while there clearly is a mention in the strategic context that increased transportation will increase environmental impacts, and presumably that is particularly related to greenhouse gases and climate change.... When I looked in the report, I also saw no mention of climate change or the environment in the service plan — in the vision or the mission or the values of the service plan.

My question for the minister is: what is the role of the ministry in addressing greenhouse gas issues and climate change issues? What role does the ministry have and does the minister see for the ministry?

Hon. K. Falcon: I'm sorry; I was feverishly looking here for some comments that the member opposite made in *Hansard*, in the House. I was looking for those comments, and I know, in fairness to the member for Vancouver-Hastings, I know that the member.... The comments were very derogatory towards the management capabilities of my senior staff. I wanted to address this upfront, because I know how it can be as we get into these rhetorical flourishes that quite often we say things meaning to, perhaps, say one thing and it comes out as another. I just wanted to afford this member the opportunity to correct the record.

Here's what I think the member probably wanted to say and would be very, very fair in saying. That is, that it's okay to question the managerial competence of the minister — and I'm happy to have the member do that, and I'm very sincere when I say this — but the member should know he made some comments that were very

derogatory towards staff and their management competence. I know that if the member for Vancouver-Hastings had to say it again, he wouldn't have characterized it that way. In fact, what the member probably meant to say was that the minister is incompetent, and that's a very fair thing for the member to say. There are lots of people that would line up and agree with the member.

I would hope that the member could correct the record. I say that in the greatest sincerity only because I want the member opposite to know that it was very hurtful for staff. I received a lot of e-mails and phone calls from staff members who were very upset. I reminded them that this was certainly not.... In fact, I defended the member in suggesting that I'm certain it wasn't what the member meant. I know that if the member talked to any of his colleagues, particularly those who worked with the management staff here while they were in government, they would tell you for sure that management incompetence is not something that is characterized in this ministry.

I wanted to give the member the opportunity to correct the record, because I know the member meant to say that it was the minister.... If anyone can be called incompetent, it's fair enough to accuse the minister but not the senior staff.

[1745]

In terms of the climate change.... I apologize to the member because I would want to have listened more carefully to the question, but I was feverishly searching for the transcript, which I don't think I need, because I think the member can appreciate the sentiment that I'm trying to get across.

One thing I will say is that in terms of the environment, the member should know that it's something I feel very, very strongly about — very passionately about. I want our ministry to be leaders in terms of environmental outcomes and achieving objectives that will result in us having positive environmental outcomes.

It's one of the reasons why our entire fleet of vehicles, for example, uses alternative fuel sources, except for those that, you know, due to the terrain there's an inability of alternative fuel to provide the horsepower, so to speak, to get them through difficult areas. With some of our vehicle fleet, it's just not possible to move towards the environmentally friendly alternative. But I can tell you that in our entire fleet, excepting those rare situations, we have moved to alternative fuel.

We did that because we wanted to be leaders. We wanted to demonstrate that this ministry is going to, in everything we do, try and be absolutely consistent with one of the five great goals, which I take very seriously — to have the best possible outcomes in terms of water quality, air quality and be leaders, let's put it that way, in North America.

It's one of the reasons why I'm very proud of the fact that I recently received a very prestigious award from Ducks Unlimited, on behalf of ministry employees and the ministry, I should emphasize, for the work we've done in preserving wetlands. The member, as the Environment critic, may be interested to know that

we put aside millions of dollars every year specifically for the purposes of identifying, in cooperation with organizations like Ducks Unlimited, that kind of sensitive habitat, etc., which we can then, together, go forward and preserve to ensure that future generations and, certainly, all the ducks and habitat have the opportunity to continue to enjoy those benefits of preserving that kind of area.

The final thing I will say in terms of air quality, member, is that it was something that figured very, very prominently in my entire thought process with regard to the Gateway program. It's one of the reasons why we moved forward with tolling, for example. I think the member opposite would acknowledge that it's typically something that is not going to be seen to be politically an easy or a popular thing to do.

I can tell you from an air quality point of view, I think it's the right thing to do. That's why I'm very proud of the fact that we've moved forward and brought forward the issue of tolling to the public for discussion. We think it is not only the right way to pay for a project, but it's also the right way to deal with future traffic demand management. I hope that's helpful.

S. Simpson: I would be pleased to have the minister forward to me the *Hansard* page or whatever where I made these comments at some point. I'll be happy to look at the comments that I made.

The question that I had for the minister, and I'll ask it again, is: what is the role of the ministry in the broader questions around climate change and greenhouse gases? As the minister will know, transportation probably is the biggest driving factor in terms of climate change issues, and second would probably be oil and gas. But it is the biggest issue.

We know that the ministry has a significant role to play, or they should have a significant role to play. I asked the question because I looked through the service plan. I saw nothing in the vision of the service plan, nothing in the mission statement and nothing in the values that deal with climate change at all.

When I read through and looked for comments or references to environment, I found two. One was a mention in the strategic context that it was a problem that increased transportation will increase environmental impacts. Then, I saw nothing after that which said how that would be addressed. The second was the reference the minister made about, I think, two-thirds of the vehicles in the ministry's fleet using alternate fuels — which is a great thing.

I don't see where the big picture here is on how the ministry deals with the question of climate change and greenhouse gases, so I'm just asking: does this ministry have a role with that, and if so, what is it?

Hon. K. Falcon: You bet we have a role, and we work very closely with Ministry of Environment to ensure, as do all the ministries of government, I might add.... When we came out with the five great goals for the future of British Columbia.... We're very serious.

Every ministry takes forward all their projects in the light of those goals, and one of them is environmental outcomes.

[1750]

That's why, not just the fact that our particular vehicle fleet is well over two-thirds, by the way.... I would hesitate; I think it's over 90 percent, but I could be corrected within a few percentage points either way. It is something we're proud of, as one of the largest fleet operators in the province in government, as you can imagine.

The member also knows that we very strongly support the \$2,000 tax credit that was put in place to encourage the public to acquire alternative fuel vehicles. As you know, the Premier has made a commitment that, as part of the Olympics, one of the things we want to do is demonstrate some of the new fuel cell technologies that are emerging in British Columbia. In fact, British Columbia is the locus point for a lot of the research being done in hydrogen fuel cell alternatives. Part of the Premier's vision of the hydrogen highway is not just to see the operation of hydrogen fuel cell buses along that corridor but to showcase the technology that is being largely developed here in British Columbia.

The other thing I would say to the member that I think is very important is: that's why we fought — that's why I fought so hard, and the Premier fought so hard — for things like the Canada line. Because the Canada line, again as the member for Vancouver-Kensington correctly pointed out, will get 100,000 people a day out of their cars and into public transit. That is a very positive benefit to the environment.

That's why we support the Evergreen line, where we're committing \$170 million towards a light rail project out to the northeast sector. That's one of the reasons why you'll see B.C. Transit have an ongoing capital plan that allows them to acquire new buses and continue to add to their fleet of vehicles.

Interjection.

Hon. K. Falcon: And which?

A Voice: And commuter rail on Vancouver Island.

Hon. K. Falcon: I'm interrupted by the member for Malahat-Juan de Fuca here, who talks about the importance of commuter rail. Absolutely, commuter rail is important. But, of course, the member also knows — and I'm sure supports the idea — that every case must be brought forward with a solid foundation of a business case that is financially sustainable and that achieves the objectives that everyone wants to see them achieve.

I'm very proud of the role that we've played in our ministry and that we'll continue to play. As we go forward, whether it's with Gateway project or other improvements that we're doing, we will always ensure that the environmental outcomes we strive for will be centre at the decision-making process that we go through.

D. Chudnovsky: Just a couple of logistical points, and then I understand we're going to recess.

Just to let the minister and the staff know, after the break this evening I intend to ask some questions about TransLink: TransLink governance and the TransLink governance review. In addition, as I said before, we'll have a number of MLAs here this evening to talk about specific situations in their specific constituencies.

In addition, I have a list of three things that I think the minister has committed to bringing to us. No — two that he's committed to and one suggestion that he might commit to. Who knows. We'll see.

The first one is the performance criteria for the \$150 million RAV payment. We were to get that from the minister. I hope that we will be able to get that tonight or tomorrow. The discount rate on the RAV — there was some discussion of that early on. The minister said that he wasn't able to have that discussion now, but that he would find somebody for us as early as tomorrow, and we look forward to that — to have that discussion with him.

The third and the minister might.... There he is. Just to save us some time, perhaps rather than going through the names of all the lobbyists, which could be embarrassing to all kinds of people for all kinds of reasons, maybe the minister could commit to bringing us a list of all the lobbyists with whom he and the staff have met over the last couple of years, and the topics they discussed. If the minister is willing to do that, then we're willing to not ask any more questions about specific people.

The Chair: Minister. Then we will move to recess.

Hon. K. Falcon: First of all, in our most fascinating discussion on discount rates, I'm pleased to advise the member that we can reacquaint ourselves with that issue right after dinner, if the member wishes. I'm pleased that we've got an individual from Partnerships B.C. here who can help provide some clarity to that issue.

[1755]

No, I'm not going to provide schedules for every single staff member and myself for going back two years. If the member is wondering who lobbyists meet with, I suggest the member go to the lobbyists registry. It's on the website, and they can go have a look at it there.

The Chair: Members, we will....

D. Chudnovsky: He didn't answer one question. Sorry, Chair.

The Chair: Okay, briefly.

D. Chudnovsky: You're trying to keep us under control, I know. The other question was....

The Chair: And it's a tough job.
Member for Vancouver-Kensington.

D. Chudnovsky: Thank you, Chair. I apologize for pursuing this, but hey....

Performance criteria for the \$150 million was the other issue.

Hon. K. Falcon: We'll do our best to have that for the member this evening, if we can. The member will recognize that it is the evening time and that sometimes getting hold of the relevant staff person can be a challenge, but we'll do our best.

The Chair: Noting that it is evening time, this committee will stand recessed until 6:45.

The committee recessed from 5:56 p.m. to 6:49 p.m.

[R. Cantelon in the chair.]

On Vote 41 (*continued*).

D. Chudnovsky: Just before we get back into questions, I wonder if I might respond to the concern the minister expressed about the member for Vancouver-Hastings earlier this afternoon. We've done a good, hard look at the material that was provided, and what needs to be said is that the allegation that was made by the.... I shouldn't call it allegation. The concerns that were expressed rather enthusiastically by the minister were based on a misquote.

The excerpt comes from draft *Hansard*, and the quotation marks are in the wrong place. The member for Vancouver-Hastings was quoting a well-known pundit and commentator, Norman Spector. The remarks attributed to the member for Vancouver-Hastings are in fact the remarks of Mr. Spector, not the remarks of the member for Vancouver-Hastings.

I wanted to put that on the record and clarify it. I wonder whether the minister might comment on that.

[1850]

Hon. K. Falcon: I am quoting here from *Hansard*, where it states: "Clearly, the Ministry of Transportation has incompetent leadership in management, and it's reflected in here." However, if the member is saying that that is incorrect, and it was not made by the member, and in fact the member was quoting someone, which is not identified in *Hansard* here, then I will certainly accept that and retract my request for an apology. I would have no hesitation in doing that.

I think the critical issue — if it was in fact Norman Spector who said that, I will say the same thing to him the next time I see him — is that I think it was a very inappropriate comment to make. I thank the member for that.

D. Chudnovsky: Just to clarify for the minister's.... It may be helpful to him, or maybe he wants the finish.... The quotation, as I understand it, begins with the words: "The problem with this government", and ends with the phrase: "It's reflected in here." That's all one quote. It doesn't end in the middle, where it looks like

it does in the transcript. It ends at the end of that phrase. That's what the member for Vancouver-Hastings was quoting. Thank you to the minister for his immediate response to that. We appreciate that.

Now, I wonder whether I should ask the minister how he wants to proceed at this point. Prior to the break he suggested that there'd be some people here who could help us with some issues we had canvassed before, and if they're here, I'd be happy to move to that. I'm waiting for the minister to give us some advice.

Hon. K. Falcon: We had a scintillating discussion, as the member knows, on the issue of discount rates referring to the Canada line project. The member was questioning why a discount rate of 6 percent was utilized. I was indicating to the member some of my frustration, in the sense that I didn't have at my fingertips all the information the member would have liked at that moment, because it is not a project that our ministry is delivering.

However, I am pleased to say I have that information for the member now, and I'm pleased to go over this and put it on the record for the benefit of the member opposite.

First of all, with respect to the performance criteria for the Canada line performance payment, something that I'd talked about, I want to re-emphasize that performance payments will be made payable after completion, based on performance criteria — the performance criteria being the availability and quality performance of the concessionaire. Availability performance means exactly that: that the trains are available and that they're running on time. That is one of the performance criteria.

The other is the quality performance, meaning that the trains are clean and that they're suitable for use, so there's also a quality expectation required, which will be determined by the Canada line, the concessionaire, using a formula that can be found in the contract on the website.

It's available to the member. Of course, I can send hard copies over to the member, too, if he so wishes. Again, it is available on the website, and the contract is posted there.

In terms of the discount rate utilized for the Canada line project, the value-for-money report used a discount rate of 6 percent, which was mandated by the TransLink board. This rate is evidently used for all TransLink projects. The rate that was used by the province and the Sea to Sky, as the member knows, was 7½ percent, which reflects the cost of investing in a project of this type.

I think it's worth noting. When I talked about weighted average cost, the capital utilized in the value-for-money and the sensitivity analysis that takes place there, the 7½ percent actually reflected the cost of capital incorporated into the bids by the private sector proponents during the procurement process.

The other thing I would just point out with respect to discount rate — because I know the member opposite was eager to do a comparison between the Canada

line project and the Sea to Sky — is that it's important to recognize that they are two very different projects with fundamentally different characteristics.

A key one, of course, is that the Canada line, for example, has revenue projections, whereas the Sea to Sky Highway does not. The Sea to Sky Highway is not tolled, whereas the Canada line is — it's got fares or tolls, if you will — which means that the assumptions regarding discount rates could be very different.

[1855]

The assumptions that were made for the Sea to Sky, we certainly believe, were very appropriate for that project. That was confirmed by the Auditor General in the value-for-money report reviewed by the Auditor General, which as the Auditor General did with the Canada line value-for-money report, commented on the assumptions that form the basis of the value-for-money report being reasonable. That was certainly the case on Sea to Sky, and that is certainly the case on the Canada line.

D. Chudnovsky: Thank you to the minister for that. I appreciate the prompt way in which he's gotten this information, although the two answers have generated at least three questions. We'll see how it goes.

My first question is: why would the TransLink board mandate a 6-percent discount rate on a project like this when the province, in its major capital projects that were being done in the same period of time — actually, prior — was using 7½ or 8 percent as a discount rate?

What would be the difference? One assumes that the kinds of processes that are used for doing this kind of calculation are similar, so how do we end up with two dramatically different rates?

Hon. K. Falcon: I think that's a question better directed to TransLink, frankly. The member should ask TransLink why they apparently apply, based on the information we have available, a discount rate that's mandated by the board for all their projects. I would encourage the member to ask them. I think that would be an interesting question.

The critical thing for the member to know is that on our projects — and this isn't one of our projects, as I've painstakingly pointed out to the member — that we are responsible for moving forward with and responsible for the delivery of, we base our rate on what the market requires for a return on their investment.

That is consistent on the value-for-money reports you'll see on Ministry of Transportation projects that are being undertaken on the P3 method that have value-for-money reports associated with them. It is a weighted cost of capital that is utilized based on the market requirements for that particular project.

D. Chudnovsky: The minister would be right if it were the 6 percent that I was most concerned with, but it's actually the 7½ or 8 percent that I'm most concerned with, so it's appropriate to ask the minister and the ministry.

As the minister will recall, in the discussions we've had about the discount rate, the minister has indicated that it comes.... I think I remember correctly, and this is an area in which I'm particularly interested, that the minister indicated that there was a cost of borrowing that was part of the calculation, that there is an element of risk that somehow.... We never got a chance last fall, and perhaps we'll get more of a chance now, to try to unpack what calculating the risk factor does to the discount rate. Anyway, he said that in the fall.

The question is not to be asked of TransLink why they choose 6 percent. They're closer, for instance, to the mandated figure in the United Kingdom, which is 3½ percent. The real question is: why is the government using 7½ percent or 8 percent as its discount rate? What is there about the projects the government does that require them to cost out the cost of borrowing in the public sector, of public borrowing, to be 1½ percent or 2 percent higher than TransLink?

[1900]

Hon. K. Falcon: It's fairly straightforward from the provincial government's point of view. There are taxpayer dollars being invested. We apply a rate of return that would be commensurate with the return required by the private sector for a project that has similar risk characteristics. I don't think that's too hard to figure out, you know.

As to why TransLink uses a mandated 6 percent, that's a question I think the member should ask TransLink and determine what their rationale is.

The member mentions the 3.5 percent green-book rate utilized in the U.K. The member knows, based on our last discussion when we had this go-round, that that's a base rate. It does not include things like inflation factors. It does not include a lot of the risk-assessment issues and the other things that get tacked on and are separately and very thoroughly quantified, which are then added on to the green-book rate utilized in the U.K.

You know, member, it's your time. I'm happy to continue to have a most interesting discussion about discount rates. I'm happy to have the member continue to go on about this, because as I say, it's the member's time, and he can utilize it the best way he wishes.

I think that if the member has great interest in why TransLink mandates 6 percent for all their TransLink projects, it's a good question to ask them and to have them provide a rationale.

D. Chudnovsky: Why would the cost of private sector borrowing be the benchmark for determining what the discount rate is for a public sector comparator? It's way cheaper for government to borrow than it is for the private sector.

Hon. K. Falcon: I think it's important for the member to recognize that government's so-called low borrowing rate is predicated on government's ability to borrow money. It's not based upon the risk profile of a project.

The private sector looks at projects very differently. They predicate it on their ability to borrow, because the

amount of borrowing and the rate they're going to pay is going to be directly related to the risk profile of the project they're looking to invest the dollars in. That is a fundamental difference and distinction between the two.

As I pointed out to the member before, when we had an earlier discussion about the fast ferries fiasco, you could certainly make the argument that the government borrowed the money cheaply. I have no doubt they did, but that in no way reflected the ultimate calamity that ensued and the hundreds of millions of dollars that were wasted as a result of the lack of discipline.

And as a result of the characteristics of the P3 that we see in the projects that we undertake, where you have payments based on performance, where you have capped risk in terms of the province and the taxpayer, and all the other ingredients that propel this government towards considering the utilization of P3 projects where it makes sense and where it's in the public interest....

D. Chudnovsky: I hope the minister isn't suggesting that the rate of borrowing determines the risk that's going to be.... To put it another way, in a traditional procurement setup, a government can ask for guarantees, can purchase risk, can do any of those things. The very same things that the government claims are the advantages to P3s can be purchased in a traditional procurement situation as well.

The question that we're asking here simply is: isn't it cheaper to borrow money publicly? If it is cheaper to borrow money publicly, why would you use the private sector borrowing rate to determine what the cost of public sector borrowing is?

Hon. K. Falcon: For a very simple reason. There's an opportunity cost associated with the low cost of capital provided by government's ability to borrow, which as I said before, is based on our ability to tax. It's not based on any of the risk profiles associated with projects.

We can borrow cheap because we can tax. We can tax heavily, and governments do. But there's an opportunity cost. When you utilize those dollars into a project, as you say, those cheap interest rates, based upon our ability to tax, there's an opportunity cost.

[1905]

The opportunity cost is: what alternatives could those dollars have been utilized for that would have provided a greater return to taxpayers? That's a question the member, apparently, conveniently overlooks, but it's actually very germane to the discussion.

What do we do? Well, on the Sea to Sky project we utilized a rate that was based in part on what we saw as the cost of capital incorporated in the bids by the private sector proponents, who are very aware of what the risk elements are in this particular project. And the Auditor General, as the Auditor General did on the Canada line project, reviewed those assumptions and confirmed that the assumptions fairly described the results to date and the context in which these decisions were made. I think that's appropriate.

D. Chudnovsky: Well, we always end up in tautological arguments. It's breathtaking, almost, to listen to what the minister has to say. You use the same rate of borrowing for the public sector comparator as is negotiable by the private sector partner. We talked earlier about value engineering and about the changes that take place in the contract. You don't get to count those. You do that calculation for the public sector after you've rejected the public sector, because you haven't discounted the cost in the same way that you do for the private sector.

I understand more.... As the minister said in the fall, you can't quantify the cost of risk. That's impossible to do. It all disappears. It all begins to disappear. Clearly, it's an ideological preference of the government, and in the end that's what it's all about. It's clearly an ideological preference.

The comparisons which need to be made to determine what the cost of one is compared to the other begin to disappear. The government can't tell us what the cost of risk is. It won't do a comparison of reductions in the cost of the project, because that can't be done before the contract is signed. It insists that the cost of borrowing is going to be the same, even though the public can borrow more cheaply than the private sector. Clearly, the government had the answer before the question was asked.

Let's go on to look at other kinds of contracts. How many contracts were awarded by the Ministry of Transportation last year for goods or services? We're off, for now, the P3s.

Hon. K. Falcon: It would certainly be in the hundreds, probably the 400-to-500 range. I don't have an exact number, for obvious reasons, but certainly it would be well into the hundreds.

D. Chudnovsky: Have we got a sense of the total value or the average value of those contracts?

Hon. K. Falcon: Obviously, there's a huge range. It could be anywhere from \$500 or \$1,000 up to \$10 million. It would be a huge range, and no, I don't have an average cost of what those contracts would be.

D. Chudnovsky: Would the minister know how many of those contracts were tendered and how many were not tendered?

Hon. K. Falcon: Pretty much all of them would have been tendered.

D. Chudnovsky: I wonder whether the minister could provide for us a list of those contracts and which ones were tendered and which ones were not.

[1910]

Hon. K. Falcon: No, but I can tell the member that that will be available for the member's perusal in the public accounts.

D. Chudnovsky: I'm not sure that I entirely understand the answer, so let me just pursue it for a second. I understand that the list of contracts will be available in the public accounts process. The question is: will those that are tendered and those that are not tendered be available in the public accounts process?

Hon. K. Falcon: In *Public Accounts* it would not show which contracts are tendered or not tendered. If the member wishes us to pull that together, it will take some time, but if the member's fascinated by that information, I'm happy to provide it.

D. Chudnovsky: More than fascinated, Chairperson. In fact, I should say to the minister, as a general proposition, that this area has been much more fascinating than I had thought it would be at the beginning, and it's all on account of you.

I wanted to talk about consultation contracts. How many contracts have been awarded over the last year, through the ministry, for public consultation consultant services?

Hon. K. Falcon: The member can appreciate that we have contracts right across the province of British Columbia. There are public consultations that take place on a huge plethora of projects right across the province. Much of that information would have to be manually gathered, because obviously, those costs are part of the project costs. I don't have that information readily available for the member.

D. Chudnovsky: Another area of tremendous fascination for me. Perhaps the minister could provide for us a list of those contracts for the consultation processes and the firms which have those contracts.

Hon. K. Falcon: Actually, unless the member has some reason that I'm going to direct my staff to invest some enormous amount of time manually trying to pull out all this information.... I'm not going to do it unless the member has some good reason. If the member can give me specifics, give me some reason why I would direct staff to spend, frankly, what could be dozens and dozens of hours.... I'm not doing it just because the member is fascinated with the subject. I'll tell you that right now.

You give me a specific project where you think there's a problem. I'm happy to dig up all that information. We're not going to spend all our time hunting around the province for this member's fascination without any backing whatsoever.

D. Chudnovsky: Perhaps, Chairperson, I'm not sufficiently familiar with the process, and perhaps I stand to be corrected, but I didn't understand that there had to be a problem for us to ask a question and get a response from the minister. My understanding was that the opportunity is here for members of the opposition to ask questions of the ministry.

[1915]

There may or may not be a problem. There are probably all kinds of examples of situations in the ministry where we're very pleased about what the ministry is doing, but we can't be pleased or displeased unless we have available to us that information. In this case, we're interested in the contracts for consultation. Some of them, at least, have gone to firms which have very close ties with the provincial Liberal Party. That may or may not be appropriate. We want to have a look at that.

Notwithstanding that, it seems to me that we demean this process if we suggest that questions only have to be about things about which we think there are problems. That's not the case. We want information. It's our responsibility to get that information. I ask again whether the minister's prepared to provide that list for us.

Hon. K. Falcon: As I said before, if the member wants to be specific and actually provide some information that can provide direction to this minister and the minister's staff.... You know, I'm not going to have my staff hunting around and spending dozens and dozens of hours looking for non-specific information that this member may be interested in seeing. So the member can provide me specifics, or the member won't get information.

If the member believes there's someone that does consulting work with the province that this member believes is somehow aligned with us politically and the member has concerns about it, then state who the member is, state what projects the member thinks they're involved in consulting, and I'd be happy to pull that information for the member. But I'm not going to keep answering questions based on a vague search across the entire ministry, dealing with potentially dozens and dozens and, perhaps, even hundreds of contracts for the interest of this member.

D. Chudnovsky: Could the minister tell us how many contracts for consultation processes are outstanding, have been let, to firms which have close ties with the provincial Liberal Party?

Hon. K. Falcon: I haven't got a clue which firms have close ties with the provincial Liberal Party, so why doesn't the member put those names on the record and tell me who these firms are that he's referring to? Before he does that, I would ask the member to also ask himself this question.... Before the member makes those kinds of allegations, I hope the member is thinking to himself: "Gee, I wonder if this firm ever did business when the NDP were in power?" The member better think about that before the member starts casting aspersions on any firm that has been doing work for the province.

D. Chudnovsky: It's the minister who's suggesting that by asking this question I'm casting aspersions. Perhaps the minister.... I haven't cast any aspersions, nor have I made any criticisms.

Interjection.

The Chair: Order.

D. Chudnovsky: In fact, the minister will recall that a minute ago I suggested that it may or may not be a problem. The minister seems defensive about this. It's for him to figure out why he's being defensive about it. I haven't cast any....

Interjection.

D. Chudnovsky: If the minister were in my grade 11 English class, we'd have a whole discussion about what casting aspersions means. But I won't....

The Chair: Member. Member, would you sit for a minute.

D. Chudnovsky: Sure.

The Chair: I'd like to call to order, and I'd like to ask both parties to refrain from casting aspersions or allegations of aspersions back and forth so we can carry on with the meaty parts of the question that I know the member wishes to pursue.

Member.

D. Chudnovsky: The opposition, if and when it wants to make a criticism of government, will do so. We're not shy.

What the opposition wants to do now is to get some information. The minister has up till now chosen not to provide that information. I've asked a question. The question was: how many contracts have been let to firms with close ties to the Liberal Party. It's a completely legitimate question. There should not, in my opinion at least, be any controversy around it. But I'll put it again, and we'll see whether the answer's the same. Would the minister be willing to provide for us any contracts that have been let by the Ministry of Transportation to firms which have close ties to the Liberal Party?

There is no intended criticism from that question. If anybody takes a criticism from that question, well then, I beg them not to. Perhaps the minister is willing to provide that information; perhaps he's not.

[1920]

Hon. K. Falcon: Well, I'll say to the member again: I haven't got a clue which firms have ties, so-called, to the Liberal Party. I'm not even sure which Liberal Party he's referring to. Whether he's referring to the provincial Liberal Party, the federal Liberal Party — I haven't got a clue. So no, I can't answer that until the member provides specifics.

D. Chudnovsky: How many contracts has the Ministry of Transportation got with Ms. Judy Kirk and her firm?

Hon. K. Falcon: Well, that's helpful now that the member has named somebody. Instead of just doing his little fog-and-smoke routine, he's actually talking about an individual. That's helpful.

The answer to that question is one.

D. Chudnovsky: Thank you to the minister. Which contract is that, and what is the amount for which that contract is let?

Hon. K. Falcon: The contract amount is approximately \$1.8 million, and that goes through to 2008. Excuse me, I apologize. I forgot to mention it's for the Gateway project.

D. Chudnovsky: Was that a tendered contract?

Hon. K. Falcon: Yes, that was a competitively bid project. The member should know this because we actually sent this to the member through their FOI requests. The member would have that available. Back in February of this year that information was provided to the NDP caucus.

D. Chudnovsky: Was the minister talking about current contracts, or have there been other contracts awarded to this firm over the last three years, let's say?

Hon. K. Falcon: In the last few years we're only aware of — granted, we haven't got the filing cabinets in front of us — the one contract. It's very possible — indeed, even likely — that this firm could have been subcontracted to whoever won previous contracts. That's very possible too.

D. Chudnovsky: Does the minister have a sense of how many, if any, contracts will be let in the coming year for consultation purposes through the ministry?

Hon. K. Falcon: I'm not aware of any. I certainly wouldn't stand here and rule it out entirely, but at this point we're not aware of any.

D. Chudnovsky: I have a number of questions about the TransLink governance review. I wonder whether the minister could tell us: what was the process for the determination of the panel which has been appointed to the TransLink review?

Hon. K. Falcon: The skill set that we were specifically looking for was someone with significant local government experience and the credibility of having worked in local government.

[1925]

That was certainly aptly represented by Marlene Grinnell, the former mayor of Langley city, the former chair of the governance committee of the GVRD, and someone that enjoys very wide respect, frankly, right across the political spectrum.

We also wanted provincial government expertise, somebody that had some experience from the provin-

cial government side of things, particularly experience in managing large projects and understanding what is necessary to get projects like that done and delivered in an efficient manner. Dan Doyle certainly is one of the most widely respected individuals that has ever had the pleasure of serving in provincial government — 35 years worth of experience, my former deputy minister and somebody who nobody has ever suggested has anything but the highest level of experience.

Third was somebody that had some transportation background and also experience in governance, corporate governance in particular. Wayne Duzita certainly fulfilled that requirement very, very well.

D. Chudnovsky: Is there a document where this skill set was laid out so that it could be tested against applicants or suggestions for the positions?

Hon. K. Falcon: Not at all. This is a skill set that the Minister of Transportation — that's me — was looking for to make sure I could feel comfortable that I had a group of people who were beyond scrutiny, who would be widely accepted as they were — in fact, very widely publicly accepted, with many kudos to the qualifications and calibre of those individuals. So no, I didn't need to shop around and put together lists and whatever process the member opposite falls in love with. This is actually a way of making decisions, getting the right people to do the right job and to come forward with well-thought-out recommendations, and that's what I did.

D. Chudnovsky: Could the minister explain to us whether there was an application process? I guess I infer from what he's just said that there wasn't an application process, but perhaps there was. Did somebody somewhere...? Or the minister said to somebody: "Here are my criteria. Who do you suggest?" Just how did we get from the ideas that the minister had about the skill set to the three people who became the panel?

Hon. K. Falcon: No, there is certainly not an application process. This isn't a process where you take anybody off the street that has a particular desire to have input into a complex governance structure like TransLink.

These are people we seek out and ask if they will serve. These are people with such impeccable credentials and impeccable reputations that we are going to ask and I am going to ask: would they help provide what I think is a very important service to British Columbians in doing this review?

I think, quite frankly, the response we received when those names were brought forward and announced is indicative of the calibre of individuals we have on the TransLink governance review: impeccable reputations, impeccable integrity and, certainly, a breadth of experience in local government, provincial government and the business sector that provides what I believe is going to be an exceptional ability to review TransLink governance and come forward with appropriate recommendations.

D. Chudnovsky: Perhaps my recollection is incomplete, but I do recall an interaction that the minister and I had in question period, after the announcement of the panel, in which I asked about members of the panel. I understood — and perhaps incorrectly, from his answers — that at least one of the members of the panel was unknown to the minister when that person was appointed. If that's the case.... First of all, was that the case?

Hon. K. Falcon: I didn't know the individual personally. I knew the individual by reputation and, certainly, from things I had heard and from the record of the individual, particularly the work that individual had done on boards.

[1930]

D. Chudnovsky: I just want to work this out in my head how this might have worked. Is this what the minister is saying: that he put together this board and that one of the people he put on the board was a person he didn't know, hadn't met, but knew by reputation and that, based on that reputation, he put that person on the panel?

Hon. K. Falcon: Certainly, as the member will know, I made my position very clear that TransLink governance was something that was going to happen. In fact, as I recall, I probably first mentioned that at least a year ago, right after the whole fiasco with the circus that went on around the Canada line decision process. I can assure the member that I was inundated with many recommendations for folks, especially from the business community, that would be good people to serve on something like this.

I gave lots of consideration to much of the input I received. One of the names that kept coming up was that of Mr. Duzita, who was widely respected for the work he had undertaken on previous boards, particularly the work on really turning around what was a very challenging situation at Canuck Place: restoring confidence and financial stability and doing an excellent job there.

[H. Bloy in the chair.]

That was a name that, you know.... Whenever you receive input, it's quite common that you keep hearing certain names on a repetitive basis, based on their skill set. That was certainly the case with Mr. Duzita.

D. Chudnovsky: As I understand it, the minister made some public statements — and we'll get into those public statements in a little while — last year about his view of TransLink and the board. As a result of that, members of the public — members of the business community, he said — contacted him in some way or other and started making suggestions as to who would be on a yet-to-be-announced panel to look at TransLink governance. Among those people was Mr. Duzita, and subsequently, he was chosen. Is that the way it worked?

Hon. K. Falcon: Essentially, yes.

D. Chudnovsky: Was Mr. Duzita or anybody else who was appointed to the panel suggested to the minister by anyone else, other than members of the business community?

Hon. K. Falcon: The member probably knows that I talk to literally dozens, if not hundreds — certainly, hundreds — of people a week. I am attending functions all the time. I get names thrown at me all the time. I wish I had the memory to remember exactly who put forward each and every name. I don't, to be candid with you — I don't.

I can tell this member opposite that, as I say, the accolades that have been provided in terms of the individuals who are undertaking this review have been fairly reasonable. I think that if the member doesn't agree with the general consensus out there that this is a blue-chip panel, I would appreciate hearing that. But certainly, everybody else seems to believe it is.

D. Chudnovsky: What's the budget of the panel?

Hon. K. Falcon: Through to the member: \$200,000.

D. Chudnovsky: Is it the minister's expectation that the panel will be contracting for any services to it? What was the expectation on how that \$200,000 would be expended?

[1935]

Hon. K. Falcon: There will be some contracted services that we expect the board would undertake, to provide them some independent advice as they go through this process. Certainly, meetings, travel expenses — the usual kinds of expenses — will also form part of that \$200,000.

D. Chudnovsky: I think I recall that at the time of the naming of the panel, the minister said publicly that the panel would not be holding public meetings on the issue of TransLink governance. Am I correct in my recollection?

Hon. K. Falcon: The member would be correct. There is a website available for submissions to be made by members of the public. Interested, thoughtful members of the public who wish to provide submissions may do so in electronic form. Actually, the blue-chip panel will also meet with relevant and appropriate stakeholder groups to ensure that they get a wide range of opinions. But no, there won't be public meetings.

D. Chudnovsky: Is it the normal course of events that when appointing a panel to do a public consultation, the minister decides what the rules and regulations are going to be for that panel's operation?

Hon. K. Falcon: Actually, I didn't engage them to undertake a public consultation. I engaged them to

provide advice to this minister. That's exactly what we're looking for: good, sound, thoughtful advice. We didn't want to preclude the opportunity for thoughtful members of the public who wish to provide input to do so through the website. They have every opportunity to do that. All of that, of course, will be considered. The primary principle for me was to engage this blue-chip panel to provide this minister with some thoughtful, concise advice on recommendations regarding TransLink governance.

D. Chudnovsky: I just want to pursue this for a second, because I find it very interesting. Essentially, this is a panel that's been appointed to provide its advice to the minister, as opposed to a panel that is being asked to seek public input, then put that together with its own views and bring advice to the minister. Two different concepts. I think that we need to be clear about which it is.

It seem to me that what the minister is describing is the former as opposed to the latter. Is that correct?

Hon. K. Falcon: That's basically right, yes.

D. Chudnovsky: Thanks to the minister for that. An important distinction, and one that's well worth making and one that we thank him for.

The minister will maybe recall that he and I had an interaction during question period around the materials to be used and to be provided by the panel to the minister. The question that I asked, I think, in question period was approximately: would the minister commit to making public the report that the panel was going to provide to him? I asked, as well, whether the minister would be prepared to make public any other information, including reports, preliminary reports, draft reports, that he received from the panel.

[1940]

As I recall, the minister's response in question period was: yes, he would be willing to make the final report of the panel public, but not the other items which I had requested. The question that I want to ask in addition to that.... I can only assume that the answer remains the same.

I wonder whether the minister is prepared to make the submissions from the folks that he described as thoughtful members of the public, public as well. I'm interested in the computer program which is going to distinguish between those thoughtful and those unthoughtful submissions from the public, but leaving that aside: is the minister willing to commit to making the submissions public?

Hon. K. Falcon: The member largely has it right. My answer is the same as it was in the House.

The final report will be released publicly at the appropriate time. That's always, frankly, been the tradition. And the tradition of whether submissions will be public? No. The reason is that when we announced the blue-chip panel, we did not at the same time announce that we would be making public all of the submissions

that were brought forward. You know, we want to make sure that the blue-chip panel has the ability to receive very candid submissions and be able to give them the thoughtful consideration they're due and to make recommendations, unfettered by tying their hands in terms of having those submissions being publicly released.

D. Chudnovsky: The minister has elevated the panel to blue-chippedness this evening. Perhaps we need to send out a press release or something about that. I want to personally congratulate those folks for having been chosen to a blue-chip panel tonight. I'm sure they'll do a good job.

I have lots more questions on TransLink issues that I'd like to pursue with the minister, but as we said before, we have a number of other MLAs who are here to ask questions specifically about their communities. I just wanted to give a heads-up to the minister and staff that I'm certainly not finished with the TransLink issue, so we'll pursue it some more later. We'll give it over to the member for Maple Ridge-Pitt Meadows.

M. Sather: I wanted to ask the minister about the Pitt River Bridge. In the design of the Pitt River Bridge, light rapid transit has not been incorporated into it. The mayor of Maple Ridge says that the municipality is being built around transit. My question is: why wasn't light rapid transit incorporated into the design?

Hon. K. Falcon: Let me correct the record very quickly for the member for Maple Ridge-Pitt Meadows. It has been designed to be able to take the loads of a light rapid transit across the bridge, so that was part of the design.

I believe you said the mayor for Maple Ridge wanted to see light rail or some such variation of that. I think it's important to point out that TransLink is responsible for delivering that, and nowhere in TransLink's plans does it call for light rail across the Pitt River Bridge. Regardless of that, we've made sure we've designed it to add that capability in the future without any hindrance.

M. Sather: Well, there is the capacity, as we understand it, to add it, but it's not actually been designed with that intention right now to have it. With the increase in population that we expect to happen with the Golden Ears Bridge and the Pitt River Bridge, the thinking is, and I certainly think it's correct, that we're going to need it.

I wanted to ask the minister, also, if there's been any provision made for increasing the capacity of the Lougheed Highway between the Pitt River Bridge and the Golden Ears Bridge.

[1945]

Hon. K. Falcon: Yes. The North Fraser perimeter road portion of the Gateway program does include the provision of six-laning of the Lougheed Highway between the Pitt River Bridge and the Golden Ears

Bridge. That's not part of this specific bridge project; it is part of the larger Gateway program and the North Fraser perimeter road provisions of the Gateway project.

I know that the member wanted to start out by thanking us for moving forward aggressively with that bridge and just forgot to mention it, so I will do that for the member. I am very pleased to be able to advance that very aggressively in spite of objections I sometimes hear from members opposite.

In fact, I insisted that this project go forward quickly. The reason I insisted on it was that I wanted to ensure that when the Golden Ears Bridge is completed, so will be the new seven-lane Pitt River Bridge, a project of which we are going to be extraordinarily proud and which will serve the community, I think, very, very well.

M. Sather: The Golden Ears Bridge is going to be designed by a public-private partnership, or P3, and the Pitt River Bridge will be a conventional construction and delivery model. During the estimates for the Finance Minister, she said that one of the reasons why the Pitt River Bridge did not go P3 is that it was a conventional model; there was minimal risk involved and, therefore, no requirement to go P3. My question to the minister is: why is there considered to be minimal risk with the Pitt River Bridge?

Hon. K. Falcon: Actually, I appreciate the member asking that question, because I think it's a great opportunity for me to point out something that I point out to the member for Vancouver-Kensington frequently, and that is that not every project necessarily is the perfect project for P3s. Some projects are better capable of being delivered as a P3 model than others.

I should mention to the member: this is not a traditional procurement. This is a design-build, which has most of the features of a P3, except the operate-and-finance portion which typically you will see in a P3 that goes on over the period of 25 or 30 years or what have you. But the majority of the characteristics involved — the risk transfer, the fixed price elements, etc. — that you see in P3s are also evidenced in the design-build that we're moving forward with here.

Again, just to underscore, for the benefit of the member.... You know, the member for Vancouver-Kensington made a gratuitous comment about the fact that he hopes to be there cutting the ribbon as government. Well, I've got very disappointing news for the member for Vancouver-Kensington. We will be cutting the ribbon before the election, I'm sorry to say — for the member for Vancouver-Kensington. I am pretty sure that once again the biggest challenge we will face is NDP members trying to crowd onto the bridge to take part in that joyous occasion. Sadly, they will be trying to do so even though they've spent all their time trying to oppose the Gateway project.

I can tell you that we're building the Gateway project. We're getting on with it, and we're particularly moving quickly for the member for Maple Ridge-Pitt

Meadows to make sure that project gets built quickly, on time, on budget, in time for the completion of the Golden Ears, so there's not one congestion point hitting another.

M. Sather: One of the differences, too, between the two bridges is that the Golden Ears is going to be tolled, and the Pitt River isn't going to be tolled. It can't be tolled because of the government policy, which I support, that you can't have a community that can't get out of their community via a bridge that isn't tolled.

I wondered if that wasn't, in fact, part of the reasoning why it wasn't P3. In other words, you can't recapture the cost through tolling. Not being able to toll that bridge — what role did that have in the decision to not go P3?

[1950]

Hon. K. Falcon: That actually played no role in the decision. Really, that decision was borne by the fact that this was a fairly straightforward bridge span, a fairly straightforward project in terms of the risk component and the innovative nature of what we would be asking the private sector to deliver. As I say, much of that will be captured in the design-build procurement process that we will be undertaking, not the traditional process that the member is likely referring to.

M. Sather: The minister mentioned innovation. That's often touted as one of the strong points of a P3. Were there not any opportunities for innovation on the Pitt River Bridge?

Hon. K. Falcon: That's exactly the benefit of the design-build competition: to bring forth that kind of innovation and ensure that it forms part of the project as it goes forward.

M. Sather: I wanted to ask the minister if the bridge is on budget.

Hon. K. Falcon: The budget has not changed. There is some scope discussion we're having with the federal government. The federal government, in fact, were the ones insisting that they wanted to have that seventh lane added to provide, really, almost a truck lane — although it wouldn't be a dedicated truck lane — to allow trucks easier access into the CP intermodal site just on the other side of the bridge. There are still some discussions going on around that, so there will be some adjustment.

Again, those will be dollars contributed by the federal government — actually, jointly, because we are sharing the cost of this. Those are negotiations that are still ongoing, but almost certainly, that seventh lane will be there. That's pretty much been decided. There still are some refinements taking place on either end of the bridge.

M. Sather: Can the minister assure us, then, in our community, given it's a straightforward project, that there won't be any cost overruns?

Hon. K. Falcon: Yes. What I can assure the member is that, like over 90 percent of the projects in the Ministry of Transportation, they are delivered on schedule and on budget.

What I would say to the member, too, is that I can't think of, although I'll try, a single project that that member's constituents have been more happy about. I can tell you that I think it's one of the rare public hearings I can recall where there was a standing ovation given to staff. The general sentiment was: "Get on with it as quickly as you can. We really appreciate the provincial government showing leadership and building this bridge." This is a bridge, by the way, that was promised by the previous NDP government back in the early '90s — sadly, another broken promise — but I am pleased that we're able to go forward.

In fact, I can tell the member, having had to, unfortunately, give him the bad news about the broken promises under his government.... The good news, of course, is that construction will start late this fall. We have gone through requests for qualifications and have five bidding groups which represent, in my opinion, five of some of the greatest firms you could ever hope for — world-class firms with world-class experience that have stepped forward and want to be involved in building and designing this project.

M. Sather: It's interesting to note that the federal money is flowing to the Pitt River Bridge first and that it's getting going in a timely manner — unlike what has happened with the Golden Ears Bridge, which, just coincidentally perhaps, happens to be a P3 project. The minister has been quoted as saying that the bridge will be up and running by the end of 2008. A subsequent news story has mentioned 2009. Has the opening been set back, and by how much?

[1955]

Hon. K. Falcon: No, there's been no change. Nothing has changed. We've always said the schedule would be late 2008 or early 2009. That has not changed, nor will it change.

I appreciate the member pointing out the federal contribution, because it's something that our government has worked hard at, and very successfully, I think. This is a very dramatic change, as the member will know, from the 1990s, when getting federal dollars into any transportation project was always a challenge. Boy, I look at our record, and frankly, I have to give credit where credit's due, and that's to the Premier, who was able to deliver substantial dollars: \$450 million into the Canada line and, as we know, at least \$95 million into the Pitt River Bridge.

The member mentions the Golden Ears Bridge and why there weren't federal dollars. Well, the member can ask TransLink. I don't believe they were even approached for dollars there, but I would encourage the member to ask TransLink.

More importantly, the Pacific gateway has \$591 million of federal commitment towards projects throughout British Columbia, some of which will be in

the lower mainland, including the Pitt River Bridge. They are going forward and are able to go forward because we've been able, through our relationship-building with both the previous federal government and the current federal government, to make sure that we work in a very cooperative, constructive fashion to try and bring dollars and deliver results to British Columbia voters. That's exactly what we're doing and have done.

M. Sather: TransLink is responsible, as the minister mentioned, for the construction of the Golden Ears Bridge. The minister is bringing forward a review of the governance of TransLink which could result in we don't know what — perhaps even the dissolution of TransLink. The changes that might happen as a result of his review — how might those affect the Golden Ears Bridge project?

Hon. K. Falcon: It won't.

M. Sather: With regard to rapid transit, the Golden Ears Bridge does not have it, and it doesn't have the capacity, we're told, although there seems to be some discussion about that, because the local government had objected to the fact that the capacity for rapid transit is apparently not on the bridge. Subsequent to their discussion, it's my understanding that TransLink said that they would get back to our local governments about the possibility of LRT or rapid transit. Is the minister aware of any discussions that TransLink might be having in that regard?

Hon. K. Falcon: No, I'm not aware of that. I have to confess, member, that I've got enough projects on my plate without trying to watch over every project TransLink is involved with. I was unaware that those discussions were even taking place. All I can talk about are the projects that the provincial government is directly responsible for.

As I've said, we have designed into our projects the ability to include the light rail component. I think the bigger question that the member may want to ask TransLink is why TransLink doesn't have any plans for light rail in the Maple Ridge-Pitt Meadows area. I think that's what you're driving to. I think that's a fair question for the member to direct to the authority that's responsible for making those decisions.

C. Trevena: I've been dealing with this issue with the minister with correspondence about an item in my constituency: a berm which was constructed during the construction of Highway 19 on the edge of the Quinsam first nation reserve, the Cape Mudge Band. I know the minister has been reluctant to commit to helping remove the berm, and I wondered whether the minister would have another look at this at the moment.

Hon. K. Falcon: Consistent with the correspondence I've had with the member over this issue, the berm is located on ministry property. There are no

plans for moving the material, given that it would cost about \$800,000 to transport it.

We recognize that the band has some economic development objectives. The ministry has given the band permission to remove the material at its own cost. The ministry is open to the band, as I say, removing material from the berm itself, in accordance with the proper permit procedure that we would require on this or any other similar request like this.

[2000]

C. Trevena: I would ask the minister again. I know that the band has estimated the cost of removal to be less than \$800,000. They're very concerned, because it was placed on land adjacent to their land without consultation. In the new spirit of reconciliation and conciliation, they're most concerned that there has been no willingness to assist the band in the removal.

I know that the chief.... I have talked extensively with Chief Ralph Dick about this. He is considering taking legal action about it. I would hope that we can find some resolution without it ending up in court, so I would ask the minister whether he could find some way of working with the band on this.

Hon. K. Falcon: Well, we're always happy to work with the band — this band or any other band. Certainly, I think our government has distinguished itself by the work we do trying to create economic development opportunities for the band. If my memory serves me correctly, this berm may have resulted from work that was done on the Island Highway, which I think provided some pretty significant benefits for communities right up and down Vancouver Island.

As we've said before, this is a berm — and obviously, soil, dirt, etc. — on ministry property. If the band, apparently, can remove it at substantially less than what we estimate it would cost, then I think that's great news. We've always said that we're open to having them remove that material in accordance with proper permit procedures. But no, I'm not going to unilaterally go and expend what I believe to be \$800,000 to remove that.

C. Trevena: I would hope that the minister will be open to having further discussions with the band about this.

I have another question about a highway LEAP going to the same band, the Cape Mudge Band. This one is actually on Quadra Island. This is quite a specific one. I know that the ministry has been approached a number of times. I have to admit that the staff that we and my constituency assistant deal with are extraordinarily helpful, and they do act very quickly when we have an issue and are very, very good.

We have a road there where there are sinkholes going right into the sea now. It's Green Road on Quadra Island, which goes right down to the Cape Mudge band's land there. I wondered if there was any indication that that road would be repaired soon, particularly as we're going to the tourist season and it is a very well used road.

Hon. K. Falcon: I thank the member for the question. I appreciate the member's comments about staff. It's something that I think is absolutely true: the staff are extraordinarily helpful and do an exceptional job each and every day. They're working not only with MLAs but also with the leaders and members of local government and the public.

I'm not familiar with the sinkhole, specifically. At least, I can't off the top of my head.... I'm responsible for 43,000 kilometres' worth of highway, so the member can probably appreciate that I'm not.... At least, I can't recollect this particular road.

If the member has information that the road has road failure, which it sounds like is the case.... If the member gets that over to me, I can assure the member that we'll look into repairing that immediately. If it's just a case of potholes in the road, that's a slightly different situation. That will get addressed as we try to balance all the priorities and prioritize them in terms of which is worst and all those kinds of things.

C. Trevena: I'd like to thank the minister. I will get the details over, because it is quite serious deterioration.

I have a couple of other very quick questions. I just want to confirm.... I know the minister has many thousands of kilometres of highway. Highway 30 from Highway 19 down to Port Alice was repaired some time ago — some significant failings in that road. It's a former logging road that is sinking and shifting. I know that his department has been approached about it. I just wanted to confirm that repairs will be going ahead this summer.

Hon. K. Falcon: We'll look into that specific case for the benefit of the member. As the member knows, we have maintenance contractors responsible for ensuring that the roads are kept up to a suitable level of condition. We will look into that for the benefit of the member.

[2005]

C. Trevena: I thank the minister for that. I look forward to hearing that.

My final question is really, I think, more of a broader question. We have the new highway, Highway 19. It's a very good highway. It's a very new highway. It has brought commerce to the area. However, we are seeing a rapid deterioration of that highway with the increase in logging that we're seeing — logging trucks going down the highway, going up the highway. There aren't any weigh stations until you get to Parksville.

I wonder if the minister has any plans to talk with his cabinet colleagues about possibly moving logging trucks back onto the logging roads which parallel the main highways or trying to monitor the highways so that we don't see the very rapid deterioration which we are seeing in a very good highway.

Hon. K. Falcon: Actually, we feel that Highway 19 is in pretty reasonable shape. I know there is some rutting from the volume, and that's probably what the member is referring to. We do keep a close eye on the

situation regarding the rutting on Highway 19. Where there's a requirement for repairs to be undertaken, we'll do so immediately or certainly make sure that that becomes part of the budget planning process for future projects, and we'll continue to do so.

R. Chouhan: A few days ago I met with a group of dumptruck drivers who have many transportation issues. Given that I don't have much time, I'll ask only two or three questions. The main question that they asked me was that when they carry, for example, gravel in a dumptruck and they have what they called.... They attach an additional, well, truck. It's called a transfer....

Interjection.

R. Chouhan: Yeah, that one.

Currently they're required to have 9,100 kilograms on the front axle and then 17,000 each on the second, third and fourth axles. But there has been a violation of that. If they stop and they're carrying gravel and they use the brakes, it shifts inside the truck. They can't control the equal portion of 17,000 kilograms on each axle, and they can be ticketed. Many of them are ticketed. Is there anything the ministry is thinking about to correct that?

Hon. K. Falcon: I thank the member for his comment.

We follow standards that are set nationally. One of the really important issues there.... The reason those standards are in place is that if there is a shift that takes place, that then increases the point pressure on that particular axle and on the road and it can accelerate damage to the highway. It's one of the reasons why they're so strict about that. It's also one of the reasons why the dumptruck operators are required to secure their loads — to ensure that you don't get that kind of shifting taking place. I realize that sometimes that can be a challenge, but that's an important issue.

The other part of it is — and I've met with the dumptruck drivers repeatedly about this issue — that public safety is a huge issue here too. Unfortunately, the largest violators in terms of safety issues — especially with brakes, etc. — that also provide the greatest risk to the public happen to be in the dumptruck industry, so it has received increased scrutiny as a result of that. That's why you'll see spot checks that will happen periodically in different parts of the province where dumptrucks are active — to ensure that everyone understands that they need to ensure that they are maintaining their brakes and equipment in a manner that is safe for the public.

The final thing I'll say to that member, as I said to the dumptruck drivers when I met with them, is that if they have suggestions that they can bring forward to me that would suggest they are being unfairly harassed or dealt with or dealt with in a manner that's not respectful, then I will absolutely do everything I can to ensure that gets dealt with.

[2010]

I've certainly spoken to the staff of the commercial vehicle inspection units to ensure that they understand how important it is to recognize how hard-working these folks are. They work very, very hard and under very difficult circumstances.

I also was clear with them that they need to understand that we also have a commitment to public safety. We can't afford to have any other incidents of dumptrucks careening down hills and unfortunately, in some cases, killing or seriously injuring people or seriously risking lives because proper safety protocols and procedures haven't been accounted for.

We'll continue to try and work with the dumptruck industry. If the member has suggestions on how we can do that, I'll certainly work with the member.

R. Chouhan: I understand that in Ontario and a couple of other provinces they allow gross weight and not per-axle weight. If you could check into that.

Hon. K. Falcon: I don't believe that's the case. We'll double-check that for the benefit of the member, but I'm pretty sure they all have point loads too. That's fairly common across Canada, but we'll double-check that.

R. Chouhan: One last question. They also brought to my attention that when they go by the weigh scales, even if they're empty, they're required to go over the scale. They're complaining about it. It causes an unnecessary waste of their time and causes lineups and extra costs on fuel. If you could check into that.

Hon. K. Falcon: We are trying to avoid situations where we have trucks with empty loads having to go through and, as the member points out, possibly waste their time. We do want to avoid that wherever possible. One of the challenges, of course, is that it's difficult sometimes to determine whether a truck actually has a load or not, so until they get to the weigh scale, it's difficult for the staff to determine whether or not there is a load in place.

I guess the final thing I will say is just to reiterate that safety point, which is that one of my concerns with the dumptruck industry is that it is the sector of the entire trucking industry that has the greatest problems associated with compliance and the greatest risk to the public in terms of safety.

They have received increased scrutiny. I've warned the members of the dumptruck industry to be aware of the fact that they are receiving increased scrutiny — not to try and make their lives miserable but to increase public safety for the members of public that have to deal with the risk of runaway trucks.

R. Chouhan: To the minister: if we organized a public meeting with the dumptruck operators, would you be willing to attend that meeting and answer those questions directly?

Hon. K. Falcon: I've certainly met with dumptruck operators or their representatives on multiple occa-

sions. I would hazard a guess that they probably have more access to the Minister of Transportation than any previous Minister of Transportation. As you know, I'm from Surrey, so I run into the dumptruck operators on a regular basis, many of them from the member's community, and I have exceptional regard for the work they do. I know how hard they work.

They often will, as the member knows, phone me up directly and come by my office or just show up at my office. I'm always pleased, whenever I can, to afford the time. So if the member would like to set up another meeting, I'm always happy to do that to try and address their concerns as best we can.

As I say, one thing I have done is spoken to staff at CVSE to make sure that the concerns I heard from representatives of the dumptruck industry were expressed very clearly to staff. The key thing for me is to ensure that they're treated respectfully and that they're not being harassed for issues that really are not germane to safety. That was the biggest concern I had.

I make no apologies for the staff being very vigorous when it comes to issues related to safety. I'm sure the member opposite wouldn't either. But I think that on some of these other issues it's harder to directly correlate them to safety. Time is money in the dumptruck industry, and I know how hard those folks work, so I'd be happy to work with the member opposite

[2015]

J. Horgan: It's a delight to be participating in the estimates of the Ministry of Transportation and Highways. I also want to thank my colleague from Esquimalt-Metchosin. She and I share common communities and common highway infrastructure. In the interest of time, she has offered up her minutes to me so we'll get some more time together.

A Voice: The Malahatians live in Esquimalt?

J. Horgan: Some of the Malahatians live in Esquimalt. That's correct.

I also want to echo the comments I've heard from others about the quality and calibre of the staff and the ministry. They have always been outstanding. Certainly, since I've been elected, the crew on the south Island have been great. Any time I contact them with a concern, they're right there at the ready. They bring maps. They know that excites me. So we lay out the maps, and we say, "What about this; what about that," and it's a fine time.

The minister commented on how successful his government has been at securing dollars from the federal government. Of course, I remember a time when the federal government was in the business of taking dollars away, so I can understand why he would rejoice in that. I want, between him and me, to begin that sort of relationship between this government and the people of south Vancouver Island, because delivering dollars for infrastructure in my community is my primary objective. I want to work with the minister and his staff to ensure that that happens, just as he and his

staff are working with the federal government to get dollars flowing to the communities that need them.

I have a whole host of issues. I have made a note to the B.C. Transit representative that I have a couple of questions at the end that I'll throw out, so he's at the ready. But I'd like start with the bottlenecks that are occurring in the south Island.

Does the minister have any plans for the implementation, potentially, of HOV lanes on the western approaches into Victoria? Would he contemplate resources for a feasibility study for light rail into the city?

Hon. K. Falcon: As the member knows, we're doing a very comprehensive study, through the whole Malahat study, which will also look at transit issues. It's going to look at rail alternatives. It's going to look at ferries and, essentially, help answer this question, and that is: how do we get people from the Western Communities to Victoria? What is the best way we can help achieve that objective?

Specific to the member's question of HOV lanes, there has not been contemplation at this point of additional lanes along the corridor that the member is thinking of. We're not yet at a point where we think that making that investment would necessarily be the right use of scarce dollars that are available.

The final point. I will say, in terms of federal government dollars, absolutely. I mean, anytime the member can help get federal dollars into provincial highways, or even the Trans-Canada, is something that we're always trying to do. Certainly, that's something that federal representatives will hopefully be paying a lot of attention to also, because we are always ready to try and match federal contributions to leverage our investments, to ensure we get a benefit for the public.

J. Horgan: That segues nicely into what's now being called the Spencer Road interchange, which is an interchange on the Trans-Canada Highway between Goldstream Park and the Millstream interchange. Or it's proposed, rather.

My understanding of this initiative is that the district of Langford is prepared to put in one-quarter of the cost. The primary developer, which is the Bear Mountain golf resort, is prepared to put in one-quarter. The federal government had committed, under the Liberal administration, to one-quarter.

[2020]

I have been making efforts to get a meeting with Gary Lunn, the resident minister on the Island, to discuss the current government's view on this matter, but I'm told by the MP, Dr. Keith Martin, that he is confident that the federal government is well in process to find that quarter. Now, whether the new government is going to follow through on that is another matter.

What seems to be missing is a one-quarter contribution from the province. Could the minister update the committee on the status or on any news on that file?

Hon. K. Falcon: I thank the member for the question on the Spencer Road interchange. I never want to

discourage the member, but I do have to say here that I would not hold your breath for federal dollars coming forward on that particular project. I tend to have a fairly good intuitive sense as to where we will and where we won't receive federal dollars, and that's not one of the ones I would put high on the list of where we're likely to receive dollars. But I welcome the member to continue to make entreaties on behalf of this.

The key issue here is, as I've explained to the member privately, that although we haven't had a chance to perhaps go into detail the way we can now.... The challenge with the Spencer Road interchange is that we deal with this as we deal with every project where there is a developer, as there is at Bear Mountain, and a massive development taking place.

The interchange largely benefits the developer. They're creating all the traffic as a result of their development. Therefore, they would like to see an interchange, and therefore, most of the benefit will go to the developer, and therefore, the developer, quite understandably, will be.... We will require the developer to pay most, if not all, of the costs. That's always been the case. I can tell you that I always have developers on my doorstep looking for government to provide them with....

You know, they'll make all the arguments — right? "Gee, it creates all this great economic development. Taxpayers should get into this," and blah, blah, blah. I remind them that this is not a government that's in the business of subsidizing business and that we will look at every project on this basis: is there a benefit for the Trans-Canada?

There will be some benefit for the Trans-Canada in putting an interchange in there, but the benefit, as we define it, is not going to be anywhere near the range of what the developer would like us to contribute. It would likely be, if my memory serves me correctly, in the range of \$1 million to \$2 million — maybe \$2 million to \$4 million. That would be the likely benefit we can calculate that there would be for the Trans-Canada.

I think that what I can tell the member opposite is that though the member may feel he's been immersed in this file for some time, I can assure the member that I've been immersed in it well before the member was elected. I've had numerous meetings with the developer, and my message is always consistent, as it is with lots of other developers across the province. That is that we will make a decision that appropriately reflects the benefit to the taxpayers generally in the corridor, and they will pay their proportion based on the benefit they receive as the developer.

I think we're close to a deal. I can tell that to the member. But it will be a deal that would be consistent with all the other deals I do right across the province, because — and this is my final point — were I to do a special deal here, it would take only a matter of minutes before all the other developers that are lined up across the province would come and say: "You did a special deal over there. We want the same kind of deal here." That's not the way we operate.

J. Horgan: I don't dispute for a minute the minister's assertion that Bear Mountain stands to benefit significantly from this access, but it's also a community benefit. The amount of traffic that comes through from Millstream now and is not able to get back out because we underbuilt in the '90s.... We underbuilt that interchange. We need to move those people around. It's not just the Bear Mountain development. It's the entire community of Langford, Highlands and, in fact, those coming down from the Malahat.

I thank the minister for his comments. I don't have a lot of time left. I did want to touch on Sooke Road, Highway 14. There have been two fatalities within a fortnight on that piece of highway. It is a dangerous stretch of road at the best of times. On a rainy morning or a rainy evening it can be deadly. So has the government contemplated improvements, upgrades, safety improvements for Highway 14?

[2025]

Hon. K. Falcon: We will certainly review those recent fatalities and determine whether there's anything site specific that we need to do. Safety is always the number one priority of this ministry, so if there are improvements that can be implemented that would reduce the likelihood of fatalities, we will certainly do that.

I would mention that in the last number of years, we have invested about \$380,000 on paving selected areas of Highway 14 from Langford to Sooke. We have a study underway — consultants have been hired — that we expect sometime this fall, I believe, that will also analyse traffic issues and make recommendations for improvements.

J. Horgan: In the minutes available, I wanted to leave the Western Communities. My colleague from Esquimalt-Metchosin will allow me to take a few minutes to go north of the Malahat. I know I'm getting a briefing on the report, so I can leave that. The Malahatians can rest this evening.

There are key issues above the Malahat. One is funding for the Circle Route. I've been out to Port Renfrew a couple of times. They think it's all well and good that at Mesachie Lake they've filled the potholes, but by the time you get to Port Renfrew, the road's in pretty rough shape. What's the plan on that? You could put that in writing if you don't have time to answer it.

The other two issues: one is the Kinsol Trestle. I was very pleased to see an announcement that there will be funding from the provincial government to dispose of the Kinsol Trestle once it comes down. The cost of that is, I think, a million and a half dollars. I would like to hear if there's any plan to assist with the rails, the Trans Canada Trail component, and help rebuild it once it comes down.

The third question, and I touched briefly on this with your deputy, is the Dougan Lake stretch of the Trans-Canada, which is now being corrected. There is a component in that that I've called an agricultural refuge, which would be an opportunity for the farmers of

the Cowichan Valley, renowned for its agricultural community. It would be an opportunity for farmers to get from one side of the highway to the other. They have properties on both sides.

If the divider goes across, they won't be able to bolt across the highway. That's a good thing, because bolting across the highway with a tractor full of hay is never a good idea. But if we could put some sort of an agricultural refuge in the middle of the highway, and if there are two lights at either end — one at Cowichan Bay Road and one at Koksilah Road — those could be controlled by sensors and allow these agriculturalists to run their businesses without interference from the Transportation Ministry.

Hon. K. Falcon: I feel like this is one of those speed-dating things; instead, it's speed estimates. So let me speed through my answer and, hopefully, provide enough. I know other members wish to also have something to say about this.

The last point first: I get that this is an issue for the farmers, and I appreciate the member bringing that to my attention. I know we've been trying to work with the farmers to provide alternate solutions. We're very much aware of what the concerns are, and we continue to work with them.

Believe me, I've been through this and I go through this all the time, in every part of the province. Sometimes it's a challenge to try and be responsible financially and deal with some of these challenges. But we are working with them and will continue to do so.

In terms of the Kinsol Trestle issue, I had an agreement. Actually, at UBCM, the representatives of the CVRD came and visited me, and they were requesting that we pay for the cost of dismantling. That's something that they didn't want to have to do themselves. They wanted to focus on raising money, not having to spend money on taking it down. I felt that was very reasonable. So I made the decision and made the commitment then, and I'm following through with it now, that we would provide up to a million and a half dollars to safely undertake what is, after all, a fairly dangerous structure, based on what the consultant reports have told us.

It is not repairable. There are some people out there that think: why are you tearing it down? Just fix it. It's not repairable. I made the commitment that we would take on the responsibility of dismantling whatever part of it, and most of it needs to be dismantled. They would then focus on setting up a non-profit society to help raise dollars.

I have no doubt that they'll approach all levels of government to try and contribute towards that, but the key thing they wanted to focus on was raising dollars. I agree with them. I think it's a beautiful trail. I think it's great. It's going to be wonderful when it's completed. I really feel that we're keeping our end of the bargain, as I promised I would do at UBCM.

[2030]

On the Circle Route: I will tell you that this is some source of frustration for me, because this Circle Route

was quite extraordinarily expensive. Although I realize that people would love to see it sort of in a paved condition, we were very clear when we undertook that route that there were going to be significant portions of it that would be maintained at a good, compact gravel road sort of setting. It has been a challenge to maintain. There's no question about it. We have expended more than I would initially have hoped we would have expended on that Circle Route.

J. Horgan: You can't even tell it's been done. That's the tragic....

The Chair: Member, member.

Hon. K. Falcon: I recognize that some folks don't think it's perfect, but I will tell you that I am not eager to hear how we need to spend more and more on that Circle Route. We will continue to try and maintain it to an appropriate level, but we were always clear — it's clear on all the advertising — that they ought to use appropriate vehicles when they're taking this road. This is not taking the Cadillac and going for a nice drive. It should be an appropriate vehicle able to deal with the appropriate road usage.

B. Ralston: My question is about the ferry service to Barnston Island, which is the responsibility of the marine branch of the Ministry of Transportation. As the minister will be aware, the Barnston Island ferry is a barge that's powered by a tugboat and operated by two crew members. It operates between 6:20 a.m. and 11:55 p.m. on weekdays and 12:55 a.m. on weekends.

In a report to the Agricultural Land Commission dated January 5, 2005, called *Barnston Island Access for Agriculture*, a number of options are canvassed. Basically, the concern of farm operators, particularly the Avalon Dairy-Bradner Farms joint venture, which is a dairy operation, as the name would suggest, on Barnston Island, and a very successful one....

The ferry is essentially unimproved. It's been existent in its present form since the 1940s. There are several options that are set out in this report: upgrading existing ferry service, replacing the existing ferry with a new or extended cable ferry, or replacing the existing ferry with an alternate ferry — in other words, facilities to handle heavier loads. The ramps are fairly narrow. The present configuration is drive-on and back-off.

There are a number of problems, all of which affect agricultural access to the island, and thus far, as I understand it, the ministry has been unwilling to contemplate any improvements in the ferry service. Indeed, during the recent refit, the scheduled five-year maintenance, the service was substantially reduced for a period of several months. It affects access of trucks, it affects access of labour, and it also has obvious implications for safety in the access of emergency vehicles to the island.

My question to the minister is: is the ministry prepared to consider some of the options set out in this

report in order to improve agricultural access to Barnston Island?

Hon. K. Falcon: Thank you for the question, member. The answer is fairly straightforward. It will need a business case. It will need a business case that will justify making the additional investment. To date, I have not seen a business case that will demonstrate that the demand is such that there would be a sufficient return to justify an increase in costs over the long term.

We are currently — and I'm going by memory, member — funding that barge service to the tune of about \$700,000 annually, I believe. It's delivered under contract by Western Pacific Marine. I think they do a pretty exceptional job of providing that service.

We're always open to providing additional services that some on the Island may wish. If there are investors willing to partner on the cost of upgraded service, we'll certainly look at that. Again, as I say, one of the things I'll be looking at very carefully is determining whether there's a business case that would justify that increased investment. At this point I don't see it.

C. Wyse: John Grower of G-Triangle Ranch, which is in the Clinton area, has been ranching for 50 years and has never been required nor asked to maintain this or any other rail right-of-way. CN refuses to continue the practice of B.C. Rail to maintain fences, construct fences and clear fence lines. CN will not consider fencing requests from lessees or for Crown land. This is all in recent correspondence sent to Mr. Grower.

[2035]

The Ministry of Agriculture staff have advised my staff that they believe that under the Trespass Act, CN is responsible for fencing.

My question: will the Minister of Transportation support Mr. Grower with having CN restore the fencing on the east side of the CN right-of-way between the Highway 97 overpass, the Clinton landfill road, approximately mile 204 to 208, Lillooet subdivision?

Hon. K. Falcon: I'll have to take the question on notice. I'm not familiar with the property owner or the area that the member's defining. If the member gets me that information, I'll be happy to look into it for him.

J. Brar: Keeping in mind the time, I would like to be brief, and I hope the minister can provide a full and brief response as well. My questions are with regard to the border infrastructure program. Can the minister provide some updates as to when different components of the border infrastructure program are going to be completed?

Interjection.

J. Brar: That includes 91, Queensborough Bridge, Highway 10 overpass on 72nd.

Hon. K. Falcon: Here's where we're at. On Highway 10, as the member knows, the preload between

152 and 176 has been completed. Improvement on the King George Highway, number 10 intersection, has commenced and is well underway, as the member knows from driving around.

The remaining construction will be tendered this year. That will go out to tender this year. We are anticipating that all Highway 10 construction will be completed, likely.... I want to be optimistic and say the end of '07, but it could be early '08.

Highway 11: I don't think you asked about it, and you don't care about it, but it's been completed, anyhow — most of it. Highway 15 — same situation, preload: you know, we're working our way through. Construction on the new Roger Pierlet Bridge, as the member knows, is ongoing and underway. Preloading on the 32nd Avenue to Highway 10 section is well underway. We expect Highway 15 construction to be completed, again, by the winter of '07 or early '08 at the latest.

Highway 91, 91A: construction is continuing on the Howe Street interchange on Highway 91. That, as the member knows, is well underway. Phase one improvements to the north end of the Queensborough Bridge are also underway. You can see that progress.

We are still in negotiations and have not successfully resolved those negotiations with the city of New Westminster regarding phase two at the north end of the Queensborough Bridge. The same goes for the 72nd overpass. We have not successfully concluded negotiations with the city of Delta regarding that portion. So I can't give you firm completion dates on those two.

[2040]

J. Brar: The reason I'm asking these questions is that on the website, there has been some indication given about the completion dates. As per the information available on the website, the 72nd completion, at this point in time, is 2009, which is roughly about two years later than the majority of the completion program when it comes to 91, 91A, Queensborough Bridge, Highway 10.

The issue here is that I have a constituent of mine, who is a businessman, by the way. He has one office in Burnaby. This is what he says: he has 300 employees, and his concern is the congestion at 72nd. Because of that, now it takes about half an hour — 30 minutes — from Surrey to Burnaby, which he believes used to take about 20 minutes just a few years ago.

If we continue the way it is, the construction of 72nd is done two years after the completion of all other components of the important infrastructure program. That's going to create a huge problem when it comes to 72nd.

Is there any way the minister can fast-track or expedite the construction of the 72nd overpass to match the dates of completion with the other part of the infrastructure program?

Hon. K. Falcon: I would like to. As this member knows, I enjoy a distinct reputation of being someone that likes to move quickly on projects. I'm not someone

that likes to delay and slow down projects. But in a situation like this, we have another partner in that, and that's the city of Delta.

You know, any time I'm undertaking a project that involves another level of government, we have to reach some resolution. They have some fairly ambitious schemes of what they would like the project to look like. It won't come as any surprise to the member that often when we have different levels of government come with ambitious schemes of what they would like something to look like, it doesn't include contributions financially to make sure that their particular vision of how it would look like will be also jointly financed.

I've always been pretty clear. We have a budget. Frankly, that budget will always be under pressure. Costs aren't going down; they're going up. So it is the responsibility of our partners, whether it's New Westminster on the north side of the Queensborough Bridge or Delta on the 72nd Avenue interchange, to try and work with us to come to a reasonable solution so we can get on with it. But if we're unable to do so, then we just continue working on those areas that we can get agreement. We, unfortunately, have to defer completing and getting underway on projects that we're still in negotiations over.

J. Brar: This fellow spoke to the official of the board of the infrastructure program, and they mentioned three different reasons for the delay for 72nd. The first one is that the design work has not been completed. The second one is that the developer wants an access to the overpass at 72nd, and no decision has been made with regard to that one. The third one the minister mentioned about Delta. Can the minister provide updates whether the other two are true, or where that stands as of today?

Hon. K. Falcon: Those three points are exactly right. We haven't had the design work done yet because we haven't been able to get design agreement with Delta. There is a developer that also has some

access issues they would like addressed. That is all part of the discussions that we're having with Delta.

Delta, I think, doesn't share the developer's interest in the development, or something along those lines. That's something they need to straighten out in their own minds. It's difficult for the province. The province just wants to build something. We'd like to build something. We'd like get on with it. But you've got a developer and you've got a city that are having difficulty coming to agreement, as I understand. This is only as the minister understands based on the last discussions I had on this project and, I must confess, that was some time ago. It was certainly more than a month ago, the last time I recall sort of focusing some attention on this issue.

We're always hopeful. We maintain that we're ready and available to continue fruitful discussions as to how we can come to a resolution. But I think it would be very helpful if the corporation of the city of Delta could negotiate something with the developer, come to some kind of agreement that would allow them to come to the ministry and say: "We've already agreed. Here's how we'd like to move forward." I think we can get to an agreement very quickly if that was able to happen.

[2045]

D. Chudnovsky: One quick business item and then a motion. The business item relates to a suggestion made by the minister back when we were talking earlier this evening about Ms. Kirk and her company and consultation contracts. The minister suggested that we have a look at the FOI information that we had requested. We'll do that as soon as you send us the information from the FOI request — which, by the way, has been paid for and not delivered yet.

With that, I move that the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 8:46 p.m.

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