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OFFICIAL REPORT OF  
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LEGISLATIVE ASSEMBLY  
(HANSARD)

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THE HONOURABLE BILL BARISOFF, SPEAKER

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(Entered Confederation July 20, 1871)

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

**SECOND SESSION, 38TH PARLIAMENT**

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Afternoon Sitting

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MONDAY, MARCH 20, 2006

The House met at 2:04 p.m.

### Introductions by Members

**J. Yap:** As a former Cub Scout many moons ago, it's my pleasure to welcome to the House a number of Scouts who are joining us from the Fifth Richmond-Steveston Scouts. There are four Scouts aged 11 to 13 — Nicholas Grahn, Miriam Pang, Matthew French, Andrea Zachata — with two Scout leaders, Elizabeth French and Jim Brown. These Scouts are here as part of their efforts to earn the citizenship pin. Would the House please make them welcome.

[1405]

**D. Routley:** I'd like the House to join me in welcoming Leanne Baird of the Vancouver Island Logger Safety Support Network.

**J. Nuraney:** Today in the gallery we have a group of 17 distinguished visitors from the free state of Bavaria in Germany. The delegation is accompanied by the consul general of Germany, who is stationed in Vancouver. The delegation is led by professor Dr. Gerhard Waschler, member of the Legislature and Chair of the Parliamentary Committee on Education, Youth and Sport. He is also accompanied by Mr. Hans-Ulrich Pfaffman, member of the Legislature and Deputy Chair of the Parliamentary Committee on Education, Youth and Sport.

Earlier this afternoon the Select Standing Committee on Education had the pleasure of a luncheon meeting with our distinguished guests. The delegation also met with the officials from the Ministry of Education this morning and is looking forward to meeting with the Minister of Economic Development tomorrow. Would the House please join me in offering them a very warm Victoria and British Columbia welcome.

**M. Karagianis:** Today I have actually three guests here in the precinct from my constituency. The first is the well-known, self-appointed watchdog for local politicians, and many of the municipal politicians here have felt his bite. He is here today with his son. I'd like to introduce Mr. C. Joseph Richards and his son Joey and have you make them welcome.

In addition, with them we have Dr. Basil Boulton, who's a well-known pediatrician here and also a municipal councillor in Esquimalt, and a colleague and friend of mine. Please make them all welcome here in the House today.

**M. Polak:** In the gallery today we have four representatives from South Carvolth Environmental School in Langley. I'd like to introduce Jill Adamovich, Lisa Carter, George Olver and Lucy Kucukgozen. Will the House please make them welcome.

**C. Puchmayr:** I have a guest who is also here with the many young Scouts in the gallery today. I've

worked with this gentleman for some 28 years at Carling O'Keefe and Molson Brewery. Please make Jim Brown welcome for all his work.

**K. Krueger:** I wanted to introduce one of the newest constituents of the Minister of Health, who hasn't met him yet. The reason for that is that he was born only nine days ago. He's my grandson Austin David Neustaeter, and his older brother Noah, who was born out of session, calls him "baby Au'tin." Would the House please make them welcome.

**Hon. J. van Dongen:** As you know, today we are celebrating in British Columbia the B.C. francophone community. We have a tremendous representation of the francophone community here today in the Legislature.

I'm going to highlight a few guests: M. Luc-Serot Alméras, the consul general of France in Vancouver; Michelle Rakotonaivo, president of the Fédération des francophones de la Colombie-Britannique; Barb Stegemann; Johanne Dumas; and colleagues from Mailardville and the city of Coquitlam. We have a large number of francophones in the visitor gallery who have participated in today's celebration of Journée de la francophonie. I ask the House to join me in making all of these people very, very welcome.

[1410]

**Hon. M. de Jong:** Over the break, hockey players and hockey parents around the province were participating in a series of tournaments. One of those tournaments was for the Bantam Triple-A championship, and I'm pleased to report that the team from Abbotsford won that tournament and will represent this province at the western Canadian finals slated for April 9 in Kelowna. I hope the House will join me in congratulating the Bantam Triple-A team, who were successful, and also those teams — like the member from Juan de Fuca — that weren't. But there's always next year.

**Hon. M. Coell:** I would like to introduce Paulette Bouffard, the executive director of the Collège Educacentre, the only francophone college in B.C. with four campuses across the province, and Anissa Boumeddane from Burnaby. Anissa is the winner of the 2005 Canada Post Literacy Award in individual achievement in the French language category. Would the House please make them both welcome.

### Introduction and First Reading of Bills

#### TOBACCO SALES (PREVENTING YOUTH ACCESS TO TOBACCO) AMENDMENT ACT, 2006

Hon. G. Abbott presented a message from His Honour the Administrator: a bill intituled Tobacco Sales (Preventing Youth Access to Tobacco) Amendment Act, 2006.

**Hon. G. Abbott:** I move that Bill 12 be introduced and read for a first time now.

Motion approved.

**Hon. G. Abbott:** I'm pleased to introduce this bill today. This bill aims to improve compliance with the Tobacco Sales Act, particularly as it relates to preventing the sale of tobacco products to minors. The existing law does not set out clear rules regarding what retailers must do to assess the age of prospective tobacco purchasers.

The amendments clarify what retailers must do to assess the age of purchasers. They will require that identification be checked for persons appearing to be under the age of 25, a process similar to existing rules under the Liquor Control and Licensing Act, and they will allow regulations to be made to specify the types of identification that are acceptable.

Violations of the act must presently be addressed through court prosecutions. Cases are not pursued due to competing court and Crown counsel time. Even when they are pursued, it may take months or years before a penalty is imposed. Suspensions under the existing system, after multiple court convictions, involve two separate pieces of legislation — the Tobacco Sales Act and the Tobacco Tax Act — and involve two ministries, the Ministry of Health and the Ministry of Small Business and Revenue.

The courts have described this process as convoluted, which I suspect indicates that they find them not favourable. The amendments will establish an administrative penalty that allows for monetary penalties and/or suspensions to be levied by the administrator without requiring prosecution through the courts. This will be similar to the system recently adopted by the government in the Business Practices and Consumer Protection Act and the Environmental Management Act. Decisions of the administrator are subject to judicial review.

Consequential amendments will be made to the Tobacco Tax Act to allow desired policy goals to be implemented in the most streamlined fashion to minimize regulatory impacts for retailers. Linkages have been made between suspensions under the Tobacco Sales Act and the Tobacco Tax Act to ensure consistency between the statutes and reduce the risk of black-market tobacco sales.

Finally, the amendments will ensure that enforcement officials who are employed by the regional health authorities know where tobacco products are being sold. Tobacco use continues to be the number-one cause of preventable disease in this province. It is one of the pillars of ActNow B.C., which aims to continue B.C.'s downward trend of tobacco use.

ActNow B.C. is the province's health promotion platform with the goal of making British Columbia the healthiest jurisdiction ever to host the Olympic and Paralympic Games. An active lifestyle and a commitment to healthy living are the cornerstones of a healthy population and a key to a strong and sustainable health system.

These amendments will complement the broader tobacco control regulatory environment, which in-

cludes education, cessation programs, workers compensation provisions and local government bylaws restricting smoking in place. Reducing youth access to tobacco requires tough laws that are effectively enforced as reflected in these amendments.

**Mr. Speaker:** Minister.

**Hon. G. Abbott:** I move that Bill 12 be placed on orders of the day for second reading at the next sitting of the House after today.

Bill 12, Tobacco Sales (Preventing Youth Access to Tobacco) Amendment Act, 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today. [1415]

**Mr. Speaker:** Just a reminder to the minister that there is a time limit on these.

#### MINISTERIAL ACCOUNTABILITY BASES ACT, 2005-2006

Hon. M. de Jong presented a message from His Honour the Administrator: a bill intituled Ministerial Accountability Bases Act, 2005-2006.

**Hon. M. de Jong:** I move that Bill 6 be introduced and read a first time now.

Motion approved.

**Hon. M. de Jong:** Supply Act, 2005-2006 (Supplementary Estimates No. 1) of the Minister of Finance was debated and passed by this Legislature on February 23, 2006. That vote provided an additional \$1 billion funding for ministries to make incentive payments for early agreements for the benefit of public sector employees under the negotiating framework announced by the government and the Ministry of Finance on November 30, 2005.

This short bill accommodates that increase in the amount of operating expenses to the tune of \$1 billion for the Ministry and Minister of Finance for the purposes of ministerial accountability under the Balanced Budget and Ministerial Accountability Act.

I move that Bill 6 be placed on orders of the day for second reading at the next sitting of the House after today.

Bill 6, Ministerial Accountability Bases Act, 2005-2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

#### COMMUNITY SERVICES STATUTES AMENDMENT ACT, 2006

Hon. I. Chong presented a message from His Honour the Administrator: a bill intituled Community Services Statutes Amendment Act, 2006.



**Hon. I. Chong:** I move that Bill 10 be introduced and read for a first time now.

Motion approved.

**Hon. I. Chong:** I'm pleased to present the Community Services Statutes Amendment Act, 2006. This act makes minor but important amendments to eight local government statutes for which my ministry is responsible, such as the Community Charter, Vancouver Charter, Local Government Act, Resort Municipality of Whistler Act, and Greater Vancouver Sewerage and Drainage District Act.

These amendments respond to various requests by the Union of B.C. Municipalities, the Development and Finance Review Committee or various and specific local governments. These amendments further enhance and clarify aspects of local government legislation and address some purely housekeeping issues. A number of the amendments help streamline local government processes — for example, by reducing unnecessary provincial approvals; by making it possible for regional district boards to conduct committee meetings electronically; by adjusting the licence year for municipal commercial licence vehicles; another amendment on latecomer agreements, which means the cost of excess services will be more equitably collected from all property owners, who ultimately benefit from the initial developers investment.

Bill 10 also provides the city of Vancouver with flexibility to relax the requirements of its sign bylaw to accommodate technological innovations or temporary signs for special events.

I move that Bill 10 be placed on orders of the day for second reading at the next sitting of the House after today.

Bill 10, Community Services Statutes Amendment Act, 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

PATRICIA COMMUNITY CLUB  
(CORPORATE RESTORATION) ACT, 2006

M. Polak presented a bill intituled Patricia Community Club (Corporate Restoration) Act, 2006.

**M. Polak:** I move the bill be introduced and now read a first time.

Motion approved.

**M. Polak:** The Patricia Community Club was incorporated as a society in 1922. The society was removed from the register of companies and dissolved on November 10, 1988, for failure to file annual reports. The society continued to operate, not realizing that it had been removed from the register of companies.

If a society has been dissolved for more than ten years, the only way to restore the society is by a special

act of the Legislature. This bill will restore the Patricia Community Club to its original state. I move that the bill be referred to the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills.

Bill Pr401, Patricia Community Club (Corporate Restoration) Act, 2006, introduced, read a first time and referred to the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills.

[1420]

Statements  
(Standing Order 25B)

STEVESTON-LONDON SECONDARY SCHOOL

**J. Yap:** I rise today to talk about an exciting change taking place in the Richmond school district. Charles E. London Secondary School and Steveston Secondary School are being combined into one facility.

London and Steveston secondary schools are located very close to one another, and following two years of consultation with parents and teachers, the schools were integrated into a coordinated campus. This decision gives students at both schools greater choice and flexibility, as students are able to take courses offered at either school.

Earlier this year the Richmond school board asked the public to submit possible names for this newly amalgamated school. Residents of Richmond submitted over 200 ideas to a committee consisting of school board trustees and staff. At a public meeting in February the name Steveston-London Secondary School was chosen. The province is contributing more than \$13 million to the construction of the new \$19 million, 5,000-square-metre annex, which will join the two schools. Construction began in February and is expected to continue well into next year. The two schools will merge and reopen under the name Steveston-London Secondary School in September 2007.

As a parent with two children currently enrolled in a public school in Richmond, I take great pride in the efforts of the government, Richmond school board, parents and teachers to bring the best possible education to students in Richmond. One of this government's great goals is to make B.C. the best-educated, most literate jurisdiction on the continent. Our new school annex at Steveston-London Secondary will help us achieve this goal in Richmond.

C. JOE RICHARDS

**M. Karagianis:** A few minutes ago I introduced Mr. C.J. Richards — Joe, as he's popularly known here — as the political watchdog of the region. In fact, Joe is a bit of an institution in the area and a passionate advocate for the Esquimalt and Nanaimo Railway.

Joe was born in 1925 and is a descendant of the historic Richards and Lohbrunner families. Joe's cousin

May Richards was married to W.A.C. Bennett. Joe's grandfather Louis Lohbrunner and his two sons travelled the Trail of '98 seeking their fortunes in the Yukon gold rush. Max Lohbrunner was a whaling ship's captain. The remains of his ship the *Green* can be seen at very low tides from the blue bridge here in the Inner Harbour.

Joe's greatest passion stems from his father and uncle and their work on the E&N Railway. Joe's father was an engineer, and as a child, Joe would wait by the tracks for his father's train to return from Port Alberni to Esquimalt. Joe served in the Canadian army during World War II and then worked as a civil servant with the Queen's Printer for many years. Somewhere along the way he began to cultivate a keen interest in politics.

He has run for municipal office several times in the region, in fact running simultaneously in Esquimalt and Victoria at one point just to hedge his bets. Joe's real notoriety comes from his tenacity and outspoken manner, qualities that have made him the bane of many local politicians. Many of my friends here will recognize Joe.

His most steadfast focus, however, has been on the E&N Railway. His quest for a station in Esquimalt is legend, and his commitment to preserve and fight for the railway is constant to this very day. It is my hope that his wish will one day be fulfilled.

So I say: keep up the good work, Joe Richards. It's worthwhile, and the community is better off because of you. Thank you, my friend.

#### FRANCOPHONE COMMUNITY IN B.C.

**J. Nuraney:** Merci, M. le Président.

Aujourd'hui vingt mars deux mille six, a été proclamée la Journée de la Francophonie en Colombie-Britannique. Coïncidant avec la Journée internationale de la Francophonie et la Semaine nationale de la Francophonie, cette proclamation rend hommage aux plus de soixante-trois mille francophones qui appellent notre province leur chez-soi.

Avec des racines francophones solidement fixées dans notre province depuis mille sept cent quatre-vingt treize, notre communauté francophone est la troisième plus importante à l'extérieur du Québec, de l'Ontario et du Nouveau-Brunswick.

En fait, la province compte cinquante-sept écoles françaises qui desservent la communauté francophone. Notre programme d'immersion française a le plus grand nombre d'élèves du Canada, et nous continuons à bâtir sur ce succès.

La province collabore avec le Canada en matière de langues officielles, permettant à notre gouvernement de développer des partenariats avec la communauté francophone de la Colombie-Britannique. En novembre dernier, nous avons signé une entente historique avec le Québec de coopération et l'échanges en matière la francophonie.

[1425]

Il n'y a aucun doute que la communauté francophone se porte bien. Des événements culturels et artis-

tiques se sont déroulés récemment, célébrant l'héritage francophone de la province. Pour en nommer quelques uns: le Festival du sucre d'érable de Nanaimo, le Festival du bois de Maillardville et le Festival de la francophonie de Victoria.

M. le Président, je vous prie de vous joindre à moi en félicitant et remerciant la communauté francophone de la Colombie-Britannique de ses contributions qui font de notre province la meilleure place où vivre au Canada.

[Today, March 20, 2006, has been proclaimed Journée de la Francophonie in British Columbia. Coinciding with the International Day of la Francophonie and National Francophonie Week, this proclamation honours the more than 63,000 francophones who call our province home.

With francophone roots firmly planted in our province since 1793, we have the third-largest francophone community outside of Quebec, Ontario and New Brunswick. In fact, there are 57 French schools in the province serving the francophone community. We are also home to Canada's largest number of French immersion students, with over 250 schools offering these studies.

We are building on this success. The province collaborates with Canada on official languages issues, allowing our government to develop partnerships with the francophone community of British Columbia. Just last November we signed a historic agreement with Quebec for cooperation and exchange on francophone affairs.

There is no doubt the francophone community is thriving. Cultural and artistic events have been held, celebrating the province's francophone heritage. To name just a few: Nanaimo's Maple Sugar Festival, Maillardville's Festival du Bois and Victoria's Festival de la francophonie.

Please join me in congratulating and thanking British Columbia's francophone community for their contributions in making our province the best place to live in Canada.]

[French text and translation provided by J. Nuraney.]

#### AIDEN CHATWIN-DAVIES

**R. Fleming:** I'd like to take this opportunity to congratulate a young constituent of mine, Aiden Chatwin-Davies, for an outstanding personal achievement. Aiden will be the recipient of the 2006 Youth in Action Award for the category of academics. The Youth in Action Awards dinner will be held tomorrow evening on Tuesday, March 21.

This award — which is an initiative of the Entrepreneurial Learning Foundation, the Greater Victoria Chamber of Commerce and the Saanich Peninsula Chamber of Commerce — recognizes the contributions of young people in our community. The award is a significant recognition of Aiden's dedication and his commitment as a student of Esquimalt High School. Aiden's hard work and achievement has been identified by his teachers, by his fellow students and by community members, and I would like to add my rec-

ognition and congratulations for his achievement here in the House today.

#### NOROOZ CELEBRATION

**K. Whittred:** Today marks the new year for our province's Persian community. Last week I, along with hundreds of others, had the pleasure of attending No-Rooz celebrations in North Vancouver. On one such occasion, Lonsdale Avenue was closed to traffic and transformed into a festival in celebration of the Persian culture. Everyone was able to enjoy Persian food, entertainment and cultural displays. Yesterday saw the Mickey McDougall Gym transformed into a wonderful Persian bazaar, complete with colourful traditional costume, traditional ceremony and dance and, of course, more food.

In harmony with rebirth of nature, NoRooz marks the first day of spring. The word NoRooz literally means "new day" in Persian. NoRooz is marked to bring hope, peace and prosperity. It is celebrated by people, regardless of ethnicity or religion, in many countries including Iran, Afghanistan, Turkey, Pakistan, Iraq, Tajikistan, India and, of course, Canada.

Visiting friends and family is the very heart of the NoRooz celebration. Just before the new year, celebrants clean and decorate their homes. This custom is derived from the tradition that the souls of departed family members will come and visit the homes of loved ones on NoRooz eve.

On the eve of the last Wednesday of the year, bonfires are lit, and people jump over the flames as part of a purification ritual meant to keep illness away. This colourful celebration is called Red Wednesday, and it has become an annual event at Ambleside Park on the North Shore — attended, I might add, by hundreds of people.

Please join me in wishing everyone NoRooz Mobarak — Happy NoRooz.

#### KAMLOOPS AIRPORT RUNWAY EXTENSION

**C. Wyse:** In Kamloops last week, members of the NDP caucus met with the city council of Kamloops. As part of this discussion, city council outlined the need for an extension of the landing strip at the Kamloops Airport. The city council noted that the existing length of the runway restricts the size of aircraft that can land at Kamloops, and the present airstrip's length restricts the growth potential for the city.

Under the leadership of the mayor and council, Kamloops is changing its claim from being the tournament capital of B.C. to the tournament capital of Canada. In addition to offering its sports facilities to be used during the Olympics, the city of Kamloops is also looking at post-Olympic activities.

[1430]

An addition to the landing strip at Kamloops Airport would also allow local industries, such as Sun Peaks, to attract tourists directly from greater distances than what presently is allowed, given the length of the existing runway. Presently federal programs for airport

development do not cover extensions like this. Now Kamloops is exploring various means to obtain financial support for the senior levels of government to expand its runway. I request the House to join in acknowledging the city of Kamloops's efforts to achieve one of its Olympic goals, a longer runway at the Kamloops Airport, and to extend our support with its discussions with the federal government on this matter.

#### Oral Questions

##### SECTION 54.1

##### CHILD PROTECTION AGREEMENTS

**A. Dix:** My question is to the Minister of Children and Family Development. Section 54.1 agreements are a new form of guardianship introduced by the government at the same time as they proclaimed and implemented section 8 kith-and-kin agreements in the summer of 2002. Can the Minister of Children and Family Development explain why, more than three years later, the ministry has not provided formal training for social workers in 54.1 agreements and why the ministry is still attempting to operate this program for vulnerable children under draft practice guidelines?

**Hon. S. Hagen:** I'll take the question on notice.

**Mr. Speaker:** Member for Vancouver-Kingsway, is it a new question?

**A. Dix:** A new question, hon. Speaker.

**Mr. Speaker:** Continue.

**A. Dix:** Can the minister confirm that the standard of best interest of the child is so low under this program that since April 2005, the public guardian and trustee, as a matter of policy, is refusing to sign off on such agreements?

**Hon. S. Hagen:** I'll take the question on notice.

**L. Krog:** My question is likewise to the Minister of Children and Families. The government's record around the botched implementation of section 8 kith-and-kin agreements is not a timely one.

Can the minister explain why he did not take immediate steps to ensure that the material well-being of a child is considered in section 54.1 agreements and that the children in those agreements are afforded the same basic legal protection as is afforded children who are the subject of applications under the Adoption Act?

**Hon. S. Hagen:** The focus of any social worker in the province who works for this ministry is for the health and safety of the child. To suggest anything else is untoward.

**Mr. Speaker:** Member for Nanaimo has a supplemental.

**L. Krog:** Hon. Speaker, the public guardian and trustee has responsibility under no fewer than 20 statutes. One of the public trustee's main mandates is to protect the financial and legal interests of minor children. The minister has been refusing to listen to the public guardian and trustee for more than a year on this vital issue of child protection standards.

Will he not agree today, in light of what's happened in this province, to suspend the section 54.1 program until the act is amended so that children can receive the same appropriate protections of the Supreme Court of British Columbia?

**Hon. S. Hagen:** I will repeat again. The focus of any social worker in this province is for the health and safety of the child. To suggest anything different is inappropriate.

#### RECOVERY OF FISH STOCKS IN CHEAKAMUS RIVER

**R. Austin:** We learned today that the Cheakamus River is the most endangered river in B.C. as a result of a chemical spill from CN Rail. The Minister of Environment has been advised by numerous groups involved in the cleanup of the Cheakamus River to choose the brood recovery option, which will allow natural steelhead stocks to replenish the river. The minister has stated that he will not choose this option. Will the minister reverse his position?

**Hon. B. Penner:** I'm not aware of having made that statement. The member might want to do his research.

What I have said, though, is that we need to make decisions based on sound science. It is the science being put forward by professional biologists within the Ministry of Environment that because the Cheakamus is designated a wild steelhead river, it would be best to pursue a wild or natural recovery process. I'm also advised that that position was taken to the Cheakamus River steering committee for discussion last Friday. We're awaiting official word of what took place at that round-table discussion. I think it's important that we make decisions based on sound science.

[1435]

I had the opportunity to be there two weeks ago, and I saw some people fishing. I asked them what they were fishing for, and they said steelhead. I said: "Have you caught anything?" They said: "Yes, three fish." They caught three steelhead, so the river is recovering.

Obviously, we're angry at what took place, in terms of the derailment and the spill.

Interjections.

**Mr. Speaker:** Members.

**Hon. B. Penner:** CN is being held fully responsible for all the costs of not just the immediate response but also the recovery, which is ongoing.

**Mr. Speaker:** Member for Skeena has a supplemental.

**R. Austin:** I'm delighted to hear that there are still three steelhead left in the river.

Interjections.

**Mr. Speaker:** Members.

**R. Austin:** Issues surrounding the rehabilitation of any damaged stream are often controversial. However, all stakeholders need to be engaged and heard. In this case, the minister has only listened to scientists in his ministry but has ignored the suggestions and concerns of the community involved.

Concerned groups are requesting the Ministry of Environment take the precautionary approach to capture and breed natural Cheakamus stocks before all steelhead are extirpated from the river. This approach does not commit the Ministry of Environment to anything, and a decision could be made in the future not to use captured broods once the science is clearer. Will the minister reverse his position and listen to the suggestions of the community and their experts?

**Hon. B. Penner:** I'm very surprised to hear a member of the opposition so quickly discount the professional advice of our civil service — people who are trained fisheries biologists. That's a very risky proposition.

If he took the time to inform himself of this issue, he would take a look at what happened at Mount St. Helens, for example, around the time of that eruption in 1980. I still remember, having grown up here, the vivid images on television of the Tootle River completely clogged and plugged for two years. That river took time to recover, but I'm told it's back, healthier than ever before.

There is an opportunity, if we do things right in terms of habitat enhancement, which we are doing along the Cheakamus.... If we look at nutrient additions into that river, and we are looking at that.... If we direct the new conservation corps program and ask them to develop programs, which they're doing.... There are a lot of things we can do to help nature help itself.

It's really not helpful to people who rely on the tourism industry for members opposite to get up and say that's a dead river or somehow imply that it's a dead river. The river was essentially oxygenless for 12 hours on August 5, 2005. But fish that entered the main stream after that 12 hours are doing fine. They're breeding. People are fishing, actively angling. We want to continue that effort — and we will — based on sound science, not short-term politics.

#### AVAILABILITY OF CORPORATE NON-COMPLIANCE INFORMATION TO SIERRA LEGAL DEFENCE FUND

**S. Simpson:** Last week we learned that the government is demanding some \$173,000 from Sierra Legal Defence for a freedom-of-information request asking

for a list of corporate polluters in British Columbia — a list that prior to 2001 was made public as a matter of course. It's outrageous that a non-profit would be asked that amount of money for information that should be public.

But my question is around the actual ability of the ministry to produce the information. Sierra was told it would take over 3,600 hours by the staff of the government. It would take over 3,600 hours to research and find the information, and then close to 1,700 hours to edit it before it could be released.

My question to the Minister of Environment is: can he tell us if the information requested by Sierra Legal is readily available from the ministry? Will he table it, and will he table it in the House today?

**Hon. B. Penner:** When I heard that story last week on Wednesday, I was also interested to know how that number was arrived at because it is a very significant number in terms of the estimated financial cost. The member will know that pursuant to established freedom-of-information policy and legislation in the province, people requesting information are given a cost estimate before the work is actually undertaken, especially when it is as wide-ranging as this request.

This request went over a number of years, and ministry staff tell me it would have involved photocopying virtually every officer's notebook and memo pad across the province. That's how you end up with the number of 5,323 staff hours estimated. Now, pursuant to established policy and procedure, the applicant is entitled to go to the freedom-of-information commissioner, and that is what is taking place. That cost estimate will be reviewed for its accuracy.

[1440]

I should note, however, that the ministry did offer to provide, free of charge — despite our ability and legal authority to charge for it — information relating to non-compliance that was not already publicly reported through news releases and other means. That offer was apparently not accepted.

**Mr. Speaker:** The member for Vancouver-Hastings has a supplemental.

**S. Simpson:** I find it interesting that the minister won't answer the question about whether the information is available. It's a little disconcerting that the ministry can't tell British Columbians about that.

Interjections.

**Mr. Speaker:** Members.

**S. Simpson:** I'd like to quote from the same letter that told us it was 3,600 hours of work. The letter says: "The ministry recognizes five levels of regulatory non-compliance from administrative through major, which is characterized by a known or likely human health impact." The letter goes on to say: "Unfortunately, files are not organized into these categories. All files would

need to be reviewed to identify those which at any one point in time fall into the major non-compliance category. We estimate that 5 to 10 percent of all regulatory files may fall into this category at any one time."

So my question to the minister is this. Is the letter to Sierra Legal accurate, and can the minister tell us how he is meeting the fourth great goal of the government if up to 10 percent of corporate interests aren't in compliance, but he can't tell us who they are and who is polluting and who isn't?

**Hon. B. Penner:** Well, it's true. There is a challenge in pulling together accurate and informational reports across the ministry because of the NDP legacy. In the 1990s the previous government left the ministry with 62 different antiquated, non-interconnected information systems — fully 62 different systems that did not have the full or adequate ability to communicate with each other. That made it difficult for the ministry to put out reports that were considered fair and reasonable even by their own staff.

Here's the good news. Shortly after I became minister in June, the ministry put out an RFP process calling for a new data management system. I'm pleased to report that a contract was signed earlier this year for a new \$1.3 million first-phase instalment of this new management tracking system that will give us the ability, for the first time ever, to more accurately go after these types of violations and to get timely information for members of the public.

#### NON-COMPLIANCE LIST OF INDUSTRIAL POLLUTERS

**M. Farnworth:** We know what the top ten polluted and most endangered rivers are in British Columbia. Yet this minister is standing here in this House today, unable to tell us something as simple as: who are the top ten polluting industries or in non-compliance in this province? So let's make it simple. Will he commit to table in this House, for the past year of 2005, who the top ten non-compliance industries are in the province of British Columbia?

**Hon. B. Penner:** Perhaps the member has forgotten what that former list was like. The staff told me that their concern at the time was that it was inconsistent. It tends to be ad hoc. One region in any given measuring period would tend to take a look at maybe pulp mills, while another region was taking a look at something completely different. It tended to compare apples to oranges. Industries could end up on that list simply because they might have been two days late in filing, and another company might end up on there because they dumped 10,000 litres of toxic substance into a river. That was hardly consistent.

When I asked why that was, I was told it was because of the inadequate, antiquated 62 different legacy systems left to them by the previous administration.

Interjections.

**Mr. Speaker:** Members.

**Hon. B. Penner:** That's why we're taking action and spending \$1.3 million to put in place a new state-of-the-art system so staff in different divisions can actually compare notes on the different kinds of permits that are issued to various industries across the province.

In addition to that, this year's budget has added \$1.5 million for new enforcement initiatives, including the hiring of 18 seasonal conservation officers and, for the first time, four dedicated conservation officers in plain clothes.

Interjections.

**Mr. Speaker:** Members. Members, I'll keep track of when a person should talk and when they shouldn't. Minister continues.

**Hon. B. Penner:** For the first time, we're going to have a plainclothes unit in the conservation officer service that is dedicated to tracking industrial and commercial compliance and to do added enforcement. That's something that party did not do when they were government.

[1445]

#### REVIEW OF HEALTH CARE SERVICES IN CARIBOO REGION

**C. Wyse:** Thank you, Mr. Speaker. I gather it's now my turn to....

**Mr. Speaker:** It's your turn.

**C. Wyse:** Mr. Speaker, as you know, I've been in front of this House on numerous occasions regarding the condition of health care provided by Interior Health Authority. The report done by Deputy Minister Penny Ballem does not cover the impact of cuts to acute care beds and senior beds on the delivery of health care in this region.

Now city council of Williams Lake has passed a motion on health care and rights. City council of Williams Lake is very concerned with the state of seniors care in our community and is requesting that as minister responsible, you immediately undertake an independent review into the state of seniors health care in Williams Lake and in the Interior Health Authority with full powers to examine all Interior Health Authority records and the power to comment on how cuts to seniors care and acute care have impacted their families.

My question: will the Minister of Health commit to immediately undertake an independent review of health care under the Interior Health Authority as requested by the city council of Williams Lake?

**Hon. G. Abbott:** I had a chat with the mayor of Williams Lake last week. I know that he has some concerns with respect to the provision of health care facilities in Williams Lake. While I respect the advocacy on the part of the mayor and council in respect of those things, in my view, my best use of senior staff, best use

of the ministry and best use of the health authorities is not to attempt to do reviews in every community. That, it seems to me, would simply be a recipe for inaction.

We know that we've seen important additions to the stock of assisted-living and residential care beds at Williams Lake. The Interior Health Authority is always prepared to sit down with the council of Williams Lake to talk about those issues. In fact, I raised this issue with Interior Health, and they have entirely expressed their view that they would be delighted to sit down with the council of Williams Lake.

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

**C. Wyse:** The point is missed here in the discussion, so once more I will bring forward another description from another part of Cariboo South, which describes health care as has been experienced in the very recent past.

From Deanna Lowe of Ashcroft, describing spending one day in the Ashcroft hospital before being transported to Royal Inland Hospital in Kamloops, where she spent nearly two days in the emergency area, then one day in a bed before being discharged on the fourth day.... This is just another example of the chaos caused when this government cut too many acute care and residential care beds. Once more, I refer to the minister's report with his deputy. It did not deal with the impact of bed cuts on the delivery of health care services within the Interior Health Authority.

My question once more: will the Minister of Health today commit to an independent review of health care services provided by the Interior Health Authority, including the effects that cuts to acute care beds and cuts to senior beds have had on the delivery of health care services by the Interior Health Authority?

**Hon. G. Abbott:** When we took office in 2001, the health care operational budget was \$8.3 billion annually. Today it is about \$12 billion. We have enormously expanded the scope of services that are offered in this province, and we are obtaining remarkable results from that investment.

As the member knows, the Conference Board of Canada, based on 119 objective indicators, says that yes, British Columbia had, by some measure, the best overall health care system in the nation.

[1450]

I won't comment specifically on the case the member references. We don't have information with respect to that, and protection of privacy would constrain me in the comments. I would say that Ashcroft is a community-based hospital as opposed to Royal Inland Hospital, which is a regional hospital and offers many more complex services.

#### APPOINTMENT OF ROGER HARRIS AS SAFETY OMBUDSMAN FOR FOREST SAFETY COUNCIL

**C. Puchmayr:** Last week we saw some of the directors of the B.C. Forest Safety Council compromising its

alleged independence by hiring former Liberal MLA and previous minister of state in charge of forest operations, Roger Harris, as its safety ombudsman.

Would the Minister of Forests agree that the appointment of someone who is responsible for introducing the rampant deregulation of the forest industry is counterproductive to the impartiality necessary for resolving the crisis that the deregulation has caused?

Interjections.

**Mr. Speaker:** Members.

**Hon. M. de Jong:** For the member's information, perhaps, and the information of members, here is who the Forest Safety Council is comprised of: Central Interior Logging Association, Coast Forest Products Association, Council of Forest Industries, Interior Logging Association, Interior Lumber Manufacturers Association, North West Loggers Association, Steelworkers-IWA Council, Truck Loggers Association, Western Fallers, Western Silviculture, WorkSafe, B.C. Timber Sales. That's who the B.C. Forest Safety Council is. They have identified a need, they have identified a potential partial solution, and they have selected someone that they believe is qualified to do the job. If the member quarrels with that assessment, he should advise the Forest Safety Council. I will tell you that for my part, I think they've made a heck of a choice.

**Mr. Speaker:** The member for New Westminster has a supplemental.

**C. Puchmayr:** I see this as a breach of any impartial process. The appointee, Mr. Harris, was waiting outside the meeting room while his position was being voted on. Then — surprise, surprise — he's brought into the room to give his acceptance speech.

Will the minister intervene and rescind the appointment to allow for two things: one, a joint establishment of the terms of reference of the position for approval by all the stakeholders; and two, once the terms of reference are agreeable, engage in a public competition for a candidate that has the confidence of all parties, including the workers who are the greatest at risk?

**Hon. M. de Jong:** It's reported that years ago Churchill, a former Prime Minister, in an intimate meeting with Clement Attlee in the water closet at Westminster, said: "You know, Clement, the problem with you socialists is every time you see something in good working order, you want to grab hold of it and strangulate it with regulation."

No, we're not going to interfere. You know, part of what distinguishes that side of the House from this side of the House is that we actually think people are capable of making a decision on their own. The member may wish to disparage...

Interjections.

**Mr. Speaker:** Members.

**Hon. M. de Jong:** ...the qualifications of an individual who began working in forestry at age 18, who worked as a representative of the IWA, who worked in his own forestry company and who suffered his own very serious injury. But I will not, we will not, and we will let the Forest Safety Council make this decision as they are entitled to do.

#### FOREST WORKER SAFETY FIELD INSPECTOR POSITIONS

**D. Routley:** Mr. Harris, a former B.C. Liberal cabinet minister, Minister of State for Forestry Operations, and one of the architects of the restructuring of B.C.'s Forest Act, is not an inspector. Workers and contractors are pointing to a loss of field officers and nonexistent inspections as a direct cause of the increase in injuries and fatalities in the woods over the past two years. Will the Minister of Labour act to increase immediately the number of field officers carrying out inspections?

**Hon. M. de Jong:** Actually, a legitimate question in an area that legitimately falls within the government's concern. The answer is yes, because we've already done it.

[1455]

**Mr. Speaker:** Member for Cowichan-Ladysmith has a supplemental.

**D. Routley:** I'm assuming that the minister is referring to the 19 new positions that will take time to implement. There are over 6,500 independent contractors to be dealt with. B.C. Liberal cuts to the Forests ministry include workplace inspections down by 45 percent, written orders down by 49 percent and employer penalties down by 36 percent — this despite the fact that 43 people were killed in B.C.'s forests last year.

Already this year, four have died and 18 have been seriously injured. There have been at least four close calls. The minister's cuts caused a great loss in experience and capability amongst field officers. What will the minister do to immediately restore inspections to levels previous to his cuts?

**Hon. M. de Jong:** Well, I hope and I actually believe the member — as his colleagues and everyone in the House does — feels passionately about what has confronted us in forestry. I can tell the member — not just by words, but by deeds — what is taking place, and he has seen some of it. They aren't just words.

The IWA, the Steelworkers now, suggested the creation of a special coroner. None of us is pleased about the need for that, but there is, and we acted. The Forest Safety Council has made recommendations about changes to some of the timber sale mechanisms. The minister responsible, the Ministry of Forests, has acted.

We're not shy. I hope no one in this House is shy about acknowledging that last year was a very, very

bad year — unacceptable. The year before, ironically, was the best year in a long, long time. So the objective of this government — and, I hope, this member; I'm certain this member — is to work to a day when every forest worker can leave home, go to work and come home safely to his family, and we won't be talking about any fatalities.

#### AGRICULTURAL BYLAW IN DELTA

**G. Gentner:** Can the Minister of Agriculture tell us why, having promised the corporation of Delta that he would sign off on the agricultural bylaw by October 15, he still hasn't done so?

**Hon. M. de Jong:** I will take that question on notice for the Minister of Agriculture.

#### FOREST SAFETY OMBUDSMAN

**B. Simpson:** Well, the Minister of Labour speaks of the year prior to last as the best year in the forest industry with respect to safety. I know that the minister doesn't mean that 20-some-odd deaths constitute a best year, and I will grant him that.

The reality is that there is little comfort for anyone who has had a fatality in their family, and in particular a statistic that we don't talk about in this House, and that's the serious injuries that are occurring. Again this year, we're up to 18 already, four fatalities and four close calls — nothing to be proud of.

Now, the minister quotes a former Prime Minister of Britain and quotes a statement that I think is quite telling in this debate: "If something works, why strangle it with regulation?" That's the presumption that appointing the ombudsman inside the council does not address. There are many, many people in the industry saying it's deregulation that has created the crisis that we have. So by appointing the ombudsman inside the council with the presumption that we will not re-regulate.... That's where the fallacy rests.

**Mr. Speaker:** Does the member have a question?

**B. Simpson:** The question to the Minister of Labour is: will the minister agree to take the ombudsman position, which we all agree must be done, outside of the council and make it report to the Legislative Assembly of British Columbia?

[1500]

**Hon. M. de Jong:** Except for the fact that it is apparently, in the minds of some members opposite, convenient to chastise the individual selected by the Forest Safety Council, I cannot for the life of me understand why the opposition would be critical of a legitimate attempt that the stakeholders who comprise the B.C. Forest Safety Council would be making to try and address the very problem that he mentioned just a few moments ago.

No, it's not a solution in and of itself. There are other issues that need to be and are being addressed. But an individual whom the majority of these stakeholders are apparently comfortable with to fulfil a job description that they have provided — not government, not the Legislature — is a decision that they have made. I cannot understand, and I think it is somewhat reprehensible, that members would chastise and malign the reputation of an individual who I can assure this House is single-mindedly dedicated to making forestry a safer profession in British Columbia. I'm hopeful, as are all members on this side of the House, that he will be successful.

[End of question period.]

**D. Routley:** I seek leave to make an introduction.

Leave granted.

#### Introductions by Members

**D. Routley:** I would like to introduce to the assembly Kashmir Singh Bains, vice-chairman of the World Sikh Organization; Sukhvinder Kaur Singh Bains, his spouse; Surjit Singh Bains; Gurdev Singh Bains; Satwinder Dhaliwal; Satwant Dhaliwal and Ranjit Singh Bains. Welcome them to the Legislature.

**G. Gentner:** Mr. Speaker, I too seek leave to make a quick introduction of someone who has just arrived in the House.

**Mr. Speaker:** Continue.

**G. Gentner:** It's with a great deal of pleasure that I introduce to the House Donna Packer, the mayoralty assistant to Her Worship Lois Jackson, and George Harvie, the CAO of the corporation of Delta and a former colleague of mine in the Delta public parks and recreation commission.

It's also a great deal of pleasure to introduce to the House the matriarch of local government, a woman who has been on the council of Delta since 1971 and was elected as mayor in 1991. Today she is now the chair of the Greater Vancouver regional district. Would the House please welcome the matriarch of local government — a mentor of mine, a dear friend and my neighbour, Lois Jackson.

#### Tabling Documents

**Mr. Speaker:** Hon. members, I have the honour to present Report 7 of the Auditor General, 2005-2006, *Follow-Up of 2003/2004 Report 4: Alternative Payments to Physicians, A Program in Need of Change*.

#### Orders of the Day

**Hon. M. de Jong:** In Committee A, I call Committee of Supply — for the information of members, contin-



ued discussion of the estimates of the Ministry of Small Business and Revenue. In section B, this chamber, second reading of Bill 9. For the information of members, whenever that is complete, we'll move to Bill 2.

### Second Reading of Bills

#### FORESTS AND RANGE STATUTES AMENDMENT ACT, 2006

**Hon. R. Coleman:** I move that Bill 9 be read a second time now.

Bill 9 proposes amendments to a number of forest statutes. Amendments in this bill strengthen government's ability to inspect and audit business records to verify stumpage revenue owed to government. Government already has this ability in all other resource industries. These amendments will enable the Ministry of Small Business and Revenue to do the same in the forest sector.

The Ministry of Forests and Range already has, and has had for many years, a thorough system to ensure that correct stumpage is assessed and paid. These amendments will complement those ongoing efforts.

Bill 9 also updates the Forest Act to allow for administration of some licences through regulation. Currently, the act allows a ministry to enter into a single licence to cut that can cover a number of harvesting activities needed for oil and gas exploration in a particular forest district.

[1505]

Yet we can't offer the same one-licence approach to other enterprises such as B.C. Hydro, which has to maintain hydro rights-of-way. The amendment proposes to provide regulation-making authority that would enable the ministry to issue a licence for B.C. Hydro so that it can manage all its harvesting under one licence rather than multiple plans.

Bill 9 proposes amendments to other forest statutes. We propose to amend the Forestry Revitalization Act to allow more time to implement timber reallocation. The current deadline is March 31, 2006. This will be extended to March 2008. This change will provide more time to consult with first nations.

This bill also amends the Forest and Range Practices Act to ensure a smooth transition from the former Forest Practices Code. The Forest and Range Practices Act is to be fully implemented on January 1, 2007. Some cutting permits and permissions have already been approved. This amendment will allow harvesting to be completed after January 1, 2007, without requiring the licensee to complete new plans and permits under the results-based code.

Additional amendments to the silviculture obligations will ensure that reforestation is managed in the long term. Right now some holders of short-term forestry tenures are able to shift their silviculture obligations to the Crown in return for a payment. This ensures that reforestation is managed in the long term by the Crown, using the licensee's funds. Today's amend-

ment makes sure that this rule also applies to the holders of the forestry licence to cut.

These amendments will ensure that forest officials can issue remediation orders in cases where activities like unauthorized trail construction have caused damage.

Bill 9 also proposes changes to the Wildfire Act. First, to protect all grasslands, the amendments clarify that the definition of grasslands applies to land under cultivation. The amendments also clarify the obligations of people conducting activities like open burns.

Amendments address the compensation needs for industry partners who carry out fire control. Currently, if a fire is detected and a licensee is on the ground with all the training and tools, we want them to get in there and control that fire until ministry crews arrive. The ministry has a mechanism to compensate the licensee for this work, including covering equipment and losses if they occur. The proposed amendments will ensure that this working agreement is supported by law, so there are no disincentives for licensees to respond in a timely way to fires.

In June 2005 the Ministry of Forests was renamed the Ministry of Forests and Range to reflect the importance of range management in our responsibilities. Today's amendments propose to update the name of the Ministry of Forests Act and to update the "Purposes and functions" section of the act. Finally, the act makes consequential amendments to ensure consistency with the name change throughout all acts.

**B. Simpson:** One of the things I soon found out when I was appointed as critic for Forests and Range is how much you get mired down in policy and legislation and so on. This is a big, big ministry with a lot of legislation, and I can understand why the general citizen has trouble figuring out what their rights and their obligations are.

However, this is the second amendment act I've had the opportunity to deal with, and as a consequence, I want to thank the government members and the minister for giving me an opportunity to educate myself about all of the various legislation and acts that are involved in this.

We've had a number of amendments to the Forest and Range Practices Act since it was tabled. In fact, Bill 69 in a previous Legislature had 50 pages of proposed amendments. We had another series of proposed amendments in the fall, and now, yet again, we have more. This is evidence that lack of full and robust consultation results in poor legislation and in poor execution of that legislation.

In my short tenure as an MLA, I've had the opportunity to engage my community in a number of events. In fact, every one of those events has been the result of poorly executed activities on the part of this government. We had to have one on private crossings, because those were not taken into account when this government sold B.C. Rail and private crossing holders were left to their own devices. We had to bring government in there from the federal government. We had

to bring people from CN and try and explain to those people why they got left out in the cold.

[1510]

Septic system. New regulations for those impacted rural British Columbia in a fairly significant way. We had individuals who went from a \$4,000 bill to a \$20,000 bill. We had areas like Horsefly, where cabins were not built because the septic system was more expensive to put in place than the cabin itself. Again, as a result of lack of consultation on the front end in framing the regulations, we get poor execution, and then you have to keep going back and revisiting it.

[S. Hawkins in the chair.]

Finally, we're dealing with a situation just now around meat inspections that falls into the same category.

One thing, though, in this case, is that these amendments do not address the ill feeling and cynicism that comes when legislation is crafted in the absence of robust consultation in the first place. People get cynical. People feel that their voices are not heard, and as elected officials and as supposed leaders of this province, I believe we have an obligation to do a much more robust consultation process in the beginning of any legislative cycle and prior to any legislation being framed.

This legislation is also against the backdrop of a very significant range of changes in the forest sector — changes to the land base and changes to how the forest sector is operating. The substance of these changes, many people have argued to me on many occasions, has been, effectively, the privatization of our public resource. Under this government we have removed the mill closure review. Under this government we've removed appurtenancy, which gave communities the ability to have a secure wood supply to a manufacturing facility that they knew would supply jobs and that they knew would supply local taxes into the municipality. It was removed by this government.

The removal of cut control. The cut control removal has a particular saliency on the coast, because on the coast we have now gotten into what everybody calls lurch logging. Lurch logging is one of the aspects of forest safety on the coast that everyone is concerned about, and it directly comes as a result of changes to legislation that this government has put in place.

We have also removed the oversight and the clawback for transfers of licences. That removal of the oversight has, therefore, allowed significant corporate concentration to occur in the British Columbia forest sector. There's a certain irony to that, because if you go back and you look at this government's revitalization strategy, one of the things that they stated they explicitly wanted to achieve was a greater diversity of tenures. Well, the sad reality is that we have less diverse tenures. We have more concentration of the land base. When Western Forest Products purchases Cascadia and finishes that deal, it will have within its control and the control of one single company, 42 percent of

the allowable cut. Combined with B.C. Timber Sales on the coast, two licensees will control almost 65 percent of the cut on the coast. That's not diversity of timber supply.

We will also see in the interior that north of 100 Mile House we have two licensees. We have Canfor and West Fraser that have control now over 70 percent of the land base and 70 percent of the operating facilities there. Again, we have not seen the diversity that was promised under the Forestry Revitalization Act.

Now, again, I'm not impugning any of those corporations. Those corporations have to do what they have to do for their shareholders. What I'm calling into question is whether or not the government, through its actions, even achieved its own intended outcomes. The proof is that they did not.

We have also now got the ability to partition tree farm licences and forest licences. So effectively, by removing the oversight, by removing the 5-percent clawback penalty on transfers and by allowing them to be partitioned, we have said that holding a licence in British Columbia is like holding a private holding that you can do with as you wish.

[1515]

The province and the people of British Columbia have now been cut out of any discussions around the implications of those flipping of licences for their communities, for workers. Over top of all of that, first nations have effectively been cut out of any of the consultative process. I'm glad to see in this bill that there is some squiggle room being built for first nations around the clawback, and I will explore that shortly.

Under this government we also had the introduction of a so-called results-based code. One of the aspects of the results-based code that the Forest Practices Code has just allowed the public of British Columbia to understand is the absolute lack of ongoing consultation and requirement for consultation with the people of British Columbia.

As the Forest Practices Board pointed out, there is a limited 60-day window on a macro plan that does not have the details required in it for site level planning or for implications of forest operations on the land base. It's a macro plan. That, again, according to an internal document. The Forest Practices Board will only state minimum legal requirements.

From that point forward, at the end of this year, when all those forest stewardship plans are put forward, the public of British Columbia will not have direct access to say what they want to see happen on the land base. The licensees may make their plans available and only by request. We no longer have the ongoing consultative process.

Then another major aspect of the government's changes is the revitalization strategy. The clawback of 20 percent that's supposed to go out to various tenures. The compensation for licensees, contractors and workers. Again, in this House, we have debated whether or not the definition of an eligible worker is broad enough, given that this government had to know that many more workers would be impacted, that mills

would close, that log sort yards would close, that other workers working on private lands in other places would also be impacted by these changes.

Again, because of the restructuring that the revitalization strategy promoted, we then have the safety implications that we've experienced, particularly on the coast, as unionized crews with full experience under good supervision were forced to switch over to owner-operators, single-operator contractors, and forced to be out in the bush, making marginal returns under pressure. If you roll that back into cut control and the impacts of lurch logging, roll that back into the so-called results-based code and the relaxation of standards on the land base, it all rolls up to what we saw last year in our forests.

Finally, the formation of B.C. Timber Sales. I have to say that the formation of B.C. Timber Sales and the activities of B.C. Timber Sales on the land base are probably the number one level of complaints that I get coming across my desk as the critic for this portfolio. In fact, just this past week I had the privilege of going into Lillooet and up into the Yalakom valley to look at proposed cutblocks that B.C. Timber Sales has in Ore Creek. Quite frankly, Madam Speaker, I fail to understand how in today's world, understanding ecosystems and the implications for water management, those cutblocks could be put out for bid.

We also have a situation this week where B.C. Timber Sales was again implicated in water management issues and various other issues on Vedder Mountain. I've got another one today where again water quality issues are being brought into consideration. So the formation of B.C. Timber Sales has been a problem and continues to be a problem.

As I pointed out in the last estimates debate, a big portion of that comes from what we measure B.C. timber sales as, and that is bottom-line measurements. We have the B.C. Timber Sales, a Crown agency that does not seem to act in good stewardship of a Crown resource and a public resource. They act on the basis of a bottom line, and no fault of theirs. That's what they're measured against. That's what they perform to.

[1520]

So, rightly, the communities and workers who speak to us, the communities and workers who try to have their voices heard by the government are saying: "Hang on a second here. We have been shut out of what should be a public resource that we derive public benefit from. We've been shut out." In order to somehow make larger corporations globally competitive, we haven't had a voice at the table to say: "Whatever happened to that social contract? Whatever happened to that presumption that the public forests gave benefit to local communities, the presumption that public forests gave benefit to workers and their families, and that public forests gave benefit to the province?"

Again, so that I'm not mistaken, I have nothing against large corporations doing what they have to do. They have to position themselves to be competitive. They have to answer to their shareholders, but there's a legitimate role for government. In this case in particu-

lar there's a legitimate role for government because this is all done on the basis of a public resource, not a private one.

So against that backdrop, we have a situation in which we have a series of amendments tabled to various bills that do not address the substantive issues that British Columbians are telling me are of concern to them with respect to the forest industry. This bill doesn't address the safety issues. It's silent. There's nothing in this bill that I can find that speaks to the minister's commitment to make sure that B.C. Timber Sales will not allow people to operate on the land base if they have a record of poor safety.

Right now B.C. Timber Sales is a high-price, high-bid process, and I believe in order to achieve what the minister is stating, we need to see legislative changes. They're not here. We don't see any reinstatement of any of the standards that were removed and undermined as we moved into this so-called results-based code.

We had a meeting with WorkSafe B.C. where we were talking to them about the new compliance enforcement officers that the Minister of Labour spoke about in question period today. First off, they were saying that it's going to take them a long time to get those people up to speed. As the member pointed out, we lost institutional memory as a result of the cuts that were done. But as we get them up to speed, and as WorkSafe B.C. tries to figure out how to enforce higher standards, what they've realized is that they no longer have the capacity to do that, because we have undermined those standards. This bill does not address that.

This bill does not address the issues in the section that it has on cut control, section 7.... It doesn't introduce anything in the cut control section that will prevent lurch logging. In fact, my rudimentary reading of it and understanding of it is that, if anything, it has the potential to exacerbate that. I look forward to exploring that when we go into third reading on this bill.

This bill also does not address first nations concerns. While the minister indicated that by extending the end date for the Forestry Revitalization Act, it will allow the ministry to engage first nations.... That introduces a whole bunch of questions. Does that mean that for those who have already been compensated, they're now going to go back and revisit those for first nations consultations? Is it only the residual ones that will have more robust first nations consultations? Those are questions we'll look to explore.

It doesn't address the fundamental issue that in all of the structural changes that were made to the tenure system, every one of them has the potential to undermine the Crown's obligation for accommodation and consultation. That's the issue on TFL 44. That's the issue around this province.

It also doesn't address the weaknesses in forest and range agreements and their supposed replacement, forest range opportunities. Again, the minister is well aware that the Union of B.C. Indian Chiefs has rejected the forest range opportunities which were supposed to remedy the issues in the forest and range agreements. They've rejected them. In fact, right now, as far as I

understand — and I'm always open to be proven that I don't understand things correctly because of the complexity of this file — there isn't one first nation that has actually taken the invitation and the offer to access the timber available to them under the current forest range agreements.

So even though they've been signed.... Effectively what it means is the first nation has had a cheque cut to them, they have an invitation now to come and access timber, but to my understanding they haven't done that. Many of them haven't done that because of fear that the minute they do, for five years they will give up their rights to then come to this government and say: "Other operations in our land area, in our interest area, in our treaty area, are not satisfactory to us." That's a significant concern for first nations not addressed in this bill.

[1525]

What's also not addressed in this bill, and it's unfortunate, is — as we raised in the fall session — the issue of eligible workers. There is no redefinition of eligible workers in this amendment. Quite frankly, there needs to be. There should have been. It ought to be there. The minister is fully aware, because he's getting the stuff across his desk that I am, that we have mill workers who are saying they've been unfairly treated. We have workers who are being unfairly treated, in their estimation, as a result of private lands coming out of TFLs. We have log sort yard operators who are not part of the eligible workers.

We have a whole slew of people who are now saying: "Hang on. The government ought to have known that this revitalization act would impact us, yet they did not define us as eligible workers. We're supposed to somehow go out and do our own thing — I don't know, apply for a job at a call centre or something." That's unacceptable. That definition should have been amended in this act, and it's not. Those are the concerns the people of British Columbia have, and they're not being addressed by this bill.

Section 7 of this bill on cut control is also a very interesting section. Again, it's no wonder you need lawyers. The minister gave me an info session last time on how bills are created and who has to see it and that the Attorney General has to look at it and so on. I can understand why.

Interjection.

**B. Simpson:** It was a lecture? I'm hearing that it was a lecture, not an info session.

One of the aspects of reading this bill is that it's really hard to understand what the implications are of the changes to cut control — in particular, section 7, which deals with the extension of cut control to other licensees that is transferable to other licenses and transferable from one cut control period to another. Those are things we need to explore, because those have significant implications for operations on the land base, significant implications from the perspective of safety, significant implications from the perspective of a sus-

tainable, incremental wood supply to local mills and local operators.

It needs to be explored further, and I look forward to being educated on what it means. Also in that cut control section is a whole section on waste. In my neck of the woods, under the mountain pine beetle salvage operations, I have had many, many complaints about the waste being left behind on our blocks. People talk about us going back to the old industrial model of logging, where you creamed what you could run through your mill and make good products of, and you left everything else behind.

I have been out on those blocks. I have seen that waste, and I have significant questions about what the implications of that are for silviculture, for fire and for the overall use of that for any other species that wants to use that land base, because they cannot walk in those cut blocks. There are aspects of this bill under that section that talk about the waste and what will be allowed as waste, what will be deducted and compensation for the licensees.

This bill also does not deal with the issue of the impacts of corporate concentration on tenure, and that is a significant issue. If you talk to anybody who works out in the bush right now, they will tell you that we have not done all of the mid-level and small players in the forest sector any service by creating a system that has allowed the degree of corporate concentration that has gone on just now.

[1530]

It allows those large licensees to effectively have a monopoly and to control an entire town. In the case of Prince George, all you have to do is look at the backlash from Prince George when Canfor decided to do something in the best interests of their shareholders and take their pulp mills and put them in an income trust. That sent shivers through the entire community, because the community read it as the possibility that Canfor was getting out of pulp. When you're a single-licensee town or a single-company town, it makes you very nervous when those kinds of things occur.

Under this forest revitalization strategy, under the changes to the Forest Act, this government has allowed a degree of corporate concentration in this province that is amazing — with the rapidity with which it occurred, the depth to which it has gone and the implications that it has had on the entire forest sector.

One aspect of that, which again this bill is silent on and does not address, is the implication for the so-called market pricing system. On the coast the market pricing system is supposed to be fully operable. Yet you have Western Forest Products, which will end up with 42 percent of the cut. B.C. Timber Sales will end up with 20-plus percent of the cut. TimberWest is the next big one in there. Where is this plethora of smaller operators that are supposed to be bringing logs into the marketplace and setting a log market price?

The reality is that the market pricing system is based on standing timber, not logs. That was a piece of advice that was given to this government very early in this process. A log market, and a true log market,

would drive a completely different tenure system, one in which communities can truly get involved, one in which smaller licensees can get involved. But this government chose not to go that path. It chose to go on a market pricing system on the basis of standing timber. With corporate concentration we don't really have a market pricing system. Again, Bill 9 does nothing to address that concern.

Bill 9 also does not address the emerging implications of forest stewardship plans. Forest stewardship plans are the one window of opportunity under the Forest and Range Practices Act, which comes into effect this year and which, the minister stated in his own opening comments, takes full effect January 1, 2007.

The Forest Practices Board has seen a number of those plans and will shortly be issuing a statement, and it's a statement of concern. Those forest stewardship plans — as a result of a whole bunch of structural issues that this government has not addressed and has created, in fact — are minimum legal requirement plans that use the catchphrase of the Forest and Range Practices Act: "We'll deal with this watershed or quality or wildlife, provided it doesn't unduly constrain timber supply."

The nervousness in communities is heightening. We have a serious issue with forest stewardship plans and how they're being delivered and how the ministry is dealing with them. Again, Bill 9 is not pre-emptive and gets in and addresses the seriousness of those concerns.

Quite conceivably, by the end of this year British Columbia could have all of its timber supply areas, tree farm licences, forest licences and timber sales covered under minimalistic, legalistic documents that tell no one how other values on the land base will be protected, how they will be realized and how we will be good stewards of the forest going forward. That is not acceptable, and Bill 9 does not proactively address that issue. The minister should be well aware of what the Forest Practices Board is saying about this issue, and it's unfortunate that it was not corrected in this bill.

As I've mentioned, the stewardship functions of B.C. Timber Sales are an increasing concern. Again, they fall under that cache of the forest stewardship plans, but the bill doesn't address that. B.C. Timber Sales, the loss of category-three sales, the loss of category-two sales — the sales that were a part of the small business program that drove small business in this province.... The small business ventures are gone. B.C. Timber Sales is not in this bill. It isn't addressed.

If we look — and I will be going into estimates debate on this very issue this afternoon — at what's happened to secondary wood manufacturing, small manufacturing and the small players in the forest sector, over the last six years it has been absolutely, to coin a phrase of the other side of the House, dismal.

[1535]

We have had a dramatic reduction in the number of value-added producers in the small business sector in the industry, all as a result of this government's policy. Again, Bill 9 does not address it.

Finally, another absence in this. There's a section on wildfire. We're going to take a look at that section when we get into the bill. I'll speak to it in a couple of minutes.

The issue about wildfire management, the issue about the Filmon report is that we have to address liability, tenure and resources. Who holds the liability for the wild land-urban interface? Where are the resources to do the fuel management in that? And who ultimately holds the liability for that? Bill 9 is silent on those issues.

With respect to the substance of Bill 9, I have a number of questions that I will explore in committee stage.

First of all, the master licence to cut. I understand the ministry's directions in moving in this way. There are others out there, other than oil and gas and so on, that need to do some work on the land base because they've got some property — whether it's telephone lines or power lines or whatever the case may be.

The question, however, that's not addressed in this bill and that I look forward to exploring with the minister and his staff is: what are the stewardship requirements around the master licence to cut? Again, the Forest Practices Board has pointed out that we are losing control up in the Peace. We have all kinds of activity on the land base. We have all kinds of timber resources that are being taken down and roads being put in. We don't seem to have control over that under this vehicle of master licence to cut.

By happenstance, I had a call from a constituent of mine when this bill was tabled before the recess. The call was about concern that B.C. Hydro is effectively mowing down the forest at all strata — from the youngest to the oldest — a tree-and-a-half length on either side of their hydro lines. That is the kind of practice that will be allowed under a master licence to cut without sufficient oversight, and we need to explore the implications of that as we expand those who are eligible for master licence to cut. I'm also curious to know whether master licence to cut could be a vehicle that we can use to equip communities to deal with interface fire management.

The FRAP program, as the minister pointed out.... We're curious about the co-ordination between the ministries and also whether or not third-party contractors can actually run that program.

As I've mentioned, changes to cut control need to be examined and the compensation that comes with that. The free-to-grow obligation also begs further discussion. What are the implications? Because there's a lot of nervousness out there that we are creating a very large unfunded liability around the silviculture obligations, particularly in mountain pine beetle areas.

I've mentioned the revitalization act and what the first nations consultation will look like. Will it be retroactive? If so, how can it possibly be retroactive when the deal is signed, the money is paid and the land taken back? Under the Wildfire Act, again, I'm curious about the obligations that this imposes on licensees and operators out in the forest and have questions about why we should be compensating licensees.

**H. Lali:** You know, I have listened to the forestry critic's comments very carefully, and I agree with the

comments that the critic has made on behalf of the NDP. I'm going to take some time out here. I see the minister across the way motioning to me that it's shocking. Actually, the fact of the matter is that the state of the forest industry in British Columbia and how it is being managed, or should I say mismanaged, is shocking — what has happened in the last four to five years.

This Bill 9 is really a response to the Liberal incompetence in terms of managing or mismanaging the forest economy in this province. I want to speak to that. I want to speak to the dismal record of this Liberal government over the last four and a half years in terms of the state of affairs of the forest industry and how it's affecting workers and communities and small businesses involved in it.

[1540]

If you take a look at it, basically what has happened is this Liberal government has done everything it possibly can to bend over backwards to those corporate entities who financed their election bills. That's exactly what they have done — turn around and take. At every attempt, what they've done is take forestry that was managed by the public out of the public realm and put it in private hands so that those large companies, those megacompanies could benefit the most, and that's exactly what they've done.

This Bill 9 is less about what this government is going to do to try to fix the problem that it created; rather, it's more about what it is not prepared to do, and that is to actually address the real issues that are out there. In order to try to fix the problem that they created to begin with, they're going to wreck it even further. That's the direction that I see the Minister of Forests is heading.

What we've seen over the last four and a half years is that there is less and less monitoring function from the ministry side at the regional and the district level than there used to be prior to 2001. Because this government has, through its massive cuts to those entities that manage our land base — our forestry, our environment and our agriculture.... The cuts are beginning to finally hurt. What we've seen is that even in a.... Under the purview of the Merritt forest district you have the Lillooet and Merritt TSAs. We had 109 employees prior to 2001. This government's cuts have left 46 employees there, and those monitoring functions, like I mentioned, now are in the hands of those private entities that are actually cutting our forests, as opposed to the overseeing function that government, through its regional district offices, is supposed to have.

This government has also devastated the small business program cat 1 and cat 2 programs as well. In 1991 slightly more than 10 percent of the wood was going into the hands of the small operators. By the end of the decade of the 1990s we were inching up towards 20 percent of the amount of wood that was going into the hands of the small operators that were value-added remanufacturers, the remaners, and the little outfits that actually created lots of jobs.

What this government has done through its policies of killing the category 2 small business program is that it has gone deliberately out of its way to take the wood out of the hands of the small operators and put it back into the hands of those megacorporations who control 85 to 90 percent of our wood to begin with. In essence, what it has done is taken from the have-nots and given it to the haves, and we see more and more increase in terms of the privatization which has also taken place, which my colleague had spoken so eloquently about a few minutes ago.

What this government has also done in terms of taking wood away from small operators, leaving communities helpless, not giving aboriginal people a fair share of their participation in the forest economy and in terms of workers not being able to get employment in so many communities.... If it hadn't been for the lumber prices going up, we would continue to be devastated, as we were for most of the early part of this particular decade under this regime.

The 5-percent takeback. When a licence changed hands from one owner to another, there was a 5-percent takeback which actually went to communities or to aboriginal participation in the forest economy. They've eliminated that.

The Liberals have also eliminated the mill closure review process so that forest companies are not accountable anymore. They've killed the appurtenancy clause as well, and I'll give you the example of two mills. When I was the MLA for Yale-Lillooet in the '90s, to make sure Weyerhaeuser was not going to walk away with timber in Merritt, we kept as a part of that 120,000 cubic metres of the wood to make sure jobs were available in Merritt. J.S. Jones — we didn't allow that mill to go down. Six months after the NDP left office this Liberal government allowed that mill to go down and allowed that timber to actually be taken out to other mills so that Boston Bar was left holding the bag.

[1545]

The member for Kamloops-North Thompson — whose duty it was to stand up on behalf of his constituents to make sure that the mill that was burned down in Louis Creek would be rebuilt by Tolko and hold them to task — capitulated to the corporate interests. Not only that, Tolko was one of the biggest financiers of Liberal election campaigns over the last several elections now. You can't tell me there is no direct link there in terms of the Liberals there, financing Liberal campaigns, and then on the other end they're not doing anything to make sure those companies are held accountable.

**Deputy Speaker:** I would remind the member that to allege impropriety on another member's part is not parliamentary. It is inappropriate.

**H. Lali:** I abide by the Speaker's ruling, and I retract. I meant no harm to anybody's reputation, hon. Speaker.

What we've got is this government turning the timber over to the wolf — really, it's the wolf actually

looking after the chicken coop — in terms of the monitoring function. You self-monitor to see how much you're cutting in terms of your annual allowable cut in the forest. That should be the ministry's function, not the company's function — especially on the coast, where it's really devastating in terms of the.... Had it been the 1990s, the overcut situation that they would have been in or the undercut situation the companies would have been in....

Let's talk a little bit about B.C. Timber Sales as well. B.C. Timber Sales has absolutely no interest in looking after the small business operators and those family-run operations in this province. It's all about looking after the big corporations in this province, and that's exactly what B.C. Timber Sales is doing. I've talked about how basically at the end of the day it's the mismanagement of our forest economy and our forest industry that these Liberals are trying to fix, and what they're going to do is actually wreck it even further.

We got Bill 9 that wants to.... They want to make some changes, and yet it's all because of heavy industry lobbying. It's not because of any lobbying that is done by the small operators or the aboriginal people that this government is listening to in terms of making changes. It's all because of the Tolkos and the Mac-Blos and the Weyerhaeusers and those other large corporations that they're actually doing this on behalf of.

If you look at the changes to the Forest Act, section 47.4. It wants to streamline cutting permits — the government does — to holders of a master licence to cut. Licence holders no longer need to reapply for multiple logging permits and can now go directly to a district manager for a cut permit on an as-needed basis. Again it is removing the function of the deputy minister and handing it down to the district level. So in essence, what you're going to get in every district across this province is that you're going to have forest policy being interpreted in different ways by different district managers.

Where is the fairness in this in terms of a particular company that is operating in two or three or four different districts, where you've got each manager who's going to be interpreting things in a different way? This totally removes the deputy minister's function.

If you look at the Forest and Range Practices Act, the changes to it include forestry licences to cut in the group of licences that are able to request that the government assume their silviculture responsibilities. Again, we've had for decades now.... It's the responsibility of the licence holder to make sure the silviculture is going to be done — where their annual allowable cuts are.

Now what's happening is that this government is going to take over that responsibility and give further breaks to those big companies they've been giving breaks to so that they have less responsibility in terms of their obligations and that. The government is going to take that over. Yet they're giving away the monitoring function to those very same companies.

[1550]

When you look at the Wildfire Act, again, it reduces the fire-abatement responsibility of persons actually

carrying out industrial activity. The wording that is being changed in Bill 9 is.... The previous act stated that a "person carrying out an industrial activity or a prescribed activity must abate...a fire hazard of which the person is aware or ought reasonably to be aware." But Bill 9 now reads: "In prescribed circumstances, a person carrying out an industrial activity or prescribed activity must abate...a fire hazard that exists as a result of the industrial activity or prescribed activity."

Again, it's taking away responsibility from the operator and giving them the less responsibility on that. It's still looking after those big companies, because they've been dictated to by the industrial lobby in terms of the changes they're bringing back. What we've seen is a further giveaway. We saw in last May's budget and for three or four budgets before that the huge tax giveaway this government had given to the richest segment of our society and to large corporations. Then we saw the new Finance Minister, in her minibudget in September, give an unasked-for tax break of \$500 million over four years to those very same entities — an unasked-for tax break.

Well, in this year's budget they didn't do an additional tax break to those large corporations. So what they've done is closed the front door and are shovelling it out the back door to those forest companies, in terms of removing their responsibilities that they have had for decades and putting them back onto the shoulders of the public in terms of the ministry.

But when we look at this, where is the protection for workers in this? There is no protection in here for workers. There is no protection in here for communities. Where is the protection of communities? Has the minister provided any protection for communities for their long-term sustainability? He hasn't done that in this act. Where is the protection for the public here? It isn't there. It's giving it all away again.

When you look at the obligations to first nations, where is the...? They've rejected the forest and range agreements that the minister had so touted in the last session, because it was handcuffing them. So they got a new ministry called Aboriginal Relations and Reconciliation. Where is that reconciliation? Where is that building of relations? That's certainly not happening, and these amendments to these bills certainly don't do anything to help the lot of the aboriginal people, especially not in my riding.

Where is the responsibility and obligation to small business in here? They can't even get access to the waste that those large companies are leaving behind. Some of those forest companies are slashing and burning more of that wood lying there out in the field than the small operators use on an annual basis. It's a real shame, because some of that waste could be utilized by these small operators in terms of actually putting people to work in communities like Merritt, Princeton, Lytton and Lillooet and all of those forest-dependent communities across the province.

But this government refuses to recognize the problem it has created, and this bill does not address that. I'll be looking forward to the committee stage, when it

comes up, to make sure we can put forward some amendments to the government so that it looks after the interests of all British Columbians like a responsible government is supposed to do — and not just for the rich and corporate entities in this province.

**H. Bains:** When I looked through the bill that was presented to us, I see nothing for the workers, nothing for the communities and nothing for the public of this province — as this government's responsibility is to deal with.

When the Forestry Revitalization Act was brought in originally, workers were worried. The communities were worried. When it was implemented, their fears came true. Sawmill closures after sawmill closures followed. Hundreds of workers lost their jobs. They still haven't had the ability to go back to the forest industry that they spent almost all of their lives working in.

I spent almost all of my entire working life in the forest industry, and it was a good living. The local union that I represented, which I was a member of, in 2002 had 5,500 members.

[1555]

Today, thanks to the policies of this government and thanks to forest revitalization, they have less than 50 percent left working right now.

Under the previous act there was a responsibility on the licence holders to create jobs in the forest industry. They were to create stability in the communities, by creating jobs in logging and in manufacturing, for their right to access the public timber. I believe that was a good policy. The forest industry and the companies come in, and they have free access to the timber that belongs to the public of this province so that they can bring a good return for their shareholders. They can make a pretty good bottom line. In return, the public of this province and the communities that are dependent on the forest industry benefited by having jobs in the forest industry created by those companies. It was a win-win situation.

But this government came in and decided that that wasn't good enough, that the forest industry needed more help from the government than the workers and the communities. That's exactly what they did. When they removed this responsibility, they argued that this was needed to be competitive in the world economy and in world markets. In return, the forest industry promised that they would be reinvesting in the industry if they were given all the changes they were asking for. This government basically asked the forest industry, "Write your own act, and we'll sign it" — and they did.

Did the investment come in? I haven't seen it. No one else has seen it. Very little, if any. In fact, what happened was that mills left this province — under the eyes of this Forests Minister — and went across the border and created jobs in another country. Millions of dollars were invested in the other country across the border, in the United States, rather than investing — as they promised to this minister — in this industry, in this province, to create jobs and bring stability to those communities and provide jobs to those workers.

It didn't happen. The minister said: "That's fine with us. Continue on with it. If you need more, we'll give you more." I think that's exactly what we're seeing in these amendments: more of the same.

Part of the Forestry Revitalization Act had a 20-percent clawback and takeback from the licence holders. Those workers who were to lose their jobs as a result of that 20 percent were promised they would be compensated in the way of severance packages. Again, this was designed to help the licence holders; there was no help for the workers in this.

The severance pay that was designed to be paid to the workers is paid to the employer, who otherwise would have paid the workers as a requirement under the collective agreement — again, help to the forest industry — but it wasn't designed to help the workers. Then it created a two-tier system — two different classes of those workers. People who were losing their jobs in the logging sector at least were given severance packages under that agreement, but workers who were losing their jobs in the sawmills as a result of that timber not being available to those sawmills were told: "You're out of luck. You are not entitled to the same treatment that we are giving to the workers somewhere else." That was completely unfair.

[1600]

If the government's intention was to help the workers, they would have put those provisions in there — that if any worker was to lose their job as a result of the public policy of this government, they would be looked after, in addition to what they were entitled to in their collective agreements. That didn't happen. It was designed to help the licence holders, not to help the communities or the workers who live in those communities.

There are many other changes brought in, like cut control, as the member mentioned earlier. This clause was put in place for a very good reason. This clause was put in place to have continued viability of the communities that are dependent on the forest industry. During bad times the licence holders were required to cut 50 percent of their AAC to have some activity continue on in those smaller communities so that the gas pump worker, the gas pump owner, the grocery store and the other workers in the forest industry would have some activity. That's so the communities are not devastated as a result of the short-term downturn in the economy.

That has been removed now. What result followed from removal of this particular clause is that now the licence holder, over a five-year period, can decide to take not one log out of their area and leave that industry and that worker for two or three years without any employment. Then they can come in, in the last two years, and take everything they want, as long as they're within 10 percent of their AAC in that five-year period.

That is wrong. It has caused pain and hardship to the workers, and it has devastated the communities. All you have to do is just go out there in the north part of the Island. Many of these workers were my fellow workers. I worked with them. Many now live in my community of Surrey-Newton, and many of them don't



have jobs anymore. When all of that was happening and they were losing their jobs, this government stood idly by, said nothing and did nothing to help those workers.

When all these changes were made, another very important part of the act was taken away: the authority of the minister to act during plant closures and ask for a review of the plant closure. Now, if the minister even wanted to ask the licence holder, the minister has no authority. They gave it away. They basically left the industry to do whatever it wanted to do, with no accountability from this government on behalf of the public. That is wrong, and I see nothing in these amendments that are being proposed to fix the problem.

With all those changes that I talked about and that the members before me talked about, they did not create a vibrant forest industry, as was promised. What it did was create winners and losers — winners and losers in the forest industry, winners and losers in the communities, workers in the communities lost by way of plant closures and by way of those layoffs. And who won out? The forest industry, which is actually asking for more from this minister to do more of the same that they did in the last two or three years.

I am very, very concerned. I am concerned that the minister and this government are abdicating their duty to the public, their duty to manage our public resources for the benefit of all people, every sector and every region of this province. They have failed to do that, and that is my concern. I hope that by going through the debate, clause by clause, I'll find something that is hopeful and that there is something for the workers and the communities in there.

[1605]

**N. Macdonald:** Thank you, Madam Speaker, for the opportunity to speak to Bill 9.

Bill 9 makes amendments to forest and range statutes, and any time you make changes to forestry, whether they are small or not, they can either help or hinder the industry. Finding the balance between the needs of many different groups is always going to be complicated. As a member who represents communities that are highly dependent upon forestry, it's something that I'm going to watch carefully.

From my perspective, I've been in a community that went through a difficult time with its mill when I was mayor. It is something that I've seen first hand in terms of how the community is affected. I, for one, feel very strongly that we need to be always cognizant of the people that have invested in the industry and to make sure, as much as we can as government, that we allow them to be successful. The success of any of the corporations that have invested in our communities is really important, and that is one part of the balance that we need to be very mindful of. These companies need to be successful if they are going to do the things that are important for communities.

But there are other things that need to be balanced as well, and that's the interests of workers and the interests of the community at large. One of the changes

that has taken place over the last few years that I'm concerned about and feel was a mistake is the removal of the tying of the resource to milling in the communities. I think that that was a fundamental change and one that is worrisome.

In my area the health of the industry, as I say, is crucial. In pretty well each of the communities that I represent, the main employer will be a forestry corporation. In Kimberley, many people move each day to Skookumchuck and Canal Flats. You have in the Columbia Valley area the importance of Radium. Within Golden you have Louisiana Pacific's mill, and in Revelstoke you have Downey Street and a number of other smaller mills.

With these amendments, there are many things that you see that could make things easier for companies. If that is something that is done without compromising the interests of communities or employees or other groups, then it is a positive thing. I will definitely be looking forward to the committee stage as we go through each of the changes and have them explained by the minister, and I will be looking to see that these changes are useful to the manufacturers and the companies but also that they deal with the interests of the communities. As we move into the discussions around the changes that are proposed here, it's something that I'll watch carefully.

As I say, coming from a community that went through a transition, the impacts are dramatic. We were fortunate at the time to have a government that felt committed to communities and to making sure that there was support for the transition that was needed.

I would highlight at this time the tremendous work done by the job protection commissioner. That was an idea that came in during the Social Credit time, and the gentleman that was in place there is somebody still held in tremendous regard by the people of Golden. With government involvement, they made sure that a new manufacturing setup was put in place. From the corporations' point of view, there was perhaps a lack of interest in doing all of the things that government insisted that they do, but the outcome for the community has been very positive.

I look forward to the committee stage debate, and I thank you for the opportunity to comment on this.

[1610]

**C. Trevena:** Like my colleague from Columbia River-Revelstoke, I live in a forest-dependent community. The health of the forest industry is extraordinarily important. We wouldn't have an economy in North Island if we didn't have forestry. It has been the health of the economy from day one. This is why I think we have to examine this bill very closely, because a lot of jobs rely on this, and a lot of the quality of life relies on the health of the industry.

[Mr. Speaker in the chair.]

I have some concerns about the amendments being put forward. I'm looking forward to hearing in more

detail what they're going to mean. My concerns are on how it's going to impact both the communities and the workers within those communities. I'm concerned about what the flexibility is going to be for the timber licences, because in my constituency nearly all of the timber licences, all the TFLs, are on Crown land. So there is the issue that I perceive of the social responsibility of the companies working on Crown land, working in our forests and having that responsibility and how that responsibility translates both in the cut and in the management of those lands. I do have that awareness as I look at these amendments and will be very interested to see what does happen there.

There has been a lot of concern about what has been happening in the industry in my constituency. There has been a concern that the companies are working without regulation, working without supervision. I hear this both from people who have been working in the industry for many, many years as well as people from very different interest groups who are concerned about what is happening. I hope these amendments will not allow for an increase in cut and an increased lack of supervision in the cut.

There are still issues that have not been resolved from the introduction of the forest and range act, and I don't see that these amendments do resolve some of those issues. I speak specifically here about the so-called takeback and the loss of jobs there. I think there is still a lot of concern. People who have taken redundancy and still have not been paid for this.... So I think that while we have new amendments here, we have a lot of unanswered questions still from the previous act.

This is still second reading. We have a lot to go through. We have a lot of discussion in the committee stage. I very much look forward to that, but I do hope that we are addressing these issues seriously and not just giving a free rein or a great deal of control away when we are in many instances talking about Crown lands, talking about our forests and our trees.

**Mr. Speaker:** Seeing no further speakers, the Minister of Forests and Range closes debate.

**Hon. R. Coleman:** I appreciate the members' comments. However, I should let the members know that this is actually a small amendment act, and I don't think we're going to spend the next number of days on sections of an act related to some of the questions that the members brought up.

I am absolutely shocked that the member for North Island, responsible for Port Alice, gets up and tells us how things are so bad in the forest sector when somebody's putting in \$80 million to bring a pulp mill back on line in her riding. She doesn't even so much as acknowledge the fact that the investment's taking place for jobs in her riding. I find that absolutely shocking. The loggers, the truckers, the people that do the booming, the people that are going to run the mill are all going to be working, and all we hear is negative from the individual member from that particular riding.

I'm also shocked to hear from the member for Yale-Lillooet. The member for Yale-Lillooet should drive by the log area at the Weyerhaeuser mill in Princeton and go by the mill and timber and the mills in his own riding and his own community and see the logs that are sitting there. They're going to be milled over the next number of months, because there are lots of jobs in the forest sector in the interior of British Columbia.

I'm shocked, frankly, at the critic. The critic actually gets up and says: "In the legislation there's nothing to do for safety of forest workers in British Columbia."

[1615]

It's an amendment act. We have safe companies that we put together with the Forest Safety Council. We've done more in safety in the last six months in this province than was ever done in previous history. And do you know what? We did it for the right reasons.

For somebody to think that they can come in and write a piece of legislation in the paper and that it's going to change the activity and the behaviour on the ground without a cooperative relationship between companies, workers, WorkSafe B.C. and all the participants on the land base.... They're sitting there in some kind of Lalaland, not understanding the reality that safe workers and safe communities come from people working together on safe projects and the way we operate on the land base, not because somebody thinks we should put a section in a piece of legislation.

I'm also shocked to hear the member for Surrey-Newton talking about the loss of jobs and the shutting down of companies and the loss of mills. Maybe that member should go look and find out this one little simple fact: more mills closed during the era of the NDP than have closed in the last number of years of this government. That's the same government who went to Prince George, stood on a dais with the Premier of the day and said: "We've got the jobs and timber accord. We're going to create 21,000 new jobs in forestry in British Columbia." Not one job was created, but 15,000 disappeared. You call that leadership in forestry and leadership in how to manage a resource? Not a chance.

This industry is in better shape than it was under this government and will be because we understand a number of things. There are costs. We understand the dollar — not even mentioned by the members across. We understand labour costs and finances and return on investment. We understand that we have to work collectively to build a long-term solution for forestry in British Columbia.

This is an amendment act. The real work is going on all the time. These members should maybe save for estimates debate the questions that they have brought up about the legislation. I'm looking forward to those debates, as I point out to them time and time and time again during their tenure of government where they failed forestry and forest workers in British Columbia....

Having said that, I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Mr. Speaker:** Hon. minister, you have to move second reading first.

**Hon. R. Coleman:** I did, at the beginning of my remarks, move second reading.

Motion approved.

**Hon. R. Coleman:** I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 9, Forests and Range Statutes Amendment Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. C. Richmond:** I call second reading of Bill 2.

#### BUDGET MEASURES IMPLEMENTATION ACT, 2006

**Hon. C. Taylor:** I move that Bill 2 be read a second time.

Bill 2 amends seven provincial statutes to implement a number of the tax measures that were announced in Budget 2006. The tax measures in Bill 2 build on the many tax cuts government has introduced since 2001 to help strengthen the provincial economy and allow us to provide, in a sustainable way, the important services British Columbians require.

In 2001 we lowered British Columbia income taxes by an average of 25 percent. Families earning less than \$30,000 a year saw their income taxes reduced by 28 percent. British Columbia now has the lowest personal income tax rates in Canada for the bottom two tax brackets. A year ago we went further, with nearly a half a billion dollars worth of tax and MSP premium reductions over three years for the province's lowest-income earners. Now most people earning up to \$16,000 a year pay absolutely no provincial income tax at all.

We've also brought in a series of measures since 2001 to attract new investment and help business to grow. Over the last four provincial budgets government has taken great care to balance what we have done for the economy with what we have done for British Columbians and their families. This has meant ensuring a competitive tax system for business and a fair tax system for individuals. Bill 2 continues and builds on those principles, beginning with families.

[1620]

While soaring property values can ultimately be a benefit, they can also be a source of concern for many homeowners, especially families and seniors who simply want a place to live or raise their families. For many years the British Columbia homeowner grant has helped to keep home-ownership affordable. Bill 2 provides two enhancements to the homeowner grant program. The grant is increased by \$100 for every eligible homeowner — the first increase since 1993. The basic

grant is increased by 22 percent to \$570 from \$470. The higher grant for eligible seniors, veterans and the disabled is increased to \$845 from \$745.

Bill 2 also amends the Home Owner Grant Act to allow the phase-out threshold to be set by regulation. As announced in January, the threshold is raised to \$780,000 this year so that approximately 95 percent of homeowners will continue to qualify for the full grant, benefiting up to 27,000 homeowners.

An amendment to the Income Tax Act provides a further benefit to families by doubling the amount of medical expenses that can be claimed for dependent relatives for the purposes of the medical expense tax credit.

Minor amendments are made to the Property Transfer Tax Act to improve fairness and clarify certain exemptions, including improvements to existing exemptions for transfers to and from the public guardian and trustee on behalf of minors to ensure that they enjoy the same tax benefits that are available to other British Columbians.

A new exemption for amalgamations of not-for-profit societies under the Society Act to parallel an existing exemption available now to for-profit corporations.... Improving the competitiveness and the fairness of the provincial tax system is an ongoing process. Several budget initiatives in this bill are designed to meet these important objectives.

Bill 2 amends the Income Tax Act to extend the enhanced tax credits for domestic and foreign film productions to 2008. The film sector faces enormous competition for production locations, and extending the tax credits will provide industry with time to make required changes to improve its competitiveness.

An amendment to the Income Tax Act to extend the B.C. mining flow-through share tax credit for another three years, to 2008, will also continue to encourage investment in mineral exploration in this province.

The increase in the vehicle surtax threshold from \$49,000 to \$55,000 will allow all British Columbians throughout the province, but particularly those in the north and in rural regions, to purchase the pickups and other sturdy vehicles they need for work without payment of the surtax. Similarly, amendments to the Motor Fuel Tax Act improve the fairness of the coloured fuel tax program and enhance business competitiveness by expanding eligibility to use lower-tax coloured fuel in all unlicensed commercial and recreational vehicles.

Eliminating the provincial sales tax on services to install, modify, repair and maintain computer software will not only enhance business competitiveness but will also benefit all other British Columbians who require such services for their personal and home computers.

Various other minor amendments are made to clarify provisions under the Income Tax Act, the International Financial Activity Act, the Social Service Tax Act, the Motor Fuel Tax Act, the Property Transfer Tax Act, the Health Authorities Act and the Mineral Tax Act.

**J. Kwan:** I rise to speak to Bill 2. As the minister had identified, the bill essentially facilitates, if you will,

the implementation of a number of fiscal and tax policy initiatives that the government had introduced during the budget. Many of the comments, of course, since the budget debate has been spoken to in this House.... I would simply just reiterate a couple of points for the purposes of this debate.

The minister, of course, talked about the homeowner's grant. Yes, the homeowner's grant provides for, generally speaking, tax relief, if you will, for homeowners in the amount of about \$100. As identified, the \$100 will mean something. It's better than nothing, I suppose, for homeowners, but within the scheme of everything, it really is a small amount in terms of support for homeowners, especially in communities where we see property values escalating quite rapidly.

[1625]

The issue related to that, of course, was that people looked to the budget to see what else was there to provide relief, particularly to those who actually need a home, and there was really very little in terms of new initiatives from the government on that front.

We all know that not just in the lower mainland but all throughout British Columbia there is a crisis escalating in and around homelessness. In my own community, homelessness is a major problem. The city of Vancouver, the GVRD, has actually undertaken a review of the matter. Since this government took office, homelessness has more than doubled. Let's be clear. It has more than doubled under the watch of the Liberal government.

We were just in Kamloops last week, and you know what? The mayor and council also raised the issue around homelessness. They raised the concern around the off-loading onto local governments from the provincial government, and the lack of housing is a component piece within that. We are looking, also, to see not only what the provincial government will be doing around the issue of homelessness.... Of course, we'll be looking to the federal government as well. As we know, we do have a new federal government, and there was money in the previous budgets allocated for housing, but whether or not that money will actually flow through to the province remains to be seen.

With the Budget Measures Implementation Act around housing, we from the opposition were looking to the government and the Minister of Finance to signal that she will earmark new dollars for new programs in addressing the affordable housing crisis, the homelessness crisis that is escalating throughout British Columbia. I was quite dismayed, in fact, in the estimates debate with the Minister of Finance when I asked whether or not she — as a former advocate, when she was on city council — would go to the federal government and advocate for the money for British Columbia on the homelessness front, on the affordable housing front. The Minister of Finance would not commit to that. So I am dismayed about that. I have to be honest.

This bill, of course, does not address that issue. It does address, however, the homeowner grant — small, within the scheme of providing support to some homeowners. But we didn't see anything, really, on the homelessness front.

Related to that, of course, there are a lot of people who are just trying to enter into the market — new families, new immigrants, perhaps. It's very hard, of course, for them to get into the market with the escalating cost around housing. Again, we look to the budget to see whether or not the government would have done something around that front. Again, we actually didn't see that. Hence, Bill 2 does not indicate a tax policy related to new homeowners, which I think was a disappointment for many people.

I'd like to just touch, then, on the tax credit for film and video productions, which is basically the extension of that tax credit. I have to say that that's a good initiative. Let's be clear about that. The NDP initiated that when we were in government, and in fact, in opposition the last number of years we continued to pressure the government to continue that tax credit but also to look beyond that to see what else the government could do to advance the film industry all throughout British Columbia. I dare say that the government, just prior to the budget being introduced, actually came forward with a report they had commissioned to talk about eliminating the tax credit. So I hope that the government actually won't engage in such practices in the future, because I think that's counterproductive. It's not useful; it's not helpful.

What we need to do in the film industry is to ensure that the competitiveness is there, to signal to everyone that we support the industry and look for more measures of how to advance this industry in British Columbia — how to not only sustain it but actually escalate film production in British Columbia. We know that we're impacted by it greatly as the Canadian dollar changes in the global scene, and that has major impacts for us in a variety of ways. The film industry is no exception to that. So while we're glad to see that there's an extension of tax credits for the film and video industry, of course, we would be looking forward to continuing to put the pressure on government, not only to maintain that tax credit but also to advance it for British Columbia.

Bill 2 also touches on the tax threshold for higher-cost vehicles, and that is an issue that was actually brought to the Finance Committee, and the Finance Committee reviewed the matter. Let's be clear. This is a major issue for those from the rural communities, where weather and road conditions play a huge part in the kinds of vehicles that people drive.

[1630]

But there is a question to be asked in terms of whether or not the measure that the government came up with is, in fact, the best measure in addressing that. Are there other ways to address that, particularly for those in the rural communities and for those who need such vehicles for their work on a day-by-day basis? We'll be exploring that during committee stage with some questions to the minister around that front.

There was a lot of talk prior to the budget about a potential tax relief, across-the-board tax relief, in the PST area. That was something that was recommended by the Finance Committee, but we did not see that in

the budget. I note that when the Finance Committee came out with their report, the Minister of Finance rejected that out of hand. That was an issue, I know, again, especially for those communities that are closer to the border of Alberta, where there is a tax change in terms of provincial sales tax.

People raised that issue to the point where the Minister of Small Business, who is engaging in estimates debate at the moment, raised the issue of ensuring that there's some sort of investigation into the matter for those who actually hold Costco cards and who shop across the border. I would venture to say that in trying to get after people who are just trying to save a few bucks in buying diapers in bulk.... I buy diapers in bulk. I look forward to the day when I don't have to do that any more for my little daughter, who just turned three. You know what? They're just people who are trying to save a few bucks on a day-by-day basis.

What the government needs to do is look at the taxation issue on consumption taxes and how to maximize the benefits for British Columbians instead of going after the little guys. That's what it is when people are trying to buy in bulk and trying to save a few bucks here and there. But instead of actually looking to see how the government could help them, the government actually went to see how they could charge them in making them provide information to the Crown so that they can get them on record for potential tax evasion issues.

I would say that if the government was interested in looking after tax evasion issues, there are other areas the government should be looking into, such as the underground economy, which is huge in British Columbia. That was raised amongst a variety of people in our outreach in talking to the business community about their concerns around that. That, perhaps, will be more helpful and advantageous to British Columbia and more strategic in the spending of the dollars by the government on these matters.

The bill also touches on this area, and that is the tire levy. The government is looking at repealing the authority to levy \$3 on each tire purchased or used in the province ahead of the introduction of an industry stewardship program for tires. That has raised some concerns with us, which I won't elaborate on around this issue because my colleague the member for Vancouver-Hastings, who is the critic for the environment, will be going into details around that piece within Bill 2. So I won't elaborate on that other than just to flag it that we have some concerns with respect to that and the ramifications for us, both for the provincial treasury as well as, perhaps more importantly, for our environment as a whole.

The legislation that brought this forward was back in the 1990s. It was brought forward by an NDP administration. The idea was to ensure that we maximize recycling opportunities with respect to tires and also to do it in such a way that's beneficial for everyone and most notably for our future — that being our environment. Now, with the proposal to repeal it under this bill, we run the risk of the environmental benefits. We

actually don't know yet what the plans are with respect to that in terms of the new stewardship program and what are the ramifications that flow from that, and we're concerned about it.

It would seem to me that it's a wiser thing for the government to come forward with the new program to replace it, answer all the questions related to it and then repeal the levy. It would seem to me that that would make sense, but right now that's not how the government's proceeding. They're repealing the levy first, and then perhaps we'll see the environmental stewardship, industry stewardship act that would be introduced at a later date.

We will be exploring these questions around Bill 2, around these sections of the act, with the minister during committee stage. With that, I will simply now hand the floor over to my colleague the member from Vancouver-Hastings, the critic for the environment.

[1635]

**S. Simpson:** Thank you for the opportunity to speak to this. I want to speak specifically to sections 29 and 30 of the bill. These sections deal with repealing the government's authority to put a \$3 levy in place on tires that are purchased or used. Those are funds used for recycling purposes and for the purposes of disposal of those tires by government.

As my colleague from Vancouver-Mount Pleasant said, it's our understanding that this is a precursor to the introduction of an industry stewardship program. As I understand it, Tire Stewardship B.C. is in place, and we'll be looking at the potential for them to be taking over responsibility in industry stewardship.

Industry stewardship, generally, is not a bad thing. We've certainly seen it in a number of areas. We on this side of the House have supported industry stewardship in a number of areas, whether it be around paint, medication, solvents, other waste materials, gasoline or pesticides, among other things, so the concept, on its own, of industry stewardship certainly is not a problem.

There are some unique things about tires that I'll speak to in a minute that do raise some challenges about using it as a stewardship model in the case of tires, but one of the things we know out of this is that the government collects.... It's our understanding that it costs \$6.5 million to underwrite the program that the government currently funds around tire recycling. With the return from the \$3 levy, that ends up leaving probably \$4 million to \$5 million of additional funds in play at any given time.

That money goes into the sustainable environment fund, and these funds are used for other environmental monitoring related to different industry stewardship. What I assume we'll see is that if those funds disappear.... The government will either have to replace that revenue from other sources, or it will simply disappear. As we've seen in a number of instances with government, this government seems to have an awful lot of challenges when it comes to monitoring stewardship

programs. It doesn't do a very good job of that, and it certainly hasn't done a very good job since 2001.

We have to be somewhat concerned. If we take \$4 million or \$5 million out of the mix, what are we doing around stewardship? I suspect what we're doing is just saying that the idea of monitoring industry becomes less and less important, because I'm not at all confident that we'd see those dollars put back in place from another revenue stream. What is also a concern is that it probably means an increase in the use of tires as a fuel source. Currently, recycled tires end up going one of two ways. They end up being made into new products, or they become a fuel source.

What we do know about tires as a fuel source is that it's a much cheaper way to go to just burn the tires than it is to actually reprocess them into other products. Unfortunately, the emissions from that particular practice are very concerning. They're very detrimental to the environment. They have health issues related to them, and we'll need to look at those and see what it means for us, as we go forward, if sections 29 and 30 proceed.

One of the other things we know is that Tire Stewardship B.C., the representatives of the industry, have begun to lobby to have a greater levy when they take over. They're looking for \$4, we understand, not \$3. We find that interesting, because we already know that the government actually makes money out of this program. As I said before, the government makes \$4 million or \$5 million a year over and above the cost of the recycling program.

Part of the issue we have here is that it would be our belief that, considering the incentive to move toward burning rather than other uses, it's very likely that an industry-led program is going to be, in fact, less expensive than what's provided by government. It will be less than the \$6.5 million, and what we'll be doing, particularly if we increase that levy to \$4 from \$3, is that we're going to be giving a bit of a windfall, not large, to the recycling program or to the stewardship program.

What we're going to see is that the tire industry, because the stewardship program will be owned and managed by the industry itself, will begin to benefit, and it will benefit at the cost of motorists in British Columbia, who are going to pay \$4 a tire for every tire that's produced. The government may not commit to the proper oversight of the industry stewardship program, and we're concerned about that.

[1640]

Under the existing program, there isn't an incentive for tires to be dumped illegally. There's no advantage at all in this at this point in time, because the costs are already covered in large part through the program. The government picks up those costs through the recycling program, so there's not a direct expense here for the industry. However, what we do know is that if it becomes an industry-related cost directly, then they look to cut costs. At that point, the motivation to in fact dump tires becomes much greater.

What we know is that the government has a results-based approach to a number of environmental issues

that they proceed on. We have seen time and time and time again that part of the challenge we face is that the government is not very good and the ministry is not very good at monitoring these programs. It's not very good at auditing these programs. It's not very good at oversight on these programs to make sure that they're achieving what we want to achieve. Time and time again, the example.... The list is very long.

This government has an abysmal record in environmental oversight — quite shameful. So we have to worry about whether, in fact, we're going to see more of the same example of environmental mismanagement that this government now has quite a reputation for.

The problem, too, is that it becomes cheaper to recycle tires by burning them as opposed to making them into products. With industry stewardship, there will be some incentive for a larger move towards burning tires. If we look at the record around burning tires, we know that the government, in fact, encourages products rather than burning, and that's a good thing. They have historically encouraged that, and they've encouraged that by providing larger credits to companies who produce products rather than burn because there is a greater cost there.

However, what we know is that regardless of the government's incentives to try to create products, we saw a decrease from a high of 88 percent in 2001 of products created by disposed-of tires down to about 73 percent. The numbers are going down — the number of tires that are being turned into products versus the number of tires that are being burnt. That's happened over the last four or five years, and it's happened regardless of the government trying to encourage products to be produced versus being burnt.

With industry stewardship, the lower cost of tire-derived fuel means that there will be a greater incentive there for the industry to in fact look at burning a larger share of older tires than it currently burns. This is a problem. It's a problem because we know that from a health perspective and an environmental perspective, the burning of tires is a significant issue. Tires aren't benign substances when you burn them. According to information that's supplied by both tire manufacturers and from the companies — the kilns, the companies that do the burning — we know there's a whole list of types of chemicals and things that come out of the burning of tires.

Just a small list of those. We know that aluminum comes off of burned tires, which is harmful to animals and to plants. Anthracene, which is probably a carcinogen. Aromatic extender oils, which comprise about 25 percent of most of today's tires, are a known carcinogen. Arsenic, and benzene, which affects blood and also has carcinogenic attributes. Benzidine, butadiene — both of which are carcinogens. Beryllium, which has impacts on the respiratory system, and cadmium, which is harmful to the liver. All of these are the by-products when you burn tires. They come off of the tires when they burn.

Tires also, we know, do contain lead. They have a high sulphur content, and when burned, they produce

sulphur dioxide. Now, it's true that there are a number of proponents of tire burning who would tell us that the air emissions that come off a tire burning are the same with tires as with other conventional fuels.

[1645]

However, there is some question around that in science, and we need to think about that. At the University of California at Davis, Professor Schwartz prepared an independent report for the California Integrated Waste Management Board. This report was prepared to look at test results at four California cement kilns that were burning tires as at least 20 percent of their fuel source. The study of emissions at those four plants found some interesting things. They were diverse, but they found things that we should be concerned about in the long term.

They found that the dioxins and furans that came off of those four kilns increased between 53 percent and 100 percent in all four cases from those kilns. The polycyclic aromatic hydrocarbons — these produce some of those problems — increased by 300 percent to 2,200 percent in three of the kilns and, in fact, decreased in one. Lead emissions increased in three cases by up to 475 percent, and they decreased in one. These are examples that were found by the University of California when they looked at what happens with the burning of tires, and they should raise concerns for us all.

Finally, on the matter of revenue here, as I mentioned earlier, the government is going to lose about \$4 million or \$5 million of revenue by giving up the tire levy. This is money that is spent on enforcement of other industry stewardship programs. It's important money. It's money that's used for important purposes. So we really have questions. Will the government fund enforcement through other funds? Who's going to keep that money, and where's that money going to come from? There are a number of questions here about what, in fact, the result of this legislative change will be.

We would hope that we would look at this maybe in a little bit more cautious way than the government's moving forward. It is a concern that the government is making the decision to remove this levy at this time — the \$3 levy — before, in fact, the stewardship program is put in place. We think it does make good sense that if the government is contemplating bringing forward a stewardship program in the near term, a better approach to take would be to bring the stewardship program forward.

Let's talk about what that looks like. Let's talk about the safeguards. Let's talk about where the revenues go in a stewardship program. Let's look at how that's modelled and how it's framed. Let's look at whether it answers the questions that need to be answered about the disposal of tires, about the accountability of the program, about the monitoring in the program, about the audit and the oversight functions, and about how government will meet those obligations related to the program.

If we can do that and we can put those pieces in place and make that program work in a way that is

good for British Columbians, that meets our objectives and that is effective for the industry as well, then would be the time to go and revisit the question of removing the \$3 levy and looking at how that gets funded through some other form of tire levy or tire program levy, if that makes sense.

It does seem to us that there are a number of unanswered questions here. Those questions need to be answered. It appears that they're more likely to be answered in the structuring of the stewardship program for the industry than they are necessarily in this piece of legislation here. I would hope that what we will do is in fact deal with the matter within the stewardship program and then come back and talk about what we do with the levy. We'll be raising some of these in committee stage, and hopefully we'll get some answers from the minister then.

**Mr. Speaker:** Seeing no further speakers, the Minister of Finance closes debate.

**Hon. C. Taylor:** Mr. Speaker, I move second reading of Bill 2.

Motion approved.

**Hon. C. Taylor:** I move that the bill be referred to the Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 2, Budget Measures Implementation Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. C. Richmond:** I call committee on Bill 7.

[1650]

### Committee of the Whole House

#### SUPPLY ACT (No. 1), 2006

The House in Committee of the Whole (Section B) on Bill 7; J. Yap in the chair.

The committee met at 4:51 p.m.

Sections 1 to 4 inclusive approved.

Preamble approved.

Title approved.

**Hon. C. Taylor:** I move that the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 4:52 p.m.

The House resumed; Mr. Speaker in the chair.

**Report and  
Third Reading of Bills**

SUPPLY ACT (No. 1), 2006

Bill 7, Supply Act (No. 1), 2006, reported complete without amendment, read a third time and passed.

**Hon. C. Richmond:** I call committee on Bill 3.

**Committee of the Whole House**

PUBLIC AGENCY  
ACCOMMODATION ACT

The House in Committee of the Whole (Section B) on Bill 3; J. Yap in the chair.

The committee met at 4:54 p.m.

Sections 1 and 2 approved.

On section 3.

**H. Lali:** I just want to make a couple of remarks before I ask the questions. Obviously, back before 2001 there were some properties that were sold by the then government. I know that at that time there was some discomfort on the part of the Liberal benches, basically saying that BCBC should not be privatized — that it's sort of like heating your home by burning the furniture.

[1655]

In any case, that was then, and this is a different era now. After an attempt over the last few years to try to privatize BCBC and sell off assets — and we know that the scheme didn't work — taxpayers were left holding the bag for about \$6.5 million in terms of that scheme. I'm glad that it's actually going to be back within the fold of government again, where it rightfully belongs, and I think both sides of the House are in agreement on this particular.

On section 3, the transfer of obligations and liabilities, I want to ask the minister.... The section obviously states that on the coming into force of this act, all obligations and liabilities of the corporation (a) are transferred to and assumed by the government, (b) become the government's obligations and liabilities and (c) may be enforced against the government as if the government has incurred them.

I would like the minister to tell me: from 2001 till now, when BCBC was not in the public realm, what kind of additional obligations or liabilities did BCBC take on in that period that the taxpayers are now going to be on the hook for?

**Hon. M. de Jong:** I should, by the way, introduce the folks who are with me from BCBC — Michael MacDougall, Brian Dorrian and Cheryl Wenezeki-Yolland — who will help guide us through some of the questions that the member may pose.

I thank him for his question. I should, however, point out that I may have misunderstood the member's question, because he seemed to be implying that something had changed in 2001. BCBC is a Crown corporation that was created in 1977 and, for the almost 30 years since then, has existed as a separate Crown corporation charged with the task of managing real assets on behalf of the Crown — the people of B.C.

It has engaged in transactions and transactional management since then. It has acquired assets. It has incurred liabilities contractually, but some of those liabilities go back years — or those contracts, at least, that include responsibilities and liabilities. So I wouldn't want to mislead the member or the House.

The language here is fairly standard in terms of ensuring that by virtue of this transfer, the Crown is acquiring all of the responsibilities that heretofore have accrued in favour of the separate Crown corporation that was originally set up in 1977.

**H. Lali:** I appreciate the minister's answer. Actually, I may have inadvertently — I wouldn't say misled the House — confused the House.

Let me just go back. By coming back within the fold of government.... I didn't mean to imply to the minister that this was something new that happened in 2001. Obviously, it's been going on for two or three decades. I just want to make sure that in the intervening time, from 2001 or thereabouts to now, if there was any change in terms of the liabilities side for BCBC that increased or decreased over the last few years.... That's all I'm trying to actually determine.

[1700]

**Hon. M. de Jong:** I think the short answer is no. The Crown corporation has continued its business. It has obviously evolved through the 1970s, '80s and '90s and into the 21st century. The decision, as the member has correctly identified, was taken in July to bring the Crown corporation back within government.

This language that he is correctly focusing on in section 3 of the bill is really to ensure that the government, of which this entity now becomes a full part, can't escape liability by saying: "No, no. That was something that BCBC did in its life as a Crown corporation, and we are excusing ourselves." This is to ensure that it's clear to everyone that the Crown is assuming responsibility and liability where that responsibility and liability existed under the Crown corporation.

Section 3 approved.

On section 4.

**H. Lali:** Section 4, the records of transferred assets and liabilities. I guess my question is specific in terms of the records. I just want to make sure that I am clear and this House is clear that over the last number of years now, from 2001, in terms of the records of the Crown corporation, those records have been secured



and are in one central location. Or are they in different places in terms of its securability?

**Hon. M. de Jong:** The answer to the member's question is yes, those records are consolidated. They are located in Victoria. I should say, though, in fairness that I'm not sure it is this section that guarantees that fact. That is a fact, but the section is designed to make it clear that in any of those records where there is reference as a contracting party or otherwise to BCBC, it is deemed to refer to the government of which BCBC becomes a part.

**S. Simpson:** Just a quick question. I just want to understand section 7, "Transfer is not a default."

Sections 4 to 6 inclusive approved.

On section 7.

**S. Simpson:** This is just so that I understand what section 7 is saying. Maybe the minister can explain to me as to where liabilities do and don't rest under this section. What I read is that despite any records, including security agreements, commercial paper, etc., that are transferred to the government here.... It goes on to tell me that there are not liabilities at the end of this. Maybe I'm not understanding it. Maybe the minister can just explain what this section does.

**Hon. M. de Jong:** Under some of these lease agreements that exist and existed between BCBC and various parties, there are often provisions which describe circumstances that may give rise to or be interpreted as a breach of that agreement.

[1705]

What this section does is ensure legislatively that no party could refer to the wrapping-up of the Crown corporation and reintegration of it into the Crown and any changes that that entails at the land registry office as representing a breach under a lease that a party could take advantage of, for example, to escape from the terms of that lease.

**S. Simpson:** I appreciate that, and I certainly have no problem with that. If the minister could confirm, though, in terms of the substantive terms of the lease, in terms of the relationship between the lessee and now the government as the owner, that it doesn't have an impact on those substantive terms and the lease would not be affected by this.

**Hon. M. de Jong:** The member has it exactly correct. The terms are unchanged.

Section 7 approved.

On section 8.

**H. Lali:** Section 8 deals with the powers of the minister. The minister may — and I'm going to sub-

subsection (b) here — "dispose of, or make available to any persons, all or any part of administered land."

Obviously, I want the minister to explain to me what kind of process is followed — a public tendering process, duration in terms of time before bids come back — all that is pertaining to the particular process. I wonder if the minister could explain that.

**Hon. M. de Jong:** The section creates the statutory ability that the Crown will have to sell assets in much the same way that the articles by which BCBC was guided provided it with the ability to dispose of assets pursuant to certain policies. The essence of how that happens will not change, although as part of this transition there will be an interest in aligning that disposition process with existing mechanisms within government. That's part of the attraction of doing this — making use of structures like the B.C. Bid process.

I think in general terms the member would want some assurance that this is intended to proceed in a fully transparent and open way so that when the government is selling assets that the people own, people have an opportunity to see how that's done, when it's done, and ultimately to be satisfied that they are getting a fair price for the asset they owned and are selling.

**H. Lali:** Same section, sub-subsection (d). The minister may "set and levy a fee or charge to be paid by the person to whom a disposition is made under paragraph (b) or to whom a service, accommodation or facility is provided under paragraph (c)." My question to the minister: is this solely at the discretion of the minister, or does the changing or setting of fees have to go to cabinet for approval or final approval before it is made public?

[1710]

**Hon. M. de Jong:** Two components to the section or the subsection that the member has focused in on. One relates to, in part, the efficiencies that we're hoping to achieve by making this transition. That is, by being able to assign to public agencies, within the provincial government envelope and perhaps others, costs associated with the joint services that will be provided by the ministry going forward. That deals with the public agency component of this.

The accommodation and facility end of this relates to the leases that will continue to be entered into for space, some of it with commercial enterprises. I think the essence of the member's question was: would those arrangements present themselves to cabinet in the form of an OIC in every instance? It is not my understanding that the commercial transactions will continue to flow and that cabinet would not see the result of every negotiation in the form of an OIC.

**H. Lali:** I guess I have a similar question with section 8(2): "The minister may transfer the administration of administered land to any ministry of the government with the consent of that other ministry." Again, I

would ask the same question. Does cabinet have to approve that as well or not, in terms of the transfer of the administration from one ministry to the other?

**Hon. M. de Jong:** I apologize to the member for the delay. I will try to get this as accurately as we possibly can.

There are circumstances that one can foresee where formerly BCBC, and now the ministry and the government, may come to the conclusion that it makes sense to transfer the administration of a particular piece of property or building to, for example, a health authority on the basis that it doesn't fall into the conventional notion of property management. It's always going to be a health facility, and that health authority is always going to draw on it.

This is the statutory authority that would allow for that to happen. What I can't tell the member with absolute certainty is whether or not that type of administrative transfer would in all instances require an order-in-council.

I have seen it done that way, and the folks helping me have obviously seen it done that way. I'm not sure it has to happen that way in every instance. I can try to find out.

Section 8 approved.

On section 9.

[1715]

**H. Lali:** So basically, in section 9, the corporation is dissolved and de-established and the appointment of each director of the corporation is rescinded. Basically, the powers that were there with the board, which is now rescinded, are all transferred to the minister and thus the ministry.

**Hon. M. de Jong:** That's correct.

Sections 9 to 21 inclusive approved.

Title approved.

**Hon. M. de Jong:** I move the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 5:17 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### PUBLIC AGENCY ACCOMMODATION ACT

Bill 3, Public Agency Accommodation Act, reported complete without amendment, read a third time and passed.

**Hon. C. Richmond:** I call Bill 8, second reading.

### Second Reading of Bills

#### EMPLOYMENT STANDARDS (COMPASSIONATE CARE LEAVE) AMENDMENT ACT, 2006

**Hon. M. de Jong:** Bill 8 seeks to address a situation that I'm sure most members of this assembly have had occasion to come across over the course of their lives and professional lives, certainly. It's one of those things that, when we think about it, is very much a natural part of growing up, I guess, and our families growing older and our parents growing older. It's not exclusively something that happens to parents, but there are times when people we very much care about find themselves in very distressing circumstances from a health point of view.

In essence, Bill 8 is designed to ensure that people don't have to pick between taking care of people they love and worrying about whether they're going to have a job or not. When you think about it, that's very much a commonsense proposition, and yet it is a relatively new phenomenon in this country.

In fact, the first indication we saw that labour law in this country was going to evolve to take account of a situation that is going to occur with increasing frequency, particularly when you look at the demographics that we are facing as a country, was in January '04, when the federal Employment Insurance Act and the Canada Labour Code were amended to provide support to employees who need time away from work to care for critically ill family members.

Insofar as that represented a significant shift and obviously provided some immediate assistance to workers who are what we call federally regulated, it is the government's view — and I hope and believe it will be the view of all members in this House — that it's the right thing to do to move ahead today with aligning our provincial legislation with those federal changes.

[1720]

This change to our provincial Employment Standards Act will enable and encourage support by family members for a seriously ill family member. As I said a moment ago, it is built around the principle that when one is confronted by the challenges associated with a seriously, seriously ill loved one, that is going to take precedence. It's not really a question of what the right thing to do is. People know what the right thing to do is. People know what they need to do. They know that to pretend otherwise is to be unfair to their loved one; unfair to their employer, for whom they cannot even pretend to be performing at the standard they wish; and ultimately, unfair to themselves.

Our commitment — and, I hope and believe, the commitment of everyone in this assembly — is to ensure that people understand how we recognize the contributions of British Columbians in building a healthy and compassionate society, and that those who are gravely ill have the confidence to know that they are going to be able to be cared for by the ones they know best and by the ones that love them most.

I don't think it is a stretch to offer this observation. With this relatively straightforward amendment, we are going to be able to increase — not increase, perhaps, but improve — the quality of life and the state of mind of people who are ill and those who want to provide care and protection for those that are ill.

The actual mechanics of what is being proposed here is legislation that will provide employees who make the request — and under these provisions they are obliged to make the request — with the ability to take time away from their jobs for up to eight weeks of unpaid leave. I do hasten to add it is unpaid leave, although under the amendments to the federal employment insurance legislation there are entitlements that individuals can draw on from that source. But it does provide them with the ability to take up to eight weeks' leave to provide care or support to an immediate family member who is terminally ill.

The mechanism by which that is determined is someone who is at risk of death in the view of a physician in the pending 26 weeks — morbid calculations, I'm afraid. Yet, the reality is that these are circumstances that people face in our province — in our country, in fact — on a daily basis. They have to make those decisions, and they ask their doctors. They want to know that they have the ability to be there for the ones they love.

[1725]

It's not the first example of employment protection under the Employment Standards Act. We currently, within the statute we're amending today, have job protection for things like pregnancy; for parental, family-related and bereavement leave; and for jury duty, which members may recall was a bit of an issue a few years back when people who were called upon to perform what I consider their civic duty in serving on juries found themselves exposed to the possibility of not having a job to return to. So that has been cleared up.

Now, this expands that notion of protection and ensures that people don't have to worry about having a job to come back to. In fact, what will happen under these provisions is that people will have the ability to take advantage of these leave provisions. It won't have to be for the entire eight weeks, although the legislation does stipulate that it must be taken in one-week increments. The rationale behind that is really not much more complicated than ensuring there is a coherent way to calculate what the leave entitlement is and the fact that there are some administrative issues around managing leave for employees. That strikes me as a reasonable provision, that the leave would be in one-week increments. It is for up to eight weeks.

The legislation does contemplate a mechanism by which that clock can be reset so that it's not merely a case of someone having a one-shot deal or a one-shot opportunity at the eight weeks. There are provisions by which the clock can be reset. I'm sure we'll be able to canvass some of those details around the legislation in the committee-level discussion that will occur in this chamber.

I have been heartened by the reaction that has followed in the aftermath of introducing the bill a week

and a half ago — the realization that many people have around the difficulties associated with balancing the obligations they feel to their families and the obligations they feel professionally. Yet the question I was asked most often by people who turned their attention to this bill and this piece of legislation and its amendment was about the reaction that might have followed from employers or the business community.

Anecdotally, I think the best I can say is that this hasn't.... For employers who understand the need to have employees who are not distracted by something as debilitating as the serious illness of a loved one, this isn't an issue. This is the right thing to do. It is a commonsense thing to do. The fact is that now — assuming, as I hope I can, that this provision will pass through this Legislature — with this statutory protection, there will no longer be any doubt for any employees that they will be able to rely upon this as an added protection, in the same way that virtually now, I think, all but two provincial jurisdictions in the last year and a half have made the amendments to bring provincial legislation in line with the federal provisions.

It's good news, I think. I'm certain, actually, that it's good news. It is a provision that all of us hope we don't have to use and that employers, I'm sure, hope their employees won't have to use. But when the time comes and we are confronted by the need to address the needs of someone we love very dearly — whether it's a parent, grandparent, spouse, partner, child — the last thing we should have to worry about is whether or not there is adequate protection there to ensure that we have a job to return to. Passage of this provision, which I am commending to all members of the House, will ensure that that burden is lifted from the shoulders of an employee.

[1730]

**C. Puchmayr:** Thank you to the Labour Minister for his comments.

Certainly, this side is pleased with the direction that the government is going with respect to this legislation. There are eight provinces so far and two territories in Canada that already have this legislation. Of course, federally it is already applicable.

There had been some significant changes to the Employment Standards Act in 2002. The 1995 Employment Standards Act was severely rewritten and took away a lot of protection to workers. So when I hear of a component or of something in a positive sense coming back into the act, we certainly are here to support it.

But we're also here to talk about some of the other issues and some of the other parts of the act that have been removed, and even to challenge the Labour Minister to go in the direction to look at some of the other changes and the catastrophic impacts they have had on workers — immigrant workers, young workers, all workers in the union and the non-union sector. I think we need to introduce more legislation that will resolve some of those issues.

Some of the changes that were made in the drastic cuts to the Employment Standards Act include.... The

minimum shift provisions were removed — two hours from four. So we have young people who are travelling great distances to get to work, and they're told that they're only working for two hours today, and they're sent home. When you look at the bus fare and the transit fare from Abbotsford to Vancouver, and you're working at \$6 an hour, you're making \$12 and basically paying that for transportation and then sent home again. It's something we need to look at and we need to re-address.

The training wage itself is, in my opinion, being abused. People are going into jobs where they are basically trained within a very short period of time, but the training wage can continue on and exist for six months beyond what is really reasonable. It certainly isn't what we were told that the intention of this training wage was.

We've seen a reduction in the eligibility for statutory holidays. Even supervisors, anyone that has any type of supervision positions or scheduling positions, are eliminated from all statutory holidays. We have seen employers that are merely upgrading people to minimum-wage supervisors so that they no longer have to pay statutory holidays. Again, the intention may have been different than the interpretation and what some employers are doing.

Don't get me wrong. There are many, many fair and reasonable employers out there. Regulations and legislation aren't there because every employer has a high standard and a great sense of ethics in the workforce. The enforcement should be there because there are issues that need to be dealt with in enforcement, and regulation needs to be there.

The reduction in hours of work. The averaging agreements where employees are now forced to work considerable lengths of overtime as long as at the end of the week they're not working 40 hours. Pregnancy leaves are less flexible now. Again, they've been moved into consecutive weeks, and I don't think a baby is planning their coming into the world on consecutive weeks. Again, that's something that really wasn't adequately thought out.

Excluding farmworkers from the regulations and hours of work and overtime and statutory holiday pay is something that is really showing itself in this province to such a degree that we now have to import farm workers from other countries on a temporary basis under some federal legislation that brings them in on a temporary basis.

[1735]

I should add that those workers come in under a minimum-wage standard, whereas the current farm workers in our province, in the hand-harvest sector, have lost their wages through the reduction of the legislation, the employment standards branch, and they have gone to simply piecework. So there's a huge step backwards in how we treat immigrant workers especially, and many women immigrant workers.

The other issue.... I hope that the minister is in this great mood to bring in this legislation and that he will really, seriously look at the child labour issue, where

children as young as 12 can now work in some dangerous occupations in this province without the checks and balances and the accountability that was once in place under the old provisions of the labour standards branch.

The hours of work. Even in the unionized sector no one thought that that would have such an impact, because the unionized sector has another provision: they're able to negotiate collective agreements. Certainly, we've seen it in the forest industry.

I've gone to some of the small forest communities and talked with workers, lobby groups, small mill operators and small logging company operators, and taking out the provisions of the hours of work, some people are working ten 11.7-hour shifts in a row. Where they used to be in a camp, they're now using a lot of their time to go into the forest, into the bush, to work. They're putting in 11.7-hour shifts. They're doing them ten in a row, and then they're getting five days off. These people are literally walking zombies. The instructions I'm getting from their spouses and their families is that this has a direct correlation in the fatigue and the issues with regards to safety in the workplace.

The other issue that we certainly have some concerns with.... I guess this bill will sort of play itself out when we start looking at the enforcement provision of it. It's great to have some legislation or some regulation, but the enforcement system — the way it works now — is very onerous on the worker. There is no longer, except for extreme cases, an ability for a direct response from the employment standards branch. There is, first, a diversion into the self-help kits, which is basically almost like filling out a summons and handing it to your employer. There is certainly an intimidation factor. With people that are new in the workforce, they find that daunting and overwhelming. Many aren't going through the process of doing it.

So if we're going to have some changes in legislation because we feel compassionate about it, we should also have changes in the governance and in the inspection of that legislation so people will feel comfortable that if they are now being discriminated against for using the sick leave provisions, there is an immediate inspector that will be dealing with that case, as opposed to them having to fill out a computerized self-help form. So I would like to see more scrutiny of the workplace with respect to how we implement these laws.

The time of workers' complaints.... Their ability to complain, of course, has been reduced to six months. Workers that are engaged in the self-help process.... I think we discussed that with the Labour Minister during the last estimates period — the difficulty in accessing those links if English is not your first language. If you have difficulty with English, it's extremely difficult to manoeuvre through the self-help system. For somebody that has challenges with English, or they're new immigrants in this country and are learning English, there is a great difficulty. I was sort of hoping that after our estimates we would hear some good news with respect to, at least, streamlining that process.

[1740]

You know, the number of employment standards complaints has dropped by 61 percent, but again, I link that to the fact that we now have this sort of daunting process of appealing or of having your issues heard. There has been a 50-percent reduction in officers, and there has been a significant reduction in the actual employment standards offices throughout the province. We certainly would like to see some of these other provisions come back in again.

Now back to specifics on this legislation. In 2004 the then Labour Minister, Graham Bruce... I'm just quoting from the *Trail Times*, July 29, '04: "On the matter of compassionate leave, there is nothing to prevent B.C. employees from receiving compassionate care benefits if their employers give them time off, and with changes to the employment insurance, employees taking time off to provide care will not be without income."

At that time the minister suggested that while the federal government was bringing in new rules allowing qualified workers to take several weeks of compassionate leave, B.C. had no plans to follow suit. The Minister of Development and Labour believed that it could be organized between the employee and the employer based on circumstances, so I'm sensing that that in fact didn't work — that there have been some issues. Certainly, I have heard some concerns with the other governance of that employment standards branch, especially with the enforcement of it, and so I can assume this is a response to that.

I must preface that it is a reasonable response that this legislation is being brought into British Columbia. Again, I have stated eight other provinces and two territories.... Doctors are concerned about putting on a note that this person is going to die within the next 26 months, so they're reluctant to do that. In Quebec it merely needs to say there is a serious and potentially mortal illness. Maybe we can massage that part a little bit so that it has the same impact, but we don't have to use the words as harshly as this will project.

Also, I heard the minister say with regards to having a 26-week period or an eight-week period where people don't have to worry about other things while they're dealing with a serious crisis in their family and with their loved one.... In Quebec they went as far as 104 weeks for a child, and I will be proposing an amendment during the committee stage to have a 104-week process if a child is diagnosed with a terminal illness.

I do believe that these changes are overdue on compassionate leave, and I'm very pleased they're coming in. It makes no sense to penalize a family during family emergencies or illnesses. Even though the former minister found that it was unnecessary, I'm pleased that this minister has brought it forward and agrees that it is necessary.

The bill is especially relevant for women. Most of the caregivers in cases such as these are women, and you know that women are also still in the lower pay scale in this province, in this country. So this certainly goes a way towards assisting and ensuring that they

still have employment to return to at the end of this traumatic time in their lives.

I'm going to close by stating that while this bill is a step in the right direction, it certainly doesn't make up for the deep cuts. I look forward, and I challenge the minister to come forward with further amendments to change some of the drastic and deep cuts that were made. We're seeing across the board that this government has made some very significant cuts that are showing some serious issues in this province. Certainly, moneys have had to be put back in to address those. I'm hoping this is a direction we're going with this bill as the first step towards that.

**Hon. B. Bennett:** I just wanted to very briefly get up and say a little bit about this legislation — Bill 8, the amendments to the Employment Standards Act — both from the perspective of being the minister responsible for mines in the province but also from my local perspective as the MLA for East Kootenay, where we have five working coalmines.

[1745]

People that work in the mining industry tend to work in fairly isolated circumstances. When they have a family member that gets ill — whether it's a child or a spouse or more likely, in today's demographics, a father or mother — they often have to travel quite a ways to go back and see their parents, or their grandparents in some cases, and help out.

About a year ago some folks from the Elk Valley who work in the coalmining industry approached me and asked if there was any chance that B.C. could make this change to the Employment Standards Act. I went and spoke with the minister responsible, the minister who introduced this legislation today, and he very kindly began to work on it. As a result of that, we're standing here today talking about the legislation, and I'm very grateful to the minister for having introduced the legislation.

I did want to just read into the record an e-mail that I received from someone who actually worked fairly hard on me to try and bring this particular legislation up on the government's agenda. This is an e-mail that was sent to me dated March 10. It says:

Subject: Compassionate Care

I thank you for keeping your campaign promise regarding my request to strive to have compassionate care benefit leave incorporated into the Employment Standards Act. On behalf of all workers across this province, I take this opportunity to thank you and all your associates who contributed to ensuring that this legislation was incorporated into the act.

I agree that this legislation will not only protect workers' jobs while caring for a terminally ill family member, it will also provide dignity to those who receive the care as well as those who provide the care.

Don Takala, President  
United Steelworkers Local 7884  
Elkford, B.C.

I thank Mr. Takala for that e-mail, and I thank the minister again for the legislation. I think it's important that we make sure that folks who work in all of our industries, not just the mining industry, have the opportunity, as they do in other provinces, to look after members of their family who may need their help. With that, Mr. Speaker, I will sit down.

**Mr. Speaker:** Seeing no further speakers, Minister of Labour and Citizens' Services closes debate.

**Hon. M. de Jong:** Thanks to members who have contributed to the discussion on both sides of the House. There are some issues, obviously, that we will canvass in greater detail at the committee stage.

I move second reading.

Motion approved.

**Hon. M. de Jong:** I move the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 8, Employment Standards (Compassionate Care Leave) Amendment Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. C. Richmond:** With that, we will take our dinner break and recess till 6:45 p.m.

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

The House recessed from 5:49 p.m. to 6:46 p.m.

[Mr. Speaker in the chair.]

**Hon. G. Abbott:** In this chamber, Section B, I call the estimates debate for the Ministry of Children and Family Development. For the information of members, the estimates debate continues for Ministry of Small Business and Revenue in Section A.

### Committee of Supply

#### ESTIMATES: MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

The House in Committee of Supply (Section B); S. Hawkins in the chair.

The committee met at 6:47 p.m.

On Vote 19: ministry operations, \$1,234,026,000.

**Hon. S. Hagen:** We're here to discuss Vote 19, ministry operations of \$1.234 billion for the year '06-07, and to seek approval of the House.

I'd like to introduce the staff with me this evening. As required, I will rotate the staff through the discus-

sion to better answer your questions. As staff join us, I will introduce them to the committee. Maybe I'll introduce them all right now, and then I can introduce them again.

To my right I have Arn van Iersel, who is the acting deputy minister; Beth James, the acting associate deputy minister; Sarf Ahmed to my left, acting executive financial officer; Lenora Angel, assistant deputy minister, aboriginal and transition services; Mark Sieben, acting assistant deputy minister, children and family development; Kim Henderson, assistant deputy minister, strategic planning and business intelligence; Robin Syme, assistant deputy minister, early childhood development and child care; and Alan Markwart, who is the assistant deputy minister, provincial services.

Before addressing the specific budget elements of this ministry, I'm going to take a few moments to talk about Budget 2006 in general and to put into context what it means to me as the Minister of Children and Family Development. We've all heard this budget referred to as the children's budget. While it's true that children are a well-deserved focus of this budget, it's equally true that this budget is for all British Columbians.

On July 26, 2001, I stood in this House and gave my first response to the throne speech as a member of this government. At that time I spoke about why I had re-entered politics. I told this House that an overriding issue for me was the state of the provincial economy. I felt that we had lost a sense of pride as British Columbians and the ideals of our province in our land of limitless opportunity, endless potential and sustained prosperity.

Now just over four years later, I can talk instead about a renewed sense of optimism and pride right across British Columbia. Why? Because we have a strong economy. We're moving forward as a province and leading the nation.

[1850]

What a joy it is to be able to talk about how British Columbia led job creation right across the whole of Canada in 2005, or that 90 percent of the 275,000 jobs created since the winter of '01 are full-time positions.

That's how it is today. Looking forward, the future is even more exciting. In fact, it's looking golden, as our Premier said it would. The Bank of Montreal Financial Group, TD Bank and RBC Financial Group all predict British Columbia's economy will continue to be a top national performer for the rest of the decade.

With the economic recovery we've worked so hard for together as a province since 2001, in Budget 2006 the Minister of Finance has delivered back to the people a budget that does so many things for so many people. Our province's renewed economic prosperity allows for key investments in areas like skills and training; reduced taxes for homeowners — just part of a four-year tax reduction package worth \$733 million; investments in natural resources and sustainable development; research and innovation; new investments in infrastructure; more support to new immigrants; and increases the investment in our health care system.

The exciting thing to me, as the Minister of Children and Family Development, is that all of the items I just listed will impact children, families and their communities in positive ways.

I'm just going to talk about the ministry budget. This budget makes a significant new investment of \$421 million to improve and enhance services for children and their families over the next four years. Nearly 65 percent of that, \$273 million, is coming to this ministry. The new funding announced in this budget for '06-07 is \$54 million, and we're seeing a 3-percent increase over the '01-02 budget.

This budget is about funding new priorities in the ministry. It's also about prevention and keeping families together. Let me tell you about a few of the things that the ministry is going to achieve with the additional funding.

Regarding aboriginal families. Aboriginal children comprise just 9 percent of the child population in B.C. Unacceptably, they represent 49 percent of children in care. Children are the heart of the aboriginal community. We continue to work with aboriginal leaders and their communities to enhance their capacity for service delivery. We are continuing to work jointly with them to develop five regional aboriginal child and family development authorities. Budget 2006 provides \$31 million over three years in additional support of this goal.

We're putting \$72 million over the next three years into the additional supports for caregivers, families and children in care and ministry staffing. Some of these measures include more social workers and other front-line staff — nearly 400 FTEs across the province; alternative dispute resolution processes, such as mediation and family group conferences, to help families stay together; and more resources for grandparents and other relatives looking after children under kith-and-kin agreements.

Last fall I had the opportunity of meeting many foster parents at various foster family appreciation events around B.C. These folks are top-notch. I cannot thank foster parents enough for what they do, because without them, so many of our children would simply be lost. In speaking with foster parents, I heard time and time again that one of the biggest hardships they face is rising transportation costs. It's been more than a decade since foster families received an increase in their mileage rate. Budget 2006 provides us the opportunity to change this. Effective April 1, we are increasing the mileage rate by 50 percent.

The ministry also received an additional \$100 million over the next three years to fund new services for children and youth. A focus for this ministry will be bringing those services closer to communities, increasing their effectiveness and targeting early intervention. Our priority and goal is to keep children safe, healthy and with their families and communities. In doing so, our objective has never been to simply move children off government care rolls. It's much more fundamental than that. We want to shift when and where we provide support. We say: let's not wait until a family is

broken and then remove the children. Instead, let's identify children and families at risk, and give them the kind of help they need at a time when they can really use it.

[1855]

Involving families and communities in decisions about children's care allows for more options such as family group conferences, mediation, kinship agreements and independent living arrangements for older youth. One hundred million dollars will go a long way in moving forward on our priorities for keeping children safe and healthy in their families and communities.

I'd like to talk briefly about mental health. An estimated 140,000 children and youth have mental health disorders in British Columbia. In fact, mental illnesses constitute the most significant group of health problems for children and youth. This budget adds \$17 million more in '07-08 to fully fund our B.C. child and youth mental health plan — the first of its kind in Canada. By that time, our commitment to phase two on an annual basis will be \$44 million. It's an unprecedented expansion in this province and right across the nation.

In British Columbia we're seeing a growing population of children and youth with special needs. Recent improvements in screening, diagnosis and assessment help us to identify more children with special needs, including children with autism spectrum disorder. This ministry currently serves about 16,000 of the estimated 52,000 children and youth with special needs in B.C. Budget 2006 adds \$36 million over three years for assessments, reduced wait times and services for school-age children.

By the numbers, this funding increase means that by '08-09, up to 3,000 more children and families will receive infant development program services; between 3,000 and 4,500 children with special needs will receive 5,200 new therapy services; 1,150 more children between the ages of six and 12 will be able to access supported child development; 1,000 more children will receive specialized fetal alcohol spectrum disorder and other developmental behavioral intervention; 800 additional families will benefit from respite; and 650 more children with complex needs will receive specialized services.

In order to break down ministry silos, the ministry is upgrading its information management systems over the next three years in collaboration with other ministries and stakeholders. With more integrated information about the ministry's clients and contracted services, we'll improve the capacity to make timely and appropriate decisions at all levels within the ministry.

I recently visited the Burnaby Youth Custody Centre and saw first hand how aged the facility is and how the programs and services have outgrown it. It was wonderful news for the staff of the Burnaby Youth Custody Centre that this budget approves the transfer of the facility to a new site at the former Burnaby women's correction facility. We will be spending approximately \$17.7 million on modernization and alterations, and the new location will be operational by June of 2007.

Madam Chair, these are all the reasons why I came back to politics just over four years ago — to help get British Columbia back on track and to ensure that we as a province regain our sense of pride. With all the new services and benefits to children and their families that I've just outlined, Budget 2006 gives me, my executive and ministry staff great pride. With the release of the budget a few weeks ago, we delivered the ministry service plan, which outlines the strategies and goals of the ministry over the next three years.

In addition, I've asked some tough questions that are being looked at by the child and youth officer and the Hon. Ted Hughes. We recently received one of the child and youth officer's reports, which provided what I think are thoughtful recommendations, and we'll be balancing those recommendations in the context of Mr. Hughes's report. I have high expectations of the coming reports, and I have high expectations of our ability to implement the resulting recommendations. This budget gives the flexibility to respond to these reviews while continuing to move ahead in the many other areas for which the ministry is also responsible.

In conclusion, Children and Family Development is a challenging ministry — the toughest of the nine that I've been fortunate enough to lead. These are exciting times ahead for the ministry, but they are serious times as well. I'm confident that with our continued growing economy, our new relationship with first nations and the leadership of our Premier, we are heading down the road to the achievement of our five great goals — goals which benefit all children, youth and their families.

**A. Dix:** It's a pleasure to be here tonight. I think the minister, his staff and I got about seven and a half minutes' notice, so we didn't have any anticipation of this premiere tonight. We're just going to have to go with that.

[1900]

I wanted to say how delighted I am that some things have changed. When I first asked the minister questions as critic for Children and Family Development in this House in September last, the minister at the time said he had more than enough money. He said that things were going great. I think we've seen over the last number of months that things aren't going great and that he was wrong and that people — it's not me; it's not a question of whether the opposition is right and the government is wrong — in the system who had been saying for years again and again and again that you can't institute the kind of reductions in funding to the ministry and at the same time try and radically restructure the ministry. That was a recipe for disaster. They were right, and the government was wrong.

I think we've seen a little bit, in this budget anyway, a recognition of that fact — a recognition of the fact that the government made serious mistakes and an acknowledgment in December by the Solicitor General, the minister and the Premier that those mistakes were related to budget cuts. Finally, it's an acknowledgment

that this is not an area that should be the focus of budget cuts, that children and families are too important.

I think the minister talks about valuing families. I think that for that to be more than just rhetoric.... Surely, if it is to be more than just rhetoric, then you must support families where they live. You mustn't, for example, cut payments to single mothers — that doesn't support families — or limit their access to income assistance, because you see the consequences of that in the child protection system. You see it every day in the child protection system. These issues are inextricably linked.

The minister talked about where we are in Canada. You see it in the fact that according to Statistics Canada, we have the highest child poverty in Canada, and it's not mentioned anywhere in the service plan of the ministry for children. There's no recognition, no response, no performance indicator in that regard.

I think we've come some way. I've come some way in convincing the minister of the importance of increasing investment in this ministry, of providing appropriate supports to families and children. I'm pleased with that. I acknowledge that because I think it's always wrong to always be critical and not to acknowledge success where it occurs. So I want to do that.

I want to start a little bit tonight in some of the detail of the estimates, which is what we do. I want to just ask the minister if he agrees with a statement that I read recently. It says:

Access to government information helps us as the official opposition and others to hold government to account, and accountability enhances democracy. When government does its business behind closed doors, people will invariably believe that government has something to hide. Secrecy feeds distrust and dishonesty. Openness builds trust and integrity.

But freedom of information is not just a tool of opposition. The fundamental principle must be this: government information belongs to the people, not to government. This means, among other things, that all citizens must have timely, effective and affordable access to the documents which government makes and keeps. Government should facilitate access, not obstruct it. Moreover, information rights are meaningless if disclosure timetables cannot be met because there aren't enough staff to do the job or if fees become an obstacle to access.

[S. Hammell in the chair.]

The minister may recognize those words. Those were the words of the man who would be Premier, the man who is Premier of British Columbia.

[1905]

Can the minister explain why it is — and actually, when you consider the deluge of FOI requests that his party descended on government and opposition, we've been much more moderate in our use of that tool — that they never followed the law in his ministry, in my experience, in the FOIs we have brought forward? Why, in fact, systematically are the word that has been given and the answers and the time lines that the op-



position has been given and many citizens of British Columbia are given in dealing with his ministry never kept? Can he explain why that would be from a government that claims to have a commitment to openness and freedom of information?

**Hon. S. Hagen:** Pretty strong comments from a member who claims that he is not always negative. So I'm still waiting for the positive side.

In answer to your very specific question I will give you a very specific answer. The number of overdue requests has decreased by 60 percent since September '04. Even though there is still a significant backlog, we have improved by 60 percent. The turnaround time has decreased by 31 percent, from an average of 63 days in the calendar year '04 to an average of 44 days in '05.

**A. Dix:** Let me be specific. Just to give the public out there the experience that those of us who have to deal with the ministry and try and get information have with the ministry, I want to take the minister back to the summer of 2005. At the time, as you recall, we contacted his office. I contacted the ministry and asked for copies of the kith-and-kin guidelines at the time, which was a public document that was sent to agencies.

The minister's office — kind of the first experience we had — refused to provide that public document. So on September 2 we filed a freedom-of-information request. That freedom-of-information request was due October 19, and I had some hope that I would actually get the information before the estimates. I don't mean today. I mean the estimates we did last fall. But no. In fact, on October 26 we arranged fee payment. We paid, I think, between \$300 and \$400 for this information from the ministry and the government — information that was relevant to a subject of public debate that was before this Legislature, that the minister and I had debated in the House both in question period and in estimates.

On November 30 the FOI manager of the ministry said, "I'm expediting the FOI review" — expediting, November 30. On December 12 the FOI manager states: "The records are in review. I have been reviewing the file myself to keep it going." He said that there were about 500 pages, that they had them then and that they just had to review them.

I just remind the minister because it's fascinating to see the answers we get in estimates. The minister said at the time that essentially, no documents had gone to cabinet. I should say that this is a request for policy documents. Essentially, there are not privacy considerations involved here. It is not like we're asking in this case for directors' reviews or stuff that involves people's privacy. There might have been issues of cabinet confidentiality, except the minister said, really, that nothing had been prepared for cabinet, so it would be unlikely that there would be very much of that.

So we go on. On January 12 the FOI manager promises the reply by January 24. "I regret the lateness of this file. The information and privacy officer assigned to this will begin the actual electronic severing of this

file under the Freedom of Information and Protection of Privacy Act tomorrow."

January 26, two days after we had been promised at that time but already four months late under the law — I mean, we're talking about a law that is supposed to apply to the minister and his staff as well — and still no document. So we've involved the freedom-of-information office, and they've made effort after effort to get this information from the government. It's not secret information. It's the information the ministry based its decision to implement the kith-and-kin program on, and the ministry and the minister have systematically denied access to that information. They've done that.

They've been in violation of the law — and they are to this day — of freedom of information for this information, which I think was a reasonable request, on a subject that was actually a subject of general public debate. I wasn't asking what the minister had to eat on November 25. This was an important issue of public debate.

[1910]

We weren't looking for dinner receipts; we weren't looking for things. This is something that the public should know about, that is a subject of debate in this House. It was a reasonable request, and the ministry has consistently denied access. They've covered up this information. They haven't allowed us access to it. I would like the minister, given his comments about FOI, to explain months after months after months of delays.

**Hon. S. Hagen:** Let me just fill the member in on the number of requests that the ministry processes each year. I'm sure he'll find this interesting.

In '04 the general requests totalled 52. In '05 they totalled 73. Personal requests in '04 totalled 1,392; in '05, 1,249. So the total requests made to the ministry in '04 were 1,444 and in '05 were 1,322.

However, when you look at a more important statistic, it talks about the number of pages processed. It's important that the public understand that these are not just simple one-line questions that are being asked. The number of pages processed in 2004 totalled 537,000. In '05, almost the same: 539,000 pages.

Particularly when you're dealing with issues of confidentiality and the protection of privacy, there has to be a lot of time that goes into the production of these reports. As I'm sure the member knows, I do not have and should not have any direct influence as to when these reports come out.

I just was told, though, that the report that I think you're being very specific about is being released tomorrow. Having said that, I haven't seen the information. I don't get to get involved. As a matter of fact, it would be inappropriate for a politician to involve himself or herself in the release of such information.

**A. Dix:** Can I ask the minister, then — he talked about improvement — how many freedom-of-information requests are not done under the legal requirements? Remember, we're not talking here....

It seems that the minister's response to the question about whether his ministry should obey the law is that it's hard. Well, it is hard to do that. It is hard to obey the FOI law. It's a challenging thing for government, especially when you're guarding so much privacy in this ministry. To be fair, it's a difficult process.

I want to ask the minister: what percentage of FOI requests are done within the time frame set out in the Freedom of Information Act?

**Hon. S. Hagen:** We don't have that information, but I'll be happy to provide it.

**A. Dix:** The minister says he doesn't get involved directly in individual Freedom of Information and Protection of Privacy Act decisions, and I understand that. But he is involved directly in assigning appropriate staff, and I have to tell him — maybe he knows this — that there is nowhere near.... There is, in fact, an expectation, because the area is so understaffed in the ministry, that they won't be able to meet deadlines. There's that expectation because staff have completely....

That's the response. That's the frustration at the staff level when you make requests. You say: "Where is the FOI request?" They say: "We've got a lot of FOI requests. We can't deal with it. We don't have sufficient staff." Surely the minister will understand that that is his responsibility: to ensure there are adequate resources to follow the law. The ministry doesn't do that, and that's problematic.

I want to bring his attention to another FOI request that we made and that others have made and that is consistent with things he personally gave assurances on to the people of British Columbia. In March of 2005 he gave assurances that directors reviews, severed, would be available to British Columbians. In August he wrote an op-ed piece bragging that he was releasing directors' reviews.

[1915]

In the Legislature.... Let me bring to his attention to a question from me, November 2, 2005: "I just want it to be clear from the minister. Of course, my second question would be: with respect to the completed audits" — we're talking about directors' reviews — "can we receive copies...?" Minister: "Yes, but they'll have to be severed to meet the requirements of the Freedom of Information Act."

We had made a request. We had a request at that time. He personally committed to making sure those requests were done in time. Guess what. We don't have those requests either.

In fact, in that case, which are important issues of public policy.... It's not just me asking for it. It's others. The minister made a personal commitment to make those available. He bragged about the fact that they were available. Yet in that case, I think we paid \$275. Even the minister's personal assurance in the House.... I don't know if we get interest when you don't deliver. I don't know if we do that. He hasn't provided that in spite of his bragging.

The famous statement that the minister made, "the most open jurisdiction in the western world," was based on the fact that these were to be made public. Of course — guess what — he promised it then. We're in the estimates now. They haven't been made public. They haven't been provided. That FOI request hasn't been fulfilled.

**Hon. S. Hagen:** You know, my critic has accused me of bragging, and I can't help but brag about the staff and the ministry because they really are a fantastic group of people. They do their job extremely well. Wherever I go throughout the province, I get to meet the front-line staff, and I get to say a personal thank-you to them for the incredible job they do. So I will actually continue to brag about the people in the ministry, whether they be at the head office or out in the field.

The question has been raised about whether or not we have enough people doing this. Well, I would like to point out to the member for Vancouver-Kingsway that this ministry has the largest freedom-of-information and protection-of-privacy section in all of the B.C. government. We also get the highest number of requests each year. The workload is up significantly for the requests for general information, and additional resources are being provided to deal with this increase.

Staffing action initiated in October led to two new information and privacy officers beginning January 3 and another on February 6. Two experienced auxiliary workers were added in February, and the job competition to permanently staff these positions closes March 31. A further position has been filled by a temporary appointment from April of '06 to January of '07.

**A. Dix:** Well, that's very interesting, but the minister, of course, didn't answer the question, so I guess I'll give him another chance. He promised to make those reviews available. He did. He did it in March of 2005. He did it again in August. He did it again in September. He has failed to do that, so I want to ask the minister....

We did an FOI request in October. Not only is the request late. We still don't have it, of course. So I think I'd like to ask the minister, then.... I mean, this is part of the frustration, I guess, that one experiences in this place when basic access to information is denied as a matter of policy by the ministry. It's certainly a frustration that lots of people — individuals who are not involved in the political side of life but who seek information from the ministry — feel. They certainly write letters to me, and I know they write letters to the minister in this regard.

[1920]

Perhaps the minister can tell the House why it would be that he would make personal commitments again and again and again to release directors' reviews and then not do it, then have an FOI request, then promise in estimates he would do it, and now here we are on March 20, 2006, and it's still not done.

**Hon. S. Hagen:** Certainly, I'm aware of the commitments that were made, and those reports will be

released, as I said. The first one is coming out, I'm told, tomorrow. The second one, which is more complex, requires more complex severing and very specialized work. It won't be ready until after Easter, but I am assured by staff. They tell me that it will be ready to be released after Easter.

**A. Dix:** The minister has told me when he thinks it might end, which is, I guess, the five-month anniversary of the deadline under the law.

Can the ministry staff perhaps assist the minister in telling me when the work began? Did it begin after the minister promised to do it, in March of 2005? Did it begin after the minister bragged about doing it, in August 2005? Did it begin after we submitted the FOI request or others submitted the FOI request? When did the work on this question begin?

**Hon. S. Hagen:** I would just remind the member opposite that this is one of the terms of reference that the Hon. Ted Hughes has and that he is looking at as well. That is the reporting-out aspects of the ministry. As you know, that report is due on April 7, and I'll be very interested to see whether or not he has any recommendations in this regard.

**A. Dix:** Is the minister saying that in anticipation of Mr. Hughes, the ministry is not for the moment fulfilling its commitments to freedom of information now?

**Hon. S. Hagen:** The answer is no.

**A. Dix:** Well, as fascinating as FOI is for the minister, I'm going to disappoint him by moving on.

I wanted to talk about the performance measures that the ministry judges its actions by. The minister talked about the economy in British Columbia, so I want to ask him about his service plan. There are, I think, lots of interesting and — some of them — troubling things happening in the economy of British Columbia right now. One of the things we've seen is that in all the measures — these aren't my measures, and they're not the government's measures; they're largely Statistics Canada measures — the child poverty is higher here than it's ever been today and that child poverty is the highest in Canada.

I'm perplexed, I guess. I've heard the minister speak about this and give a statement about this, opening up this discussion. I'm perplexed as to why there aren't measures of child poverty in the ministry's performance plan and why that isn't a priority for the ministry. What is the minister's reaction when he reads reports that say that poverty in Canada based on — and it's the measure that it's always been based on — the low-income cutoff is the highest in Canada? How does that make him react?

It's one thing to say that the economy's going great — and that's an interesting discussion and everything else — and that economic growth is high, but clearly, what we're seeing in our society today.... When I go around to talk to ministry employees, to talk to social

workers as I do from time to time, to talk to people who work with children and youth, to talk to people who deal with adults with developmental disabilities, to meet with them and to hear their concerns, they tell me the same thing. Things are harder for them now, and partly they're harder because of actions of this government.

[1925]

People respond to reports all the time, and they wave reports — number one in this and number nine in this. How does he react as minister responsible for Children and Family Development when he reads independent reports that child poverty is higher in British Columbia than in any other province in Canada?

**Hon. S. Hagen:** As the member knows, I'm sure, the primary responsibility for this lies in the Ministry of Employment and Income Assistance. However, I can make a few general comments.

The report that the member refers to is outdated. It's 2003. If you think back to 2003, we were just coming out of the bad times, the dismal decade of the '90s, which the member had sort of a personal role in.

As I said in my opening remarks, we actually have turned things around. The power of a strong economy has enabled us to produce the budget that we have in '06. We have the highest funding for child care subsidies and capital improvements in B.C.'s history.

Budget 2005 reduced or eliminated provincial income taxes for about 730,000 people. Most individuals earning up to \$16,000 a year will pay no provincial income tax. Government also increased the threshold to qualify for MSP premium assistance by \$4,000. This reduces and eliminates premiums for about 215,000 British Columbians. Families of four with net incomes of \$29,000 or less will pay no MSP premiums.

Are there things that government can do? Absolutely. Certainly, the fact that our unemployment rate is the lowest ever, since they started compiling figures in B.C., is good news for families and for children, because if you're working, you don't have to depend on government or on charity.

**A. Dix:** I suppose one could comment on the fact of the use of health reports using data from 2002 and saying number one in Canada. Stuff like that might be outdated as well. But we won't go there, because that's not within the estimates of the Ministry of Children and Family Development, and we wouldn't want to stray from that.

I think what the report shows is that — I want to ask the minister very straightforwardly — the number of poor children in British Columbia is over 200,000 — and not a mention in his service plan. I'd like to know why performance measures like the low-income cutoff and others don't represent targets and performance measures as a performance of the Ministry of Children and Family Development.

Before he says: "Well, that's not got anything to do with me. It wasn't my ministry that cut single mothers

off welfare. It's not my ministry that eliminated the child care program." Well, it was. "It's not my ministry that does all this." I just want to get his reaction to this. The Dieticians of Canada did a report on British Columbia, and they talked about the amount it costs to feed a family and for individuals to feed themselves in a minimal and appropriate way.

The minister will know, because there are children on youth agreements. He's, I'm sure, met some children on youth agreements — met with youth workers, as I have — who receive a pittance compared to what it costs a person to live in Vancouver today. If he hasn't met with people on youth agreements living in the downtown east side of Vancouver, in conditions that I think, as parents.... Of course, in those cases, we are parents, not just the minister or ministry or everyone else. All of us are parents.

[1930]

Given the cost of eating in British Columbia, as reflected in the work of the Dieticians of Canada in their report, which they have recently released in November, 2005, whether he takes that into account.... Whether he's considered the cost of housing in the city of Vancouver and around the lower mainland, and its impact on young people — who are our children — who are on youth agreements and who are paid, in terms of those youth agreements, a pittance of what one would need to live a normal life and are doing so in some of the most appalling of conditions.... How is it that this is his reaction to that? His reaction to a report that says we have the highest child poverty rate in Canada is to kind of slough it off. Well, I don't slough it off, I say with great respect to the minister, and I don't expect him to.

We are seeing some realities in economies across North America of increasing disparity of income, where economic growth is associated for the first time in many jurisdictions — not just in British Columbia — with an increase in poverty.

I'm asking the minister: does he have any plans to respond to this increase in poverty? Is that a performance measure that should matter in his ministry performance measures? What is his reaction, as a parent — because that's what we are, collectively — when young people who are our children and who are the responsibility of the ministry in some fashion are paid a pittance of what one would require to eat properly and to live in even minimal conditions in the city of Vancouver?

**Hon. S. Hagen:** I'm actually glad that you raised youth agreements. As I mentioned to you just before we came in here, I was in Prince George at the Youth Custody Centre last week and met several of the clients inside. It was really interesting, because one of them.... We were just sort of having a chat. One of them said to me: "So are you responsible for youth agreements?" I said: "Yes, I am. That comes under the Ministry of Children and Families. Are you going on one?" He said: "Yeah, I am." I said: "So what do you think of them?" He said: "They're great." I didn't know whether

I was going to get a criticism or what, but he thought they were great.

Having said that, you're asking why there isn't something in our service plan about child poverty. Well, the reason there isn't is that it comes under the responsibility of my colleague, who is the Minister of Employment and Income Assistance. Having said that, we do a number of things in the ministry with regard to youth particularly.

[1935]

Here are some of the transitional supports to youth between 16 and 18, because the objective here is to prepare them for independence. For youth who are in care through order or agreement, social workers and care workers support youth in acquiring independent living skills prior to their 19th birthday. Youth who are continuing-care wards can additionally enter into supported independent living prior to their 19th birthday, plus receive post-majority support for post-secondary education through our youth educational assistance fund.

For youth with significant mental health issues, the youth supported independent living program has been available in a few locations — Vancouver and Burnaby. Youth agreements are, as you know, out-of-care alternatives to MCFD guardianship that provide comprehensive individualized wraparound supports directly to youth living in supported independent living situations. Youth whose temporary orders or agreements are about to expire and youth who may or may not be known to MCFD and are dealing with adversities like homelessness, drug addiction or sexual exploitation may enter into a youth agreement with a director.

So, does the government care? You bet. The average amount direct payment to a youth in a youth agreement is approximately \$880 a month. I'm not disputing that it's more difficult to live on that in Vancouver than it is in Courtenay, but the objective here is to work with these kids so that they actually go out into the workforce, become independent, get a job and contribute to our society.

**A. Dix:** It's not just me saying it, and I think that I would encourage the minister to visit some of the places where youth agreements happen. I'll just give you a quote from a Vancouver police inspector. He says — this is his view: "The amount of money is insufficient to do more than put them up in a skid row hotel" — talking about youth agreement money — "and if you calculate it out, the money they have remaining over is about \$7 a day for food. This is not a terribly attractive option."

Does the minister believe that \$325 for accommodation...? Let's put this in a different context, because I think people outside have to understand that, first of all, when children are in care, they cost considerably more than the amount allocated for youth agreements. The minister knows what those averages are. Whether the minister and people outside think it's reasonable to say to a 16-year-old child: "Here's \$325...." In some cases, I know there's a sliding scale, especially in the

lower mainland. But regardless, in the province of British Columbia, does the minister think that \$325, which some children on youth agreements get, is a reasonable amount given the cost of accommodation, given that — as police officers will tell him in the city of Vancouver, social workers will tell him — the consequence of that is having to find accommodation in places that make it more difficult for young people to survive and succeed and meet the demands of the agreements themselves?

Does the minister not think that the \$325 basic minimum for accommodation should be changed? And does the minister not think, given the costs in our society, that the funding and support for youth on youth agreements...? I just remind the minister, however they count in the ministry statistics.... I know youth agreements don't count as children in care, so you put them aside, and they don't count. When the minister says we hire so many social workers based on the number of children in care, we don't count those. But it seems to me they are all of our responsibility — to provide those young people with the supports they need to succeed.

Does the minister think — not thinking of every person on a youth agreement, but thinking of one person on a youth agreement — that the amounts of money that are provided to youth on youth agreements, and in many cases the limited amount of supports they get from the ministry, are adequate?

[1940]

**Hon. S. Hagen:** The member, I think, will probably remember this because he was probably around doing another job during this time. B.C. is actually a leader in youth agreements and may be the only province in Canada that has youth agreements.

I just want to read you a quote from *Hansard* from July 13, 1999, which includes some statements by the minister at that time:

But apart from giving both social workers and young people more options and flexibility, these amendments will have a direct and positive effect on the ministry's bottom line.... We believe that providing services through youth agreements will deliver substantial savings, savings that will be reallocated to provide much-needed prevention services to youth and their families to help keep their families together. This is a case of making the best use of the resources available.

You know, I love this line of questioning from the opposition, because it always centres on: are we spending enough? Usually it's not asking the question: should we be spending more? It's always, "We should be spending more," which is a very simplistic way to deal with challenges that we have to deal with in government.

Having said that, I also believe in continual improvement, so we've continued to examine programs in the ministry to see what we can do better. Certainly, where we're focused on now in doing things better, particularly in child protection.... I think we're in a position where we will be ready to receive the recommendations that come in from the Hon. Ted Hughes and to combine those with the recommendations from the coroner's reports and also from the child and youth

officer to make some improvements, if that's what Mr. Hughes is suggesting.

With regard to the question about the \$300-odd, there is flexibility in the youth agreement. The youth can choose to spend more than that on rent or less than that on rent and will make those choices.

The point of all this is to try and get youth independent so that they're not dependent on government, so that they're not dependent on other charities, especially now with the shortage of workers. I don't know that we've ever been in this position in B.C. When we got elected in '01, the unemployment rate was high. People were leaving the province because they couldn't find work. Now it's actually jobs looking for people, not people looking for jobs.

[1945]

**A. Dix:** The unemployment rate in May 2001 was 6.8 percent.

Interjection.

**A. Dix:** The minister just said that it was, and that's what it was. It then went up to 9.2 percent and so on and so forth.

Interjection.

**A. Dix:** I think it's fascinating. It's a new voice — getting some support back there from the Minister of Transportation and highways, who's probably surprised that people in youth agreements are getting that much.

I guess I wanted to ask the minister again. We're not talking about just an interesting debate about public policy. I asked him about one young person — I mean, if it was our young person, if it was the son or daughter of someone in this room — and whether he thinks that's enough, whether it is adequate for children who are in the care of the Ministry of Children and Family Development to live in hotels in the downtown east side — whether he thinks that is an adequate situation, because it's not.

He responds, saying: "Do you believe in youth agreements or not?" I think it's important — especially when you've got, actually, a less disruptive measure such as a youth agreement — to give people the resources and the supports they need to survive. So I want to ask the minister if he thinks that level of support is adequate.

**Hon. S. Hagen:** I can tell this to the member for Vancouver-Kingsway. If we hadn't won the election in 2001 and worked so hard to turn the economy around, we wouldn't be able to pay the \$880 a month. I think the members opposite forget this too much — that you have to have a strong economy in order to provide social programs.

I was here in 1991. We were number one in Canada in economic growth. Five years later we're number ten in Canada. Two years after that we're a have-not prov-

ince. Is there one person who lives in this province, who thinks that we are a have-not province? I don't think so. So because we have a strong economy, we can now start putting the resources where we think the important parts are — that those resources be increased. That's exactly what we're doing, and fortunately, because of a strong economy we're in a position to be able to do that.

**A. Dix:** I asked a specific question about young people who are struggling to survive on the streets of Vancouver, and I'm sure that if we send them a copy of the minister's "five great goals" speech, they'll be comforted.

Interjection.

**A. Dix:** There's the Minister of Transportation and highways again.

I wanted to ask the Minister of Children and Families a question that I asked in question period a little while ago. It was February 28, 2006. "Can the minister tell this House how many current child protection investigations have been ongoing for more than 365 days, or 12 times longer than the ministry's own standard? Can the minister further tell this House how many current child protection investigations have been going on for more than a thousand days, or 33 times longer than the ministry's own standard?"

The acting minister, the Minister of State for Child-care, took the question on notice. That was three weeks ago. I'm wondering if the minister had an answer.

[1950]

**Hon. S. Hagen:** I do have this information, which the member may find interesting, or he may not. As of February 2006, reports left open more than 60 days totalled 4,031. In January of '06, reports left open more than 60 days — 4,443. The reduction from January to February is a number of 412 reports.

**A. Dix:** Just to clarify, because of course I asked the minister this question four weeks ago. I don't usually give the minister so much notice in the questions I ask him.

Interjection.

**A. Dix:** That's true. The minister.... It's suggested he doesn't usually answer them. I think people who might be watching this debate are beginning to understand that. They're beginning to feel our pain here.

I just wanted to ask the minister if he actually had a response to the question. If he doesn't, after four weeks, might we expect one by, say, the end of this week?

**Hon. S. Hagen:** It certainly will be a priority of mine to get you an answer to that question at the earliest possible time that I can possibly get time to get that answer for you.

**A. Dix:** Perhaps the minister will give me a time line on that answer, then. Like, how long...? Given his

busy schedule and given that it was his junior minister who took the question on notice and that presumably assumes that the minister will come back and bring us a response, when might we expect an answer to that question?

**Hon. S. Hagen:** As the member knows, my time is going to be taken up during estimates debate, and I'm not sure how many days that will be, because of course the member opposite is in charge of that. But certainly at the earliest possible moment after that, I'll do my best to come up with the answers.

**A. Dix:** I'm interested in that, because of course the minister will know that it's the ministry's practice standard — and the situation has been getting worse and worse — that isn't being met. The minister talks about going and meeting with ministry staff. We, indeed, both do that quite frequently.

When I talk to staff in the ministry — I say, to the minister's credit — they often, or certainly more than from time to time, say that they've met the minister, which indicates that he's out and about and indicates that I'm out and about too. I don't think the staff are as encouraged to tell the minister that they've met me. Nonetheless, one of the things he was reflecting on was the work of the staff of the ministry. Under extraordinary conditions — under the largest cuts, really, of any ministry of government that were imposed on them in 2002 — social workers and youth workers and others have struggled along.

[1955]

We did receive, the minister will note, an FOI. It seems improbable, but we received an FOI from the ministry on December 21, 2005. The minister will know that the NDP opposition submitted the FOI request in May 2005. What the FOI was for was the results and summaries and minutes of regional team leader meetings for MCFD Vancouver Island region. I want to put to the minister some of the comments that reflect many of the concerns of individual social workers and child protection workers about their workload and about the state of child protection in B.C., because they reflect what social workers frequently tell me.

On staffing and workload issues. "Team leaders reported that staff have a need to hear from senior executive that it is okay for them to not meet standards and to do 'shoddy work.'" That's page 70 of the request.

Incident reports. The debate is over: "When you first get a call, should you be doing a reportable circumstance?" Page 24. On incident reports: "There's a wide discrepancy between offices on the number of circumstances completed compared to the number of children in care. There will be a review of what the expectations are around when to complete a reportable circumstance report."

On least intrusive form, least disruptive measures. Ministry staff — and these were ministry meetings — asked: "Is it a stats function, or is it a form to show that we are doing our job? Our CIC numbers are going up, and doing all we can to divert kids coming into care,

which is not tracked. No evaluation occurring in cases we are turning away. Staff are taking risks. Staff are drained. This is another form that they now have to fill out." Further on that: "Arising from the recent 'least disruptive measures template,' there was a suggestion that the region track who are diverted from care and follow the outcomes for these children and their families."

On kith-and-kin agreements. "Kith-and-kins are breaking down." This isn't me talking; it's the minister's staff and the minister's social workers. They didn't do it in some sort of public forum or political forum; they did it at team leader meetings. "Kith-and-kins are breaking down but don't have the skills to repair or become a foster home. If the plan doesn't work, the kids then have to be put in an approved resource."

Lack of services for children in care. The social worker is saying: "Doctors for children in care. Steve checked with three doctors; no luck so far." Tutoring: "No funds available. Requests have been declined." Prescriptions not covered by Pharmacare: "Discussions regarding payment for prescriptions that are not covered by Pharmacare nor included in the family care rate."

I want to ask the minister to comment on these things that were statements made not in a political realm but by ministry social workers in the context of the August 2005 *Asking Questions* report of the child and youth office, because that report was also based on interviews with front-line social workers. Some of the observations reported in that document are lack of sufficient, stable and flexible funding; high caseloads that affect workers' ability to help clients; tendency to use custodial care because of high caseloads and other pressures; pressure to get children out of care, which may not be in their best interests; lack of adequate compensation for foster homes; gaps in youth services; lack of youth housing; long wait-lists for mental health services; lack of addiction services; shortage of foster homes; and finally, vicious-cycle policies.

I want to ask the minister, because he talks to social workers and I talk to social workers, what his reaction is to what the child and youth officer reported but also what his own staff reported — ministry staff that struggle day to day on the front line, dealing with the consequences of this government's policies. What is his reaction to those specific concerns put out by staff of the Ministry of Children and Family Development?

**Hon. S. Hagen:** First of all, I can honestly say that in all of the offices I have visited throughout the province, the name of the member for Vancouver-Kingsway has never come up. I don't know whether that means you're not having an impact out there or that they just don't want to talk to me about the fact that you've been visiting the offices.

[2000]

Having said that, I read the report of the child and youth officer as well. I read it differently than you read it. I mean, this is open communication. We encourage workers on the front lines to communicate with their

managers, to indicate when they have some challenges and problems so that we can actually help fix those. That's the purpose of the communication that takes place.

As I said, we're in a position now, over the next three years, that we can actually make a big difference by adding social workers and other workers to the front lines, by improving things for foster families and by doing the positive things that I think are going to come out of the Ted Hughes report. I think you're looking upon the Ted Hughes report — and I'll be surprised if you don't express this after you've read it — as a negative document. I look upon it as a positive document, because I think it's going to offer all sorts of positive suggestions on how we can actually make things better for the children that we care for. I'm looking forward to that. I'm also thrilled because we actually have the resources now over the next three years to carry that out.

**A. Dix:** As I recall, it was a new report every day from the minister last fall. In fact, it was only because questions were raised by the opposition that the government was forced — and not just by the opposition but by Justice Gove, by the media, by child protection social workers leaving the ministry.... The minister chose, and the Premier chose, in part, I think, out of desperation, because clearly....

It occurred. It happened. We were all here in December 2005 when it was discovered that the government lost 713 child death reviews. The government acknowledged that budget cuts caused that. The Premier acknowledged a personal failing. Indeed, the Premier, in a very generous moment, praised the opposition. He said that really, these issues wouldn't have been brought forward if it hadn't been for the opposition.

The minister didn't get an opportunity to respond to the comments of his own staff. I wanted to ask the minister what his reaction is to some of these individual comments, then. When he hears, on staffing and workload issues, that team leaders reported that staff have a need to hear from senior executives that it's okay for them not to meet standards and to do shoddy work, what is his reaction to that?

**Hon. S. Hagen:** I just want to make a comment on a comment made by the member for Vancouver-Kingsway with regard to turnover rates. This is really interesting. Are you listening?

Turnover rates in 2000-2001 in the Ministry of Children and Family Development were 6.5 percent. That has dropped in '05-06 to 4.2 percent. That's over one-third, a 33 percent to 35 percent drop in turnover rates. I think you want to assess what you are talking about when you talk about people leaving the ministry. The number of people leaving the ministry.... I'm not saying it has anything to do with the minister being here, but it's down by — just some quick math — about 35 percent. I would say that's pretty outstanding.

Let me talk about some of the other things that I've learned from talking to staff on the front lines. Aside

from listening with great anticipation to the questions that come to me during question period, probably the best part of my job is when I get to go out to the offices around the province and talk to front-line workers and actually encourage them to be very forthright with me.

It's great to be able to stand up a few weeks after the budget and say to these people on the front lines: "You know what? I listened to you. I listened to what you had to say. I listened to your concerns. I listened to your suggestions."

[2005]

Now, with the budget that we've got over the next three years, in addition to whatever suggestions may come out of the reports, we're going to do some program enhancements, including strengthening of quality-assurance-and-review functions within the ministry and additional supports and tools to caregivers, family members, ministry staff caring for children, youth at risk and vulnerable families. These include more social workers and other front-line staff to help vulnerable families and children and youth at risk; alternative dispute resolution processes — and I've got to tell you that the front-line workers talk a lot about alternative dispute resolution processes such as mediation and family group conferences for families; additional resources for grandparents and other relatives looking after children under kith-and-kin agreements; and also, as I mentioned before, increasing the mileage rate for foster parents from 20 cents a kilometre to 30 cents a kilometre. This is the first increase in ten years.

Are there ways that we can improve what we do? Absolutely. Are we afraid of looking at those ways? Absolutely not. Are we going to look at them? Absolutely. I think this is a classic example of a glass being half full or half empty. You know, what drives me in this ministry is meeting the front-line workers, listening to what they have to say, knowing that we can improve things and actually delivering.

I'm so thankful that I don't just have to sit.... I know you're not negative all the time. I know you balance that with the positive. That's what gives me the energy to keep going: meeting with those front-line workers, being able to look them in the eye and say, "Thank you for what you do every hour of every day" — dealing with situations that I don't think you or I would ever want to deal with — and making sure that we can give them the resources they need to do their job.

**A. Dix:** How many social worker positions were reduced between 2001 and 2005?

[2010]

**Hon. S. Hagen:** This is with regard to social workers who work in child protection. These are the numbers. I think you asked between '01-02, in which we had 1,268 FTEs, and '05-06; that dropped to 1,103. It was the same in '04-05 and '05-06. Also, over that period of time, we had a 15-percent reduction in caseload. There was a disproportionate reduction in headquarters FTEs. I'm told the majority of reductions were

through early retirement and voluntary departure programs.

**A. Dix:** Well, first of all, I think it kind of shows — when the minister brings up a fancy statistic, you know, the level of turnover — the reality of it. The reality is that they dramatically cut the number of child-protection social workers. As the minister knows, the work of social workers is not just with respect to children in care but, hopefully, to work with families to keep them out of care. When the minister talks about the decline in the turnover in the ministry, and at the same time he's dramatically cutting the number of child-protection social workers, doesn't he see the contradiction in that? Doesn't he see, in fact, less service for children in need of service?

Those children aren't just children in care, but children who, we hope, don't come into care, or children who are given other alternatives. So when the minister talks about lowering turnover and the other statistic that we love — which is the child-in-care statistic vis-à-vis the number of social workers in the ministry — won't he at least acknowledge today that the work we have to do over the next couple of years is to make up for the damage to child-protection social work that the ministry and this government have done over the last four years?

**Hon. S. Hagen:** I mentioned we had a 15-percent reduction of children in care. The number of staff went down by 13 percent. So it pretty well balances out. You know, if you have fewer children in care, you need fewer people to look after them. You would probably agree with that. I think we're fine, but we are going to be able to hire about 400 FTEs, and the majority of those will be social workers in the regions. I think that will help everybody out there do their job.

**A. Dix:** Is the minister suggesting that the only work that child-protection social workers do is with children in care? Because the acting director of child protection.... I heard him speak about all the work that they do on all kinds of different agreements. If the only judgment in terms of workload is children in care and you create programs....

[2015]

Say you create a program such as the kith-and-kin program, where you remove children from the list of children in care. You don't bring them into care; you have this alternative measure. Surely, the minister would agree and his staff would agree and everyone would reasonably agree that such a program, to succeed, requires in some cases more work by social workers — more supports, more efforts. To use the children-in-care statistics to cut social workers, in consequence, seems to me to have been the wrong approach.

Sometimes supporting families and keeping them together requires — not sometimes, every day — extraordinary social work. When you institute policies that have the effect of changing the statistical frame but



you don't acknowledge the real work social workers do, then I think the consequence is a situation that the government has faced, which is that their cuts to the Ministry of Children and Family Development over the last four years, combined with a radical restructuring, affected the quality of child protection services in British Columbia.

For the minister to sort of suggest that kith-and-kin agreements don't require any work of social workers — is that his position? Surely, in selecting staffing levels, other alternatives to care which require significant work by social workers — as the minister will know, and very important work that it is.... Does the minister not, in fact, acknowledge that that is the case? Does he not think that cutting at this time, when the minister was dramatically changing the system, was a serious mistake?

**Hon. S. Hagen:** I'd like to remind the member opposite that B.C. is actually looked upon as the leader in Canada when it comes to research in child protection issues. Actually, I'm the one who stands up in this House virtually every question period and defends social workers. I do that because I believe they're doing a good job. It's very easy to support them, and I think that one of my roles as the minister is to make sure that I do support them.

The member opposite wants to talk about '01 to '05. I actually want to talk about moving forward from this year to the next year to the year after to the year after. I can't relive those years. Those years are past and gone.

Even with all the complaints of the member opposite, social workers still do a superb job in this province and have continued to do a superb job and will continue to do a superb job. I think we will be able to make their lives a little easier by providing more resources, and that's what we set out to do months ago. That's what we've been able to deliver. Certainly, the social workers and the other front-line workers, youth justice workers and others who I've talked to since the budget are thrilled with the future and with what we're going to be able to do.

**A. Dix:** I strongly support social workers as well. I only wish that the minister and his colleagues had supported them in the cabinet room in 2002, 2003, 2004 and 2005, instead of abandoning them. That's where the rubber hit the road.

This isn't a reflection on the performance of social workers. The chaos and catastrophe that occurred is the consequence of the government's policies. It's the responsibility of cabinet ministers. So I'm delighted and agree with the minister that it is wrong to criticize and blame social workers. I don't do that. I'm criticizing and blaming the government for policies that were wrong and shouldn't ever be repeated.

I want to ask the minister.... We're getting to that hour, you know. There used to be a program in British Columbia where they used to ask short snappers. I'm going to ask him a few short snappers that people out there have asked me to ask him, because they're inter-

ested in the budget, and they want to hear answers to questions.

Over a period of time, as the minister will know, I listen to people in groups out there, including many social workers. All of these questions are just basic questions about where we are in the budget right now and come from social workers.

[2020]

First of all, I want to ask him about unfinished investigations in regions. There has been a huge increase in unfinished investigations and in the delays and the ministry not meeting its own standard. I want to ask the minister, in his budget of this year, whether there's money available to hire social workers to complete the significant number of unfinished investigations in region F and other regions across British Columbia?

**Hon. S. Hagen:** I'm pleased to say that the ministry has developed individual regional plans to address outstanding investigations, including a regional tracking process and a system to manage outstanding investigations in the future. In their plans, regions are considering measures such as hiring auxiliary staff, possibly including recently retired social workers, as identified by the need.

**A. Dix:** Would the minister be able to share those plans with members of the House?

**Hon. S. Hagen:** Those plans, together with others that are budget-related, will be rolled out in the next several months. Stay tuned. It's going to be nothing but good news.

**A. Dix:** My understanding, then, is that even though the plans are in place, which are to address the immediate problem, the minister isn't prepared to share those with the taxpayers and members of the public.

**Hon. S. Hagen:** I most certainly am, and I will be sharing them with the taxpayers of the province of British Columbia as we announce, as we roll out, all of these great news announcements, and you will probably be the second to know.

**A. Dix:** What that means, so that all members of the House understand it, is that we'll have to do an FOI request, and if the minister's record continues to be kept up, we will get the response to that sometime after next year's estimates.

**An Hon. Member:** After the next election.

**A. Dix:** Sometime after the next election.

Listen, I started off with positive remarks. The minister is saying that I'm not being positive, but in fact, what we have is a ministry that is unnecessarily secretive and doesn't respond to FOI and, on top of that, got rid of the Children's Commission and got rid of the child advocate. So this is a bit of a problem that the minister and the government have, and in particular, it

is a problem that the B.C. Liberal Party has across government.

I want to ask a question that the foster parents have asked me to ask. I think the minister will agree with me that foster parents do extraordinary work in British Columbia. It's one of the groups of people that I enjoy meeting with the most, because their commitment to children is extraordinarily personal and because the contribution they make to the lives of individual children is something that I think is worthy of our respect and our appreciation as a society.

I wanted to ask the minister.... In the budget, he has talked about increases in transportation expenses for foster parents. I want to ask whether.... Foster parents, as he knows, haven't received any cost-of-living increase in the last five years. Does the minister see reviewing compensation levels for foster parents as something he envisions in this year's budget?

**Hon. S. Hagen:** This is, I think, something that we actually do agree on, and that is the importance and significance of the contribution of foster parents across this province and, indeed, across this country. Another one of the great benefits of my job is that I get to go out and meet with foster parents, and certainly, last fall I met with a number of groups throughout the province.

[2025]

The one consistent message — well, two consistent messages, I guess.... One was the mileage rate, and the second was to see if we could provide some money for the extra needs of children in care to make sure they have the same sort of opportunities when it comes to sports and other things that other children have.

B.C. foster rates are the second-highest in Canada, so I think we're doing well there. We have no plans this year, at this point, to increase what foster parents receive. But we certainly are.... We've added \$1.15 million in the '06-07 budget to ensure coverage for additional needs of children in care to make sure they can have the same opportunities as other children.

This is interesting. The current data from Manitoba shows that the monthly cost of raising a child in Canada to age 18 is \$625 a month. The average B.C. foster home rate is \$750 a month.

I've talked to many, many foster parents. As I say, they had two concerns, and we've addressed both of them.

**A. Dix:** Let me just propose a trade with the minister. The minister can go buy me a home in Vancouver, and I'll go buy him a home in Winnipeg, and we'll see. I mean, as the minister will know, there are certain costs that are more expensive in British Columbia that foster parents have to deal with. Many of them have faced, I think, significant challenges in terms of not just.... The minister talked about issues of children in care, but I think it's fair to say — and I think the minister would acknowledge this — that the challenges faced by the average foster parent with the average child in care have become more difficult, partly because of the diversion programs that the minister has talked about.

Doesn't he think that the quality of that work and the demands of that work, which I think are becoming more and more difficult...? And remember, the minister talked about restoring money for the extras. Well, it was this government that cut those resources for the extras not so long ago.

I want to ask the minister whether he isn't prepared to listen to the B.C. association of foster parents and others who are saying that the supports are insufficient given the incredible and growing demands on them. Again, this isn't so much a broad political question. This is a question that individual foster parents are dealing with every day. Some of them.... The minister will know this, because the minister, I think, has the acquaintance of foster parents that I have the acquaintance of, who have spent thousands of dollars of their own money to support the sports activities of their foster children. That's totally beyond the realm of anything they get compensated. I think foster parents — as the minister will understand, because I'm sure he knows many in similar circumstances — go way beyond their compensation levels, but many of them are struggling with that.

I want to ask the minister whether he's met with foster parents groups and whether he doesn't think that it's reasonable for them to expect some sort of increase in compensation levels, given the increased challenges that they often face with children in care today.

**Hon. S. Hagen:** It's so interesting to me to listen to the NDP, because they think that money solves everything. They think you can solve every problem in the world by just throwing money at it. I'll come back to that, though.

I want to correct the member, who is wrong. Let me read this again and see if he understands it this time. Current data from Manitoba show that the monthly cost of raising a child in Canada — not in Manitoba but in Canada — is \$625 a month. The average foster home rate in B.C. is \$750 a month. So the comparison he made between buying a home in Winnipeg and buying a home in B.C. is useless.

By the way, I meet with the head of the foster parents association regularly. As a matter of fact, she was here for budget day and was very complimentary about both the Finance Minister and what the government was doing. I'm in touch with her on a regular basis.

[2030]

What we are doing.... You're right: when I talk to foster parents, I hear from them, too, that situations they have to deal with are getting more and more complex. What we are doing is putting money into both the recruitment and, particularly, the retention measures to support foster parents. They're thrilled about that as well, because we're actually helping them through providing programs that will help them deal with the more complex situations.

**A. Dix:** These are questions from foster parents, and I just.... I mean, the minister was, I think, pretending that real estate in Vancouver isn't expensive. Of

course it is. It's amongst the most expensive in Canada. Whether you compare it to Manitoba averages or the Canadian average, it doesn't matter. It's expensive, and it always has been, I think, over time.

That's a real challenge and a real test, minister, for everybody. When you look at the value, the increases and the inflation with respect to real estate values — not just this year over last, but in general — and you compare that with the fact.... It's not just under this government. There were issues under the previous government — let's be clear — with respect to the compensation for foster parents, but foster parents will tell you that the last real increase they received was just under ten years ago.

Doesn't the minister think there has been some inflation over that period? Doesn't the minister think it's reasonable for foster parents to ask whether an increase in their support is planned for this year?

**Hon. S. Hagen:** As I mentioned once before — he might have missed it — we're number two in Canada. We're grouped with Ontario, Alberta and ourselves. I think that's where we need to be. We monitor it. We'll have a look. We'll continue to monitor it, but at the present time — except for the changes that I've already identified in helping foster parents — we're not looking at increasing the rate.

**A. Dix:** I just want to continue with the minister on another increased cost that agencies often face around accreditation. It's one of the most important performance measures. He doesn't lay out many performance measures for his ministry, which is probably fortunate, but he does put out one with respect to accreditation.

I think one of the complaints.... There are two basic complaints around the accreditation question that agencies often bring to me. They've submitted these questions to me to ask the minister. In particular, does the minister think that it's not a major challenge to impose a very significant additional cost on agencies that is entirely unfunded — the cost of accreditation?

[2035]

[S. Hawkins in the chair.]

**Hon. S. Hagen:** Madam Chair, welcome.

The question was with regard to fees. The ministry in its budget covers the initial fees and the ongoing fees for the agencies who are participating. The agencies who are participating are those who have contracts of \$500,000 or more per year. I'm told that the agencies are very positive about this experience.

What we don't cover is the cost of their staff participating. The agencies think this is a good thing because it promotes accountability and is a good practice for the agencies, and it allows us to see accountability as well. But we do pay the initial fee and the ongoing fee, through the process.

**A. Dix:** The largest unaccredited agency, as the minister knows, is the ministry itself. Perhaps the min-

ister can take us through. I know their plans. I know that there have been efforts in youth justice in terms of accreditation. I'm wondering what the ministry's plans are. I think one of the frustrations that agencies have.... They do support the accreditation process in a general sense. I think the minister will know that.

I think one of the problems the agencies have sometimes is that it's one of those things where the ministry is kind of saying.... I mean, it's one of its most important performance measures, of which there are very few in its service plan, and yet the ministry seems not to want to apply the same situation to itself. I want to ask the minister, because I know he's interested in these things: when does the ministry plan to meet the same standard that it requires of agencies with respect to accreditation?

**Hon. S. Hagen:** As you know, the ministry is governed by legislation as to how we deliver our programs, but even with that, the provincial services branch of this ministry has gone through accreditation. We think it's the first branch of any ministry in Canada to go through accreditation. We will probably very shortly be announcing the first accreditation of youth justice centres anywhere in Canada. The ministry takes this very seriously. We are always working towards continual improvement, and we will continue to do that.

**A. Dix:** Does the ministry have a timetable with respect to accreditation? The minister, of course, is wanting to talk about the future. I understand his desire to get away from the past performance of the government and Children and Family Development. With respect to the future, then, can the minister lay out for this House the timetable that he has in terms of accreditation within the Ministry of Children and Family Development?

[2040]

**Hon. S. Hagen:** We will continue to look at how we can improve delivery of services in the ministry. As I say, we have probably the first division of a ministry anywhere in Canada that has gone through accreditation. We'll continue to monitor that. We are governed by legislation as to how we deliver the services. We'll continue to improve on our targets, and I have all the faith in the world in the workers on the front lines out there, who do exceptional work. Certainly, every indication is that they're going to continue to do that exceptional work, and the great news is that we will be able to provide them with additional resources to do that great work even better.

**A. Dix:** I want to move on to a question with respect to the future of the ministry in some important areas. As the minister will know, in February 2006 the provincial government announced — just a little while ago, in fact — that they had hired Lesley du Toit, the director of the Child and Youth Care Agency for Development in South Africa, and that she'd been hired to

advise on child and youth services. I understand that the contract is for three months, it's worth \$60,000 and there's a possibility that the contract will be renewed.

Can the minister explain how this process fits in with his pursuit of the agenda of the Ministry of Children and Family Development? How are ministry staff working with the Premier's office with respect to what I think all of us would consider very important projects? How it's going? What and when does he expect to hear her report out?

**Hon. S. Hagen:** As you know, Ms. du Toit does not work for this ministry. She works for the Premier's office, so those questions are probably better directed during the Premier's estimates.

**A. Dix:** Well, I'll ask the minister, because clearly what's at issue here is.... I'll ask him first of all: have ministry staff been meeting with Ms. du Toit? When have they been meeting with Ms. du Toit? How are they working together? How is the ministry working with the Premier's office on this process, which is clearly within the parameters of the minister's estimates?

**Hon. S. Hagen:** I'm sure that ministry staff, if asked by Ms. du Toit, has been cooperating fully. I haven't heard any comments either way, actually. As I say, Ms. du Toit works for the Premier's office and advises the Premier.

**A. Dix:** The acting deputy minister works for the minister, so I just wanted to ask the minister to comment on the e-mail sent out from the Acting Deputy Minister Mr. van Iersel that says as follows:

The ministry continues to work on the establishment of new governance authorities for aboriginal and non-aboriginal child and family development services.

It goes on to say:

The community development discussions will be taking place shortly. In the meantime we should not make new appointments or funding allocations so as not to prejudice the outcomes of these discussions. No new appointments or new program components beyond what have already been approved to date should go ahead at this time. Regions should also be aware that our current approach is under review and that we might expect in April to hear the recommendations of Lesley du Toit. We will make further decisions after that.

So I wanted to ask the minister — because I think this is an extremely important process, and his deputy minister has commented internally to ministry staff about it — to describe.... Clearly, Ms. du Toit's process is having an effect on the ministry, if we are to understand or read this e-mail. That process, in fact, is having a significant impact on the ministry's operations as we speak. So I'd like to ask the minister to further inform the House as to what's happening in the Ministry of Children and Family Development.

[2045]

**Hon. S. Hagen:** I'm told by my deputy that that internal communication was just to keep people fo-

cused on what they were doing but not prejudice anything that might come out of Ms. du Toit's report, which I think is due to come out in April.

**A. Dix:** I wanted to clarify this just to make sure I understand fully what is meant by this e-mail. The e-mail states: "We should not make new appointments or funding allocations so as not to prejudice the outcomes of these discussions. No new appointments or new program components...should go ahead at this time."

I guess one of the challenges — because the ministry has, I think, had a chaotic period — is to decide who's in charge. Is the Premier's office in charge, or is the minister in charge? What this suggests, it seems to me, is that maybe it's the Premier's office that's in charge in the specific day-to-day operations of the Ministry of Children and Family Development.

I don't want to dwell on this too much. I just think it's reasonable to ask the minister because these are very important times, and there is great anticipation of the results of these processes. Just what is going on, and what is the relationship between the Premier's office process — their external process — with respect to these important areas and the ministry's operations, which appear to be subject to those processes and appear to be entirely frozen, in fact, at this time because of what the Premier's office is doing?

We're not talking, in this case, about the Ted Hughes reviews. We're talking about an internal review of the Premier's office that is bringing to bear its authority on the Minister of Children and Family Development.

**Hon. S. Hagen:** Let there be no confusion. I am in charge of the ministry.

I think it's prudent to wait for Ms. du Toit — it's a month into our fiscal year that she will be coming out with her recommendations — just like we're waiting for the Hon. Ted Hughes. I mean, the member opposite has wanted to go running off helter-skelter in a number of directions over the last several months. I've been calm and saying: "Let's wait for the Ted Hughes report to come in. Let's wait until we actually have some recommendations." He is not an expert on this ministry, you know. So I would rather wait for people who actually have some expertise in the ministry.

Lesley du Toit. Her activities are mainly related with regard to regionalization. The rest of the ongoing work of the ministry keeps going. I'm happy to wait to see what her recommendations are, if any. As I said previously this evening, I'm anxiously waiting for the Hon. Ted Hughes's report. We will combine all of that information with the child and youth officer report, with the recommendations that came out of the coroner's review, and we will make this into an even better ministry than it is today. I'm looking forward to that.

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

Motion approved.

The committee rose at 8:50 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 resolution, 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.

The House adjourned at 8:51 p.m.

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## PROCEEDINGS IN THE DOUGLAS FIR ROOM

### Committee of Supply

#### ESTIMATES: MINISTRY OF SMALL BUSINESS AND REVENUE AND MINISTER RESPONSIBLE FOR REGULATORY REFORM (continued)

The House in Committee of Supply (Section A); S. Hammell in the chair.

The committee met at 3:12 p.m.

On Vote 39: ministry operations, \$45,200,000 (continued).

**M. Karagianis:** The break, obviously, has given us some time to reorganize our thinking around where we were when we left off on March 9, so I'd like, just for my own purposes, to kind of reorient myself here before we get into some full questions.

My understanding is that the lift in overall operating budget for the ministry is \$1.7 million and that this was primarily to deal with Small Business and Regulatory Reform and to put in place 12 new FTEs. I think much of it was attributed to the support around the Small Business Roundtable; obviously, the continuation of regulatory reform; and revised legislation for the B.C. Assessment Authority.

Again, just to reorient me around the 12 new FTEs: is the minister able to break down for me exactly what responsibilities those 12 people will have in what areas?

**Hon. R. Thorpe:** First of all, I believe that the member mentioned that the budget lift was \$1.2 million or \$1.3 million. The overall lift is just under \$600,000 in total, and that is highlighted in the service plan.

The 12 FTEs that the member refers to are in the Small Business and Regulatory Reform branch of the ministry. It is to support the small business growth strategy and enhanced regulatory reform as we move forward with track two in regulatory reform.

**M. Karagianis:** Is there a particular breakdown as to where these staff members are actually going to be placed and what their specific tasks are going to be? Obviously, there is the round table, and there is further regulatory reform support needed. I do remember from our estimates discussion on March 9 that there was also some allusion to revised legislation for B.C. Assessment and that some of that staff support would go there.

[1515]

Can the minister be more specific about where those 12 FTEs are going?

**Hon. R. Thorpe:** Of the 12 FTEs, three will be starting with the assistant deputy minister and the assistant deputy minister's team, six will be in the area of small business, and three will be in the area of assessment policy support.

**M. Karagianis:** Now, one other outstanding question that I did have from Thursday, as well, came out of that questioning, and I realized in reviewing my notes that I was unclear on this. The minister mentioned opening the first-ever storefront office. Perhaps the minister could elaborate on where that is and specifically what that does.

**Hon. R. Thorpe:** It's at 1802 Douglas Street.

**M. Karagianis:** Would the minister please elaborate on what that office does that is different from the functions of the ministry in the past?

**Hon. R. Thorpe:** The public can come into the office at 1802 Douglas. They can interface with staff, ask questions and make payments. It's a customer service function. We've started here in Victoria. We're very hopeful that we will be able, in time, to provide additional customer services throughout the province for British Columbians.

**M. Karagianis:** Perhaps, then, the minister could just talk about why this is different from how customer service has been delivered provincewide in the past.

**Hon. R. Thorpe:** Really, the thing that we've done, and what the deputy minister and her management team and staff have done, is to make ourselves much more accessible to the public. One of the things that our government and our very good team at the ministry are doing is getting out to be in front of the customer, to be with the customer.

In the past we did have a customer service facility, but it was up inside an office building. This is on the ground floor of 1802 Douglas Street, and it provides an

easier access for people wanting to interface with the ministry. Really, it's about moving down so people have access to staff, so we have the one-stop shopping there. We have the one-stop registration there. They can ask questions, and staff will get the information. They can make payments. Really, it's about accessibility, much easier accessibility, for British Columbians living here in Victoria.

**M. Karagianis:** Is this an experimental model, or is this the first of perhaps many in the province?

**Hon. R. Thorpe:** Continuous improvement in customer service is what the ministry is about. It's what the staff are working very hard to do. As I have had the opportunity to travel around British Columbia, to 14 different communities now.... Wherever there is a government agent's office, I actually go in. I meet the government agent, and I meet the staff there. I'm always looking to see — as is the team at the ministry, led by my deputy minister — how we can enhance customer service.

[1520]

Do we have a full-blown integrated plan on how we're going to roll this out? The answer is no. But we do have a commitment to the continuous improvement of customer service. We will work with other ministries, government agents' offices and other facilities in government to enhance customer service.

**M. Karagianis:** In effect, then, is this storefront office here something new that replicates what's already being done by the government agents elsewhere in the province?

**Hon. R. Thorpe:** There is no government agent office in Victoria to my knowledge. What this does here, and why we felt it was important, is to show leadership by the senior management team to staff here — to have our staff, if you will, on the street level at the storefront, so that they can provide the service. Again, we will work with other agencies throughout government to enhance customer service as we move forward in listening to the views of the Small Business Roundtable, but as I said, there is no master plan at this point in time for our ministry to roll out.

We would actually work in a complementary way with other ministries should we see opportunity, but our goal and our commitment is continuous improvement in customer service.

**M. Karagianis:** Certainly, I applaud the ministry on this storefront idea. I think it's terrific. But you know, what often happens when you live in a capital city is that elsewhere in British Columbia they say: "We don't have the same access to services that you do there in the capital city." So my question here is related to the uniqueness of this new storefront — the minister did really highlight this as being the first storefront office here — and whether or not this same service is being extended in some other way elsewhere in the province

or in Vancouver, or whether, in fact, this is the beginning of, perhaps, a new endeavour that will expand the services of the ministry.

**Hon. R. Thorpe:** I thought I was fairly clear that at this point in time we do not have a detailed plan to roll out this concept of storefronts, but we are, as I mentioned before, working with government agents' offices throughout British Columbia, whether they're called an access centre or Service B.C. We are working with them.

If the member has had the opportunity to visit you will see.... In every one I've been in, whether it be.... It doesn't matter which community I go to. Where there's a government agent, Access B.C. or Service B.C., you will see taxpayer fairness and service posters up on the wall. You'll see the brochures there. You'll see how to start a small business. We have a very, very good working relationship with the ministry responsible for the government agent's office.

Again, I think what British Columbians want is an integrated approach where we're able to provide services. That's why we have a 1-800 toll-free number for the ministry. As I said, our ongoing mantra, if you will, is continuous improvement in customer service in all regions of British Columbia.

**M. Karagianis:** In fact, think I was very clear in saying that I applauded this initiative, but you know, the rest of the province at this point may feel that they are relegated to simply Internet or some other arm's-length access. I think a storefront idea is excellent, so I would like to know what services are being offered there that are different from those being offered around the province, if any, so that small business is not saying: "Well, you have to go to Victoria if you really want to get hands-on, person-to-person service versus Internet or some other long-distance service elsewhere."

**Hon. R. Thorpe:** Basically, for the most part the services that are available at 1802 Douglas are available through the rest of the province. The one-stop shop, the registration for PST, the registration for GST, making tax inquiries, reviewing tax bulletins, getting the *Taxpayer Fairness and Service Code*, making tax payments — those things can be done throughout British Columbia.

[1525]

Maybe the uniqueness with this is that we actually took an office that was located upstairs in a tower and brought it down to the street so people were interfacing with British Columbians. Again, we are striving every day, through the government agent's office, Access B.C., Service B.C., to make sure that the services available to British Columbians in Victoria and Vancouver are also available in all regions throughout the province.

**M. Karagianis:** I think I'm still not clear on what the minister is saying about how the rest of British Columbia can accomplish exactly the same registration for GST or any of the other lists of services that the minister has just outlined. Can they do that in person at a

government agent's? Is that the correlation here between a government agent and how small business accesses all of these services around the province versus being able to walk into the Douglas Street location and talk directly to staff?

**Hon. R. Thorpe:** In some communities we do have provincial sales tax people who have offices at various agents and Access B.C. and Service B.C. locations. Of course, we don't have sales tax people in every jurisdiction of British Columbia. Again, it's my understanding that through the one-stop shop, the on-line registration, people can access this in most communities in British Columbia. It is accessible, of course, over the Internet. People can visit our website under the ministry and find that very easily — to have access for that. I would say I do not believe that there are any services, or there are very few services, that may be available in Victoria that are not available, for the most part, to British Columbians in all regions of the province.

**M. Karagianis:** I will take that, then, to mean that services being offered here in person can be achieved around the province by either on-line access to services or some services through some government agents. Have I wrapped that up fairly succinctly?

**Hon. R. Thorpe:** Yes.

**M. Karagianis:** Hopefully, the storefront will be very successful. It might be something that is extended elsewhere in the province so that small businesses that don't have access to the Internet or perhaps don't have a government agent in their area could also have the same kind of hands-on access to services of the ministry.

I would like to talk a little bit more about the round table, if I can. Again, I'm trying to stick strictly with the first part of your service plan, which outlines: area one, Small Business and Regulatory Reform; area two, revenue programs; revenue services, which is number three; property assessment; then, executive and support services; and finally, Crown agencies. I'm kind of following the service plan that way.

In the Small Business and Regulatory Reform section, the minister talked about, at our last estimates discussion, half a million dollars' funding for the round table, etc. Is the minister able to break down how that \$500,000 is being allocated?

[1530]

**Hon. R. Thorpe:** First of all, the Small Business Roundtable has held 14 meetings in various communities of British Columbia — 14 communities, as a matter of fact, including one in Victoria, which I was pleased the member was able to be at.

The \$500,000 that we've allocated is.... Basically, the funds have been identified for the initiative so that they can develop their strategies. They can develop a working business plan. They can look at innovative ways to bring forward discussions with the small business

community and bring forward initiatives for advice to government, for cabinet, for caucus. But with respect to how much is for postage and how much is for meetings, I don't have that information here, other than to tell the member that we will make sure that the \$500,000 that has been allocated to the Small Business Roundtable is managed within our overall budget.

The one thing that I think is really worth noting, though, is that we currently have 23 very distinguished British Columbians that are serving on this permanent round table. I must say that they get a government per diem, whatever the standard rate is for per diems, which, quite frankly in most cases is.... Well, they are making a great contribution and a great sacrifice on behalf of all British Columbians, and I'm just thankful for their contributions.

But I can assure the member, and I can assure this House that the budget of \$500,000 will be managed very, very carefully, and we are very confident that we will achieve the goals and objective of the permanent Small Business Roundtable within the budget of half a million dollars.

**M. Karagianis:** It's very encouraging to hear the minister say that half a million dollars will be spent wisely, although no details are forthcoming. So, 23 members, all getting a per diem. Can the minister possibly tell me how many days' work or how many days will be entailed for them — what this per diem will apply to?

**Hon. R. Thorpe:** First of all, the permanent round table itself will meet probably in the first year between four and six times. In addition, as we travel around to the communities of British Columbia — we have travelled to 14 so far and probably will achieve another four, five or six maybe before this year's consultation is taken up — some of the permanent round table members make some of those meetings; they don't make all of the meetings.

We anticipate that the round table per diems for the year will be in the range of \$12,000 a year. Again, \$12,000 is a significant amount of money, but when you look at having 23 very distinguished British Columbians from all regions of the province, British Columbia is getting a very, very good return on its investment.

**M. Karagianis:** Are any other travelling expenses offered to the consulting process? So the round table is meeting four to six times a year. There's also this travelling consultation process. Are any funds allocated to that traveling consultation?

**Hon. R. Thorpe:** Yes.

**M. Karagianis:** Could the minister be more specific on what is being allocated to each of those consultations in the way of funding?

**Hon. R. Thorpe:** As members travel to meetings, as staff travel to meetings, as the support staff travel to

meetings, if they are required to stay overnight due to limited air travel schedules in the province, we do cover their airfare. We do cover their hotel, and they are entitled to per diems for meals, similar to other people working on behalf of the province of British Columbia. But with respect to how much is for each meeting, I do not have that detailed information here, but I can tell you that staff are very prudent in spending British Columbians' money for travel and for hotels.

[1535]

Quite frankly, there's one thing that we can all agree on. All of us are away from our families enough. Anytime we don't have to stay overnight in another community, I think everybody is thankful for that, but from time to time we do have to. Because of travelling in the winter, travelling in difficult weather situations around British Columbia, we do have to stay overnight in different communities from time to time.

**M. Karagianis:** I'm sure that staff are very prudent. I have no doubt in my mind whatsoever. And I do know that this kind of consultation process and this kind of round table that the minister has put together do incur costs. Certainly, half a million dollars is a significant amount of money, so I guess I would ask the minister whether or not a more detailed budget breakdown could be available in the future.

**Hon. R. Thorpe:** We anticipate that the permanent Small Business Roundtable will prepare an annual report, just as, as part of our overall report, we as a ministry do on our annual performance. We also expect that the Small Business Roundtable will, at the high level, be reporting on its actual versus anticipated expenditures. That's the way our service plans and our annual reports call for it, and that's what we'll do.

**M. Karagianis:** Well, I confess, frankly, that I'm surprised that the minister doesn't actually have a more detailed budget available at this stage. The service plan has been done. This is a budgetary estimate. That is the whole purpose of the exercise.

The minister himself has quoted to me half a million dollars' funding for the round table, and yet there are absolutely no details other than the most obvious. A per diem will be paid, and it will, maybe, amount to \$12,000 per year. Certainly, staff will be compensated for travel and hotel costs.

I would have anticipated that the minister would have had a much more detailed budget on how half a million dollars is to be spent on a process that the minister has been very forthcoming about, that he's promoted quite aggressively and that, in fact, is a significant part of the whole service plan. It's the number-one category in here: "Small business and regulatory reform." I'm shocked that there is not a more significant budget or that we have to wait until the annual report is filed at end of this.

Having sat on several committees now and sitting on the public Finance Committee, it's always about

how the government's funding is being managed and how taxpayers' dollars are being spent. I'm mystified as to why there's not a budget for this organization that is a bit more detailed and subscribed than what I'm hearing.

Nonetheless, I guess I would ask: when is the annual report going to be tabled? Do we have to wait a year at this point for the details on how this money is being spent?

**Hon. R. Thorpe:** I'm disappointed that the member across the way is mystified. I've actually thought that we've been very, very forthcoming. I think we've shared information that we have as we've gone along. For the member to suggest.... Perhaps I'm misinterpreting her comments that we're not being transparent or that we're not sharing information.

[1540]

I have no idea of the level of detail that the member is asking for, but I have said several times that \$500,000 is a lot of money. I have said that the permanent Small Business Roundtable is actually going to develop their business plan. I have said that the total budget is \$500,000.

Now, I do know that there are some people who want central control, and then there are others who want the power of entrepreneurs. I happen to support the power of entrepreneurs. So how could I, with any professionalism or seriousness, say: "Your budget's going to be \$500,000, and by the way, here's how you're going to spend it"? These are 23 very reputable British Columbians from every region of the province. They are going to develop the business plan for the permanent Small Business Roundtable. They are going to develop the priorities on how the money should and will be spent.

This is not another government program. This is a program that is designed to be fuelled by the entrepreneurial energy of British Columbians, so I'm not sure exactly why she's mystified. The budget is \$500,000. I don't know if she wants to know how much is going to be spent on postage or how much is going to be spent on mail or what, but if the member could be a little clearer, maybe the mystery could be cleared up. To me there is no mystery. The budget's \$500,000.

The permanent round table has two very capable vice-chairs: Kevin Evans and Linda Larson. Linda Larson is the former mayor of Oliver, and Kevin Evans is the head of the Retail Council of Canada for western Canada — two very distinguished British Columbians. I have every confidence in them and in the other members on the permanent round table not only to establish a work plan but to establish a budget and to work very diligently to make sure that this budget is focused on the priorities of small business and that they will manage those dollars just as they would their very own dollars.

**M. Karagianis:** So the discussion there about transparency.... In fact, all of my questions have led from two significant statements that the minister made: (1)



half a million dollars of taxpayers' money was going to be used for the Small Business Roundtable, and (2) there were no details on how that was going to be spent. It would seem to me that would evoke a natural curiosity in any critic of any ministry asking why a ministry is spending half a million dollars and there are no details as to how it's going to be spent. I think it's well within the rights of the critic to ask if, in fact, there is a budget as to how this organization is going to spend this money.

The reference to it being kind of an entrepreneurial group makes it even more alarming that we're going to just hand over half a million dollars of taxpayers' money and say: "Spend it as you wish. We trust you. You're all really reputable representatives of the province." I have no doubt whatsoever that they are extremely reputable individuals, community leaders and business leaders. However, half a million dollars of taxpayers' money is going over to them with no expectation other than: "Use it well. Spend it well. Account to us later. We're okay with that. We trust you. That's fine."

I guess I would ask, then, as to the permanent Small Business Roundtable: when are they going to table a budget and inform the public on how this half a million dollars is going to be spent?

[1545]

**Hon. R. Thorpe:** I'm not sure if I heard the member correctly. I think I heard the member say that she had concerns about entrepreneurs in British Columbia. I think I heard her say that she had grave concerns about entrepreneurs in the province. Now, maybe the member would share with some of us why she would have concerns about entrepreneurs. I actually think it's the entrepreneurial spirit that has built the province of British Columbia.

For the member to suggest that a member from Fort St. John, Prince George, Smithers, Kamloops, Kelowna, Penticton, Oliver, Cranbrook, Abbotsford, Langley, Surrey or Vancouver would not discharge these responsibilities in a very professional manner is, quite frankly, shocking to me. I hope, hon. Chair, this estimates review is not going to get into political ideology, but it sure seems to me that that's where the member appears to be going.

Let me try once again. I'm actually very, very proud and pleased that 23 members of British Columbia from some of the communities I've mentioned — including Whistler; I didn't mention Whistler, Vancouver Island, Courtenay, Williams Lake, Vancouver or first nations members — actually take their responsibilities very, very seriously. What they are going to do is develop, as part of their process, a workplan that lays out the priorities. Since we're only at 14 out of 19 or 20 consultations so far, I think it would not be very professional on government's part to say: "Oh, by the way, here's how you're going to do your plan. Here's where you're going to spend your money, and thank you very much."

I'll tell you what we would be faced with, in my opinion, hon. Chair. We would lose some of the best and brightest entrepreneurs in British Columbia, who

are doing their province a service. I have, again, every confidence that they are going to develop a very solid workplan, that they are going to put performance requirements in place, that they are also going to report back to the ministry and that the ministry will report back, as part of its ongoing service plan and accountability measures, their achievements against their original goals.

I don't know how much clearer I can be. Again, if the member has concerns about British Columbia, for all intents and purposes, getting some of the best entrepreneurs to volunteer their services to the province to continue the economic growth in British Columbia in all regions of the province, I think the member should stand up and say she's against the permanent Small Business Roundtable.

**M. Karagianis:** All of that because I asked for a budget.

Let me just go back. First of all, I believe it was the minister who alluded to the round table as being the entrepreneurs and entrepreneurial spirit. I thought, in fact, that they were appointees and, therefore, was concerned about where this "entrepreneurs" as a description of the round-table participants came in.

[1550]

I believe that they are appointees. I believe that the minister has talked about a fairly loose term of office for them so that they can come and go, because they — as the minister, I believe, alluded earlier — have other responsibilities and may not, in fact, want to sit on this round table in perpetuity. At no time have I said I don't support entrepreneurialism. I do. I've been an entrepreneur myself since the age of 14, so I wouldn't for a moment even have considered that to be implied in my comments. I'm simply trying to follow the minister's logic there.

The round table, obviously, then, will develop a workplan, as the minister has said several times over. Certainly, my questions about the half a million dollars and the budget that would go with it are really predicated on the fact that this round table is already spending dollars. They are already using some of this money — apparently, with no budget, with no workplan.

That will be developed later, but certainly, costs are being incurred. People are travelling. Per diems are being paid. Again, I'm just trying to seek clarification on whether or not there will be a budget forthcoming if it's developed. At what point does that accountability to the taxpayer kick in on this process?

**Hon. R. Thorpe:** As the Minister of Small Business and Revenue, I am accountable to the taxpayers for the budget of the permanent Small Business Roundtable, and I look forward to being held to account for the budget of the Small Business Roundtable.

**M. Karagianis:** Well, I'm sure there are a lot of organizations that would love to be given half a million dollars and be able to develop their own workplan. It'll be interesting to see if, in fact, other organizations out

there have the same level of flexibility with the government's money.

I would like to start asking a couple of questions, then, on regulatory reform to finish off this segment here on the small business and regulatory reform portion of the service plan. I know that the minister was very clear, in speaking on the ninth of March, that some 154,000 regulations have been reduced, changed, eliminated or modified. That language is taken directly out of the service plan.

Can the minister possibly give me an idea of what this means? Does this mean that in fact there were not 154,000 regulations cut?

**Hon. R. Thorpe:** From June of 2001 to December 31, 2005, government has reduced the number of regulatory requirements by eliminating 154,044, or 40.31 per cent, far exceeding our original goal and our original commitment to British Columbians of cutting red tape by one-third. I must tell you that this has been done across government. All public servants in the province, all organizations that have participated, deserve a tremendous vote of thanks and congratulations, because what has really happened is that British Columbia has now become known as a leader in regulatory reform across Canada.

In fact, British Columbia now is being requested on an ongoing basis. We have people from the federal government visiting British Columbia. We have people from Newfoundland and Labrador adopting British Columbia's approach to regulatory reform. We have major communities.... Winnipeg has looked at it. The Yukon is looking at it. We've even had visits from our friends in Alberta that are very interested in how regulatory reform has been accomplished in British Columbia.

They're also convinced, and I'm convinced, that when governments establish goals and set a process and put in place the principles and the criteria, and when they look at it in such a way to make sure that health, safety and the environment are not compromised.... When there's leadership, when there's commitment and when there's teamwork, British Columbians have demonstrated to Canada — and, quite frankly, to many around the world — that cutting red tape can be achieved. Yes, we have reduced 154,044 regulatory requirements from June 1, 2001, to December 31, 2005.

[1555]

**M. Karagianis:** Is that 154,000 regulations that have been cut? The word "reduced" is, to me, a bit ambiguous. Is that regulations that were found to be no longer pertinent to government or no longer necessary to doing business that were therefore removed from the government list of regulations?

**The Chair:** Member. Minister — sorry.

**Hon. R. Thorpe:** That's all right. I'm a member also. The 154,044 regulatory requirements is the net. As with any organization — government being a very,

very big organization — there are new regulations, and there are regulations that have been eliminated. The 154,000 is the net figure; it's not a gross figure.

**M. Karagianis:** Can the minister tell me the number that have actually been eliminated, then?

**Hon. R. Thorpe:** We do not have the staff person that would have that level of detail with us here right now. I will endeavour.... I'm sure that there are staff who are actually watching this right now, and I'm sure that as we carry on, they will get here, as they are able to. We actually thought we had canvassed this area, and therefore, that staff person is not here. But we will endeavour to get those details here for the member, and when we have them, we'd be very, very pleased to share them with the member.

**M. Karagianis:** Does that mean that any further questions about these regulations at this point need to be temporarily tabled until staff appear? Or can I continue to...?

I see the minister shaking his head. Can I continue to ask questions?

**Hon. R. Thorpe:** My comments were specific to the level of detail. I would encourage the member to continue asking questions, and hopefully, I'll be able to provide those answers.

**M. Karagianis:** In the quarterly progress report, it's got a little chart, actually, that talks about the regulatory requirements that have been eliminated. This is a progress report from February 2006 that I am reading from. In fact, it shows that the number of.... In a little chart here, there's a 2001 target at 33 percent, a baseline of June 2001. It has the number of regulations. Right through to the results of December 31, 2005, only 785 regulations were actually eliminated. My question is, then: in achieving this 154,000 number, does that include modifications to regulations?

**Hon. R. Thorpe:** To my knowledge, it does not include modifications. It's real numbers. It's a real count. It's very transparent, and we're very accountable on it.

[1600]

**M. Karagianis:** Then we would probably have to wait for staff to come and clarify why in fact the quarterly progress report shows an elimination that is much smaller than that and exactly how these numbers are calculated. I guess I need to know, of the 154,000 regulations.... In the language of the service plan, it does talk about "reduced, changed, eliminated or modified." I'd like to know: of that 154,000, how many were reduced, how many were eliminated, and how many were modified to achieve this number of 154,000? Is it possible to get that information?

**Hon. R. Thorpe:** Yes.

**M. Karagianis:** Under the classification of modified, which I find probably the most intriguing, 154,000 regulations out of government.... I know the minister's talked about that being over 40 percent. One would think that we'd begin to see a considerable change in the structure of government, with almost a 50-percent reduction in regulations.

Is a list available of those regulations that were eliminated, changed, reduced or modified? Is there an actual list of all of the regulations somewhere?

**Hon. R. Thorpe:** We report out by ministry.

**M. Karagianis:** Is that list by ministry or otherwise available so that we could see what the previous regulations were, what the new regulations are and, obviously, then see the significant improvement in red tape? Is such a list available?

**Hon. R. Thorpe:** I'm not sure what the member is attempting to accomplish here today. I'm not sure if the member is trying to discredit the very hard work, the committed work of public servants in British Columbia that has resulted in British Columbia being recognized as the regulatory reform leader in all of Canada.

I'm sure the member has done some reading. I notice that the member was selective in using a CFIB report last week, or maybe it was two weeks ago. The member may want to do some further research before she suggests that the public service of British Columbia hasn't done an excellent job. In fact, the Canadian Federation of Independent Business repeatedly has showcased British Columbia as the example that other governments and other jurisdictions across Canada should be modelling themselves after.

Again, I have suggested that we had thought this area had been canvassed. Therefore, we don't have the staff here with the detailed information now. We are attempting to get the staff here. I might also add that my office attempted to contact the member's office several times prior to these estimates so that we would be able to have staff here, so that we would be able to have information here, so that we could provide timely information.

I'm very proud of our government's vision and leadership with respect to the regulatory reform. I'm even prouder of the accomplishments of public servants through Crown corporations and government agents and through ministries for their accomplishments that have been achieved. With respect to regulatory reform, there is no question that we are the most transparent government in Canada.

As I said earlier, we will make every effort to get reasonable requests for information to the member in reasonable fashion. But it's very difficult to have that when we're not quite sure what order the member wants to follow through here after we've made several attempts with her office to ensure an orderly flow and an orderly exchange.

**M. Karagianis:** I'm unclear how, in fact, my questions about the numbers of regulations that have been

eliminated or modified in the regulatory reform process in any way implied anything to do with staff. I'm actually quite surprised at how we made that leap of logic that in any way my questions are discrediting staff.

[1605]

I'm somewhat concerned that when I asked about a half-a-million-dollar budget being spent by the round table, the minister said that I was attacking entrepreneurialism. Now that I'm asking about some details of the regulatory reform process and the 154,000 regulations that were reduced or eliminated, the minister is saying I'm discrediting staff. In fact, I'm simply trying to make some logic out of some vast numbers here. The minister invited me to continue questioning him on this, saying that staff would be here shortly and that I was welcome to continue my questioning on regulatory reform.

Certainly, our inability to set a briefing time was unfortunate. I did apologize for that in the opening of our estimates. Nonetheless, I'm simply asking some pretty straightforward questions about regulatory reform. This is a huge achievement that the minister has been quite effusive about. Yet when I go to ask some questions, I'm being accused of discrediting staff. Certainly, that has not been my intention ever, and in fact, if I have to continue to reiterate: this is not about staff at all but simply some questions.

So, 154,000 regulations eliminated or modified. I'm asking whether that information is available. Can we see a list? Can we see what kinds of changes were made there? The minister has assured me that none were modified, that these are legitimate eliminations and legitimate numbers. Again, 154,000 regulations: I would like a few examples. Is it possible for us to see some real examples of what kind of modification or elimination took place on 154,000 regulations?

**Hon. R. Thorpe:** First of all, we passed a new Business Corporations Act and regulations to make it easier, faster and more cost-effective to operate a business in British Columbia. We revised the Partnership Act so all businesses are eligible to register for limited liability partnerships, which provides protection for personal assets, the ability to focus on the business of the partnership and to take greater business risks, and certainty for all parties as to what assets are available to creditors.

We streamlined liquor licensing and related administration to improve public safety and reduce red tape. We amended the Employment Standards Act to provide greater flexibility to businesses and to reduce requirements on employers. We reviewed over 3,000 fees and licences across government, many affecting small businesses; 43 percent have either been eliminated, consolidated or devolved.

We amended the Small Business Venture Capital Act to allow small businesses to provide tax credits to investors for risk capital investment; passed a new safety act that modernizes the B.C. safety system by streamlining its regulatory environment and reducing

the number of regulations, creating flexibility to achieve safety objectives at lower costs; single business numbers that make it easier, faster and cheaper to deal with several levels of government at one time.

Those are a few examples of regulatory reform in British Columbia.

**M. Karagianis:** Unfortunately, I don't take shorthand, so I didn't get all of those. Let me just ask a couple of questions about some that I did hear there.

In the case of the liquor licensing being streamlined and, again, this is around regulatory reforms — maybe a very specific example here will help me understand this — were actual regulations eliminated to streamline the licensing, or were they consolidated? I think the minister referred to the word "consolidated," and what does that mean? Or were they modified? Is that what consolidation is?

[1610]

I know that there are a number of questions there, but we'll take that one example: streamlined liquor licensing. So, in fact, were regulations eliminated in that streamlining?

**Hon. R. Thorpe:** Yes, regulations were eliminated through the liquor licensing streamlining. Do I have that level of detail here? No, I do not. All I know is what happened. The minister responsible at the time — the minister of state for regulatory reforms, who started the initiative when I was the Minister of Competition and Science — embarked on a consultation process with industry and government agencies. Goals were established for liquor licensing and for the liquor board.

Consolidation took place when duplication or out-of-date requirements were in place. Certainly, that's what consolidation is. Modifications took place. As to specific details, I don't have that information here. All I know is that we worked in partnership with the regulatory authorities that were within government — the liquor distribution branch, the liquor licensing branch — and with the private sector, to modernize through modification, consolidation and elimination, the liquor licensing regulations in British Columbia.

**M. Karagianis:** In the case of the regulations that were consolidated, does that mean that previously, if a condition for licensing required you to do (a), (b) and (c) as part of a process, would those have been consolidated or eliminated, and would that be counted as one, two or three regulations reformed at that point?

[1615]

**Hon. R. Thorpe:** I do have the pleasure of staff from Regulatory Reform joining us. Whether we have the level of detail that the member seems to want to question about, since we didn't anticipate we were going to be there today.... When the staff person heard that she had to be on deck, she didn't bring her computer and the tons and reams of work that are involved in this.

I just want to go back, though, to the requirements and where the 154,000 requirements have been reduced. I want to be clear that the requirements come from a variety of sources. They come from statutes, they come from legislation, they come from regulation, and they come from administrative and compliance policy. That's where they come from.

Some members, hon. Chair — and you may remember this....

Interjection.

**Hon. R. Thorpe:** I know the feeling, Chair.

When we started this process, when we had a vision of reducing red tape by one-third in British Columbia, there were some out there that were quite aggressive in their pursuit of one of the first actions that government took, and that was to establish a baseline. At the time I can recall that some people said: "Well, you're wasting taxpayers' money." We didn't think we were. We actually went through.... Between the statutes, the legislation, the regulation and the administrative and compliance policies, we added up — by ministry, Crown, etc. — the statutory requirements that were in place in British Columbia at the time. That number was 382,139.

Since that time.... Each ministry and each organization established its targets. Some ministries exceeded the 33 percent; some didn't because of the nature of some of their regulatory requirements. As at January 31, 2006, there are 228,079 regulatory requirements left in the province.

[1620]

Now, in the quarterly progress report dated February 2006, which is posted — and we do post these quarterly, as the title would suggest: a quarterly progress report — we have shown that the requirements were 228,095. I do remember the member mentioning that there was only a reduction of 700. Well, the report I have here — and if the member doesn't have this, I'd be pleased to supply a copy at the appropriate time — clearly states the baseline, June '01; the baseline, June '04; the results to March 31, 2005; and the results to December 31, 2005. I hope that gives the member some comfort in the process.

The initiative does talk here about the areas where we have seen some progress during the quarter. For instance, the office of the inspector of independent schools revised their guidelines and eliminated duplication of instructions on requirements to be met under the Independent School Act. The Ministry of Education revises curriculum on an ongoing basis to ensure that it remains current. "The primary objective of this ongoing review is to ensure that teachers and students have...curriculum while maintaining and improving the high level of provincial student achievement." It also goes on to talk about some changes at FICOM and the Ministry of Advanced Education.

We try to make this report a living document, and I hope that that does provide some insight for the member in her pursuit of questioning in this area.

**M. Karagianis:** Thank you to the staff member for coming over so quickly. I apologize that you had to be alerted on sort of short notice here.

Certainly, the general overall explanation that the minister has given has been excellent. I've made note of the four very specific areas where these regulations were either modified or eliminated or in some cases consolidated.

Just so that I understand perfectly.... Certainly, we're talking about statutes. Statutes often have complex bodies which include numerous sections and subsections and clauses. Where the regulation has been.... Let's say it originally had a dozen subsets, and one was removed. That would clearly be one regulation removed, as I would interpret it.

When you get into the case of administrative and compliance issues, perhaps the minister could just elaborate a little bit more on what exactly would constitute an eliminated regulation in an administrative or compliance sense.

[1625]

**Hon. R. Thorpe:** Let me attempt, hon. Chair, to give the member two examples that come to mind. One had to do with the new — I think I mentioned — Business Corporations Act.

[A. Horning in the chair.]

Through the administrative and compliance policies that were required, we were able to reduce the number of forms. That helped. With respect to transferred articles to companies from the registry, that was a legislative change. The registry used to vet a lot of documents, etc. Through administrative and compliance requirements, the onus was put back on the companies to do that themselves. We eliminated a number of steps and applications that had to take place. Again, that was administrative and compliance policy.

I guess, if you will.... I think it's important to always keep in context that what staff were always doing and what they were committed to doing was maintaining the overall integrity and intent of the legislation, of the statute, whatever, but at the same time saying: "How can we streamline? How can we simplify?" If that meant a statute change or legislative change or regulatory change or administrative and compliance change, that's what they did.

One other example that comes to mind was in the forestry area and had to do with building forestry roads. The Ministry of Forests went through a very detailed process and found out that by application of administrative and compliance requirements, they were able to reduce a number of the processes and the amount of time that it took for the issuing of roadbuilding permits — at the same time not ever compromising safety, never compromising health, never compromising the environment. They reduced that permit process from 21 days to 14 days.

That provided more opportunity within the Ministry of Forests to do other things. It also provided the

private sector and the forestry companies with more opportunities to pursue their business.

Those would be a few examples, and there are countless other examples that have taken place over the four and a half years now, I guess, that we've been on this exercise. Those are some of the examples, but again, it was important that staff maintained the integrity of the legislation or the statutes and, at the same time, were protecting health, protecting the environment and protecting safety, but by stepping back, looking at these things and working across ministries and with people in the private sector, were able to achieve the results that British Columbia has achieved.

**M. Karagianis:** Certainly, I can easily see that in the example of reducing the time for permits from 21 to 14 days for forestry roads, it makes all the sense in the world. Just let me understand here, though. The minister discussed the new Business Corporations Act. A number of forms were reduced and, also, in his example, the number of steps in an application.

[1630]

In the case of where the steps in an application were reduced, for each and every one of those steps, if there were six steps and they were reduced to four, does that count as one regulatory unit — one regulation? Or does that count as two regulations? Is that how the count was determined in cases like that?

**Hon. R. Thorpe:** One always has to be careful when one's talking about hypothetical situations. In the hypothetical situation where there was an administrative and compliance policy in place that actually required someone — government or outside government — to take six steps, and if on reflection it was agreed that it could be done in four requirements as opposed to six requirements, that would be the elimination of two requirements and would be part of the 154,000.

**M. Karagianis:** Okay. So I understand that perfectly, and I didn't think we were talking hypothetically. I think there was a discussion about reducing the number of forms in this particular act and reducing the steps in the applications.

So in fact, is there anywhere a comprehensive list of all of the changes that were made — these 154,000? Is there somewhere a specific reference list that shows what each and every one of these was?

**Hon. R. Thorpe:** Yes.

**M. Karagianis:** Is that available? Is that a list that I could see?

**Hon. R. Thorpe:** Our ministry, the Ministry Responsible for Regulatory Reform, and the staff that are responsible for regulatory reform maintain a database, which is a result of a database that flows in from each of the other ministries, and then we maintain that. As I have said, hon. Chair — I don't think you were in the chair when I said it — as I've invited the member for a

tour of the ministry, when the member makes herself available for that — or we can facilitate that — I'd be very pleased to show the member through our regulatory branch and show the detailed database that is maintained by our staff.

**M. Karagianis:** So my understanding of this, then, is that there is a comprehensive list of the 154,000 regulations that were either eliminated, modified or consolidated, that the minister has a database of those, and that I need to go and do a tour in order to obtain that list. Is that my understanding?

[1635]

**Hon. R. Thorpe:** What I thought I said.... Sometimes you have to be careful in this room because there are people — I don't think they do it intentionally — who try to put words in your mouth. What I said is that our ministry maintains a database. We maintain that database based on information that we receive from the other ministries. Every minister, every deputy minister, in their service plan, is committed to making sure that they achieve their regulatory requirements. That is part of their annual service plan. So we do have a database which is a compilation of the information which we have received from the other ministries and Crown corporations in government.

**M. Karagianis:** So now I clearly understand the minister to say that each ministry has been responsible for their own regulations — has done eliminations, the modifications or the consolidations — and that that information is then fed into the database that the Ministry of Small Business maintains. Am I correct in that?

**Hon. R. Thorpe:** Yes.

**M. Karagianis:** Thank you very much.

Is the minister then saying that in order to actually see a complete list of the 154,000 regulations, I need to look at each ministry's list first? What is your database, if it's not comprehensive?

**Hon. R. Thorpe:** As I have said at least twice — so assuming I've said it only twice, this will be the third time — our ministry maintains a database from a government perspective with respect to the information that we receive from other ministries and other organizations as part of the regulatory reform initiative in government. The member is absolutely correct that, for instance, in ministry X, that detailed list would be within ministry X. We maintain a rollup of that requirement, and that's how we manage the information on behalf all of government.

**M. Karagianis:** Can the minister then specify: of the 154,000, how many of those are expressly from your ministry?

**Hon. R. Thorpe:** The information that I have and will share from my ministry, the Ministry of Small

Business and Revenue.... Our service plan target for '05-06 was to have 12,542 regulatory requirements. That would be 12,542. In our ministry we have surpassed our target so far this year, and it has been reduced by 422 regulatory requirements, for a decrease of 3.36 percent.

**M. Karagianis:** That's very clear: 422 regulations eliminated, modified or consolidated in this ministry in a specific time frame — very clear. Do I have to ask each and every ministry for that specific kind of detail?  
[1640]

**Hon. R. Thorpe:** No, hon. Chair, the member doesn't have to do that. The member could actually go to the *Budget and Fiscal Plan* of '06-07, which was tabled in the House on February 21, and could turn to the page that says, "Regulatory Requirements and Results, June '04 to December 31 '05," and would be able to see — from Aboriginal Relations and Reconciliation; to Advanced Education; to Agriculture and Lands; to Attorney General; to Children and Family Development; to Community Services; to Economic Development; to Education; to Employment and Income Assistance; to Energy, Mines and Petroleum Resources; to Environment; to Finance; to Forests and Range; to Health; to Labour and Citizens' Services; to the Premier's office; to Intergovernmental Relations; to Public Safety and Solicitor General; to Small Business and Revenue; to Tourism, Sport and the Arts; to Transportation — that for the period, net change to December 31, 2005, is a reduction of 9,798 regulations or a 4.1-percent reduction.

**M. Karagianis:** Let's talk about the Small Business Ministry — 422 regulations eliminated, modified or consolidated. Is there a list of those 422 regulations?

**Hon. R. Thorpe:** If the member wanted to go to the Net, to the Internet, under the "Regulatory Reductions and Regulatory Reform Highlights," there is, quite frankly, a very comprehensive list outlined from Advanced Education through to the Small Business and Revenue and others.... For instance, there was some regulatory reform with international financial activity. There was some reform in the oil royalty invoicing. There was a substantial review of all of the administrative and compliance requirements with respect to small businesses and taxpayers having to deal with a myriad of forms within the ministry. That was a substantial part of the regulatory requirement reforms. So again, on the Web there's quite a detailed explanation, so that might be helpful to the member. We talk about revenue forms and streamlining and working on those and, again, all this information is on the Web and readily available to British Columbians.

[1645]

**M. Karagianis:** I guess that was my answer to: could I see the list of the 422 regulations that were reformed by this ministry? I've seen the lists that say,

"We modified this, and we modified that," but they don't actually tell you how or what was modified or whether it was eliminated. It's nice to say, "We changed" — in fact I think, as the minister alluded to earlier, reduced — "the number of forms for the new Business Corporations Act," but what was it that actually happened? What were the numbers that were reduced? What forms were reduced? What was changed?

It's nice to say, "We changed all of these things," but how did you actually change them? Did you simply change the way the form is written, or did you substantially change what kind of information is required on the form? How does that apply to the number of 154,000?

I'm just trying to get some clear examples of some of these details. It's 154,000 regulations that have been changed. That could be anything from, you know, "We reworded them" to "We eliminated a big chunk of regulatory requirements that may or may not be significant, that may be archaic."

In the case of the forestry regulations changed about building roads, you said that the ministry found that they could change the compliance applications to reduce the wait time from 21 days to 14, but what was actually changed in that document? Is it simply that now you're only filling out your name, address and phone number and you're good to go?

I'm trying to really just get my mind around exactly what these 154,000 items were and whether or not I can somewhere see a list that says: "The thing that was changed here was that you're no longer required to put your age," or "The thing that was changed here was that there were 14 redundant statutes in this legislation, and therefore they were removed."

There's a big difference in regulatory reform between, you know, "You're not required to put your age on the form anymore" and "Half a dozen pieces of legislation were eliminated because they are redundant." I'm trying to determine that kind of detail.

**Hon. R. Thorpe:** The member may be further mystified. The fact is that we don't have that level of detail here again.

But let me just step back from this. Let me step back from what our commitment was. Our goal and our vision was to reduce red tape by one-third in the province. We were going to achieve that goal by working with the public service, with the private sector and with associations and organizations throughout British Columbia.

Let me quote from the Canadian Federation of Independent Business report of December 12, 2005. It says: British Columbia. While still a young initiative, the regulatory reform program that started in British Columbia in 2001 is arguably one of the most promising in Canadian history. It has all of the essential ingredients for success: political leadership, public accountability and constraints on regulators. To date, regulatory requirements in the province have been cut by close to 40 percent without harming public health, safety or environmental objectives. A new target of no net increase in regulatory requirements through 2007 has been set and is being monitored.

Demonstrating that the impact of these changes is being felt, independent business in British Columbia overwhelmingly support — 95 percent — the initiative and B.C. businesses show the lowest dissatisfaction with increases in regulation across the country.

[1650]

This is from a completely arm's-length organization, the Canadian Federation of Independent Business in British Columbia, a well-recognized national organization. They have commented in the past about the government's transparency in putting stuff up on the Web; quarterly reports; breaking out by ministry; putting reports for the last two budget periods, budget presentations, in the budget documents of the province.

You know, I'm sorry. I do not have the list of 422 regulatory requirements that were changed in the Ministry of Small Business and Revenue, but if the member thinks she needs to know that information, I will undertake to get that for her in the future.

**M. Karagianis:** We clarified earlier that somewhere there does exist a list of the 154,000 regulations. That may be in one place; it may be in a dozen places. I guess I'm trying to clarify if I could get a copy of even.... Don't even mind the 154,000. I don't need to see all of them.

Can I see a copy of, basically, one year's regulatory reform details from any ministry? Could I see a copy of that list? Could I obtain a copy of something like that? Is that possible?

**Hon. R. Thorpe:** Yes, the member may do that by going to the Internet, going on the ministry's website and going back to 2001 and scrolling from 2001 forward to today, and I'm sure the member will have ample examples of all the details and all the achievements that the public service, the private sector and the government of British Columbia have achieved in reducing over 154,000 regulatory reform initiatives in the province.

**M. Karagianis:** I conclude from that that there is actually no detailed list. There is no way to determine whether the regulations that were eliminated, modified or consolidated here, where everything from your age being no longer required on your application for — I don't know — a woodlot permit right through to, maybe, significant change in language around some of these regulations....

I do know that because this is a major endeavour that this government undertook, it's disappointing that there are not at least some examples of the detail. What was changed on some of these regulations, and where have they disappeared to? I'm just gathering that there is no way I'm ever going to get a detail. Maybe if I go and sit with one of your staff members, as you invited me to, and look at the database, that might be more informative.

You know, one of the questions I did ask the other day was whether or not this regulatory reform initiative had resulted in any gaps, whether there were any

risks or liabilities here. I was assured repeatedly by the minister, absolutely not — although quoting from an organization that is not the government does not necessarily assure me of that. But without actually being able to get a clear picture of what these 154,000 regulations were — how many of those were eliminated, how many were just modified, how many were insignificant changes, how many were materially significant modifications or eliminations or consolidations in there — then it's not clear what exactly has taken place and what the ramifications will be in the future.

I do know, moving into the next body of questioning on this, the citizen-centred reform.... This is the next initiative that the minister has talked about undertaking, and this is, to my understanding, a similar process. In fact, the minister assured me it was a very similar process to the regulatory reform: going through and looking at citizen-centred reform. Will, in fact, a similar process take place, and will there be detailed documentation of that as it occurs?

[1655]

**Hon. R. Thorpe:** First of all, for the member to suggest.... Let's not mix words here. The member is suggesting through her comments — quite frankly, her irresponsible comments — that there is something not right about the reduction of regulations in the province. That is an irresponsible suggestion on the part of the member — very irresponsible.

The public service, the province of British Columbia — ministry by ministry, Crown corporation by Crown corporation, agency by agency — have worked through in a very diligent manner. Ministries do maintain records, as I have said to the member before. We take a rollup of that, and we have it. Hon. Chair, I don't know why this member has to be negative, destructive and pessimistic.

#### Point of Order

**J. Horgan:** Point of order. I'm curious. I've been listening to the debate intently, and I haven't heard the member for Esquimalt-Metchosin be irresponsible. I haven't heard her talk about staff. I don't know where the member is going with his line of response. It appears to me that the questions have been to the point and straightforward and dealing with data, not with individuals. I'm wondering what the minister has missed in this line of questioning.

**The Chair:** I think if members would just use more contemporary language, we'd get along a lot better here, so we'll go on.

#### Debate Continued

**Hon. R. Thorpe:** So let me say once again, and this is actually.... Well, perhaps it won't be the last time I say it. Our government set a goal, and I know that the other side of the House doesn't like that we've actually exceeded our goal substantially. We set the vision: pub-

lic service, commitments in service plans, monitoring service plans, reporting quarterly, being very transparent, and reporting after reporting after reporting. All of this information is available on the Internet, and has been for some time.

The fact that ministry regulatory accounts are in the budget documents — and have been for the last two tablings of budgets in the province — lays out very, very clearly what the regulatory reform has been in British Columbia. Again, working in partnership with ministries, agencies, Crowns and the private sector, British Columbia has become Canada's leader in responsible regulatory reform.

**M. Karagianis:** First of all, let me just say that I actually.... The minister has used the term "rollup" a couple of times. I don't know what that means. I'm not exactly sure what a rollup means.

There's been a bit of a pattern here emerging from these discussions. As the member for Malahat-Juan de Fuca pointed out, I'm actually asking for data information. I'm asking about how a process was undertaken, and where the details of that process are. Earlier, when I asked for details of the Roundtable budget of half a million dollars and asked where that budget was, the minister felt that I was somehow attacking entrepreneurs when I was actually looking for a budget. Now I'm simply looking for, and have been looking for, some details on regulatory reform, and somehow it has been misinterpreted as an attack on staff, or now in this case the minister has accused me of actually being irresponsible.

What I asked was whether the citizen-centred reform would take the same course of action as regulatory reform, and whether or not information would be forthcoming about that. I do not think it is inappropriate for me to ask these questions. I'm trying to understand so that when small business in British Columbia comes to the critic, comes to me, and says: "So what do you know about regulatory reform? Do you know what was eliminated or what wasn't? Do you understand that process...?" I'm trying to understand that. I'm trying to gain some knowledge here, and for that I'm being accused of being irresponsible.

[1700]

I think that it's quite frustrating for me to understand the role of regulatory reform in this government's procedures and goals and strategies for the future. We're about to now embark on another huge reform, and I'd like to know whether details will be forthcoming about that — not goal statements, not general statements of: "We've reduced reform, and now it only takes you 14 days to put a road through a forest rather than 21." I want to know how that happened. What exactly took place in that reform to make that regulation work? I haven't even been critical of that process. I'm simply trying to understand the mechanics and whether or not those details are available.

I know that the minister has said there will be no increase in his budget to do the citizen-centred reform, but I would certainly like some examples of how this



streamlining and simplifying for individuals is going to take place. I don't think it's inappropriate for me to ask that.

So I would ask again. Citizen-centred reform: will it be the same kind of process, and will there be comprehensive lists available of what the reform actually is? What changes are going to be made to regulations specifically to make them more citizen-friendly?

**Hon. R. Thorpe:** The new citizens-centred approach focuses on the experience of the individual, the small business owner, the industry user and government. There will be four steps to the citizens-centred approach. The first will be a business process mapping to determine the areas of potential improvements; second, there will be user consultation to confirm that the business process mapping is correct from the point of view of those being regulated; third, the reform of the business processes to reduce time, implementation of redesign and business process; and fourth, evaluation focused on outcomes for British Columbians by periodically evaluating the business reform to ensure that government's goals and objectives are being met. This is a three-year initiative in its initial phase.

Outcomes. We believe individuals will have better access to government services. We believe small business will understand their compliance requirements easier. We also believe that one of the cornerstones for measurement is going to be the saving of time for small business owners, for individuals and for government.

We will continue to be very transparent in our approach. We will issue on track two, as I call it, citizens-centred approach quarterly reports similar to our regulatory reform initiative that we have underway now. This is a process that is just starting. Ministries across government are now looking at where there may be some initiatives. Let me share one that I think is important, and that has to do with folks with disabilities in British Columbia.

I was quite pleased that an individual constituent in the riding of Penticton-Okanagan Valley brought forward to me a situation where a person with disabilities... The regulation and compliance and policy administrative steps with respect to getting an additional homeowner's grant for persons with disabilities did not move with the individual but actually moved with the individual being seen to have made individual expenditures with respect to adding ramps or widening doorways or whatever that may be.

[H. Bloy in the chair.]

That led me and some others to investigate this situation. In fact, when someone moves from community A or community B — they could move within their own community — and they've spent some funds building a ramp or widening doorways, etc. but now they find they perhaps need another apartment or home or whatever their residence is...

If they purchased that and it had these modifications already in place, they weren't eligible for an addi-

tional homeowner's grant. That struck me as being unfair. I was very pleased when the Minister of Finance, on February 21, tabled her budget to actually look at that, acknowledge that. That change has already been made.

[1705]

That also led me to start asking a whole bunch of other questions with respect to individuals with disabilities. I stand to be corrected, but directionally I think I'm correct. There are nine different ministries in government that have some form of statute, legislation, regulation or administrative and compliance requirements with those with disabilities.

One of the areas that we're going to take a lead on, working with other ministries, is doing the business mapping with respect to those with disabilities working in government. My staff will be working with other ministries. Another area that we expect we'll be looking at is the resource sector — and in other areas.

Again, we're just starting that process. The ministries are currently going through identifying potentials.

The other thing that's important in saving British Columbians time is making sure that they're cross-government initiatives. That's what the citizen-centred regulatory reform track-two initiative is about. It's about taking down some of the silos. I'm sure that the member, in her own experience, will recall that there are, from time to time, silos within governments, and it's very hard sometimes for a citizen to get a cross-government perspective. That's really what this is about.

Again, we'll start with the business mapping process. We'll go out. We will consult with those folks that are impacted. Government will be involved. Then we'll have an evaluation. But we will report quarterly to the people of British Columbia, as we have done since we started regulatory reform in British Columbia.

**M. Karagianis:** In fact, the minister has alluded to one of the things that I was actually going to ask a question about, which was very specifically around the regulatory changes here concerning individuals with disabilities. I know that the minister alluded to this in our discussion on March 9.

Perhaps the minister could really help me through this whole process by clearly articulating exactly the process that was undertaken in changing the homeowner grant to comply with the concerns that the minister has outlined here. What regulatory changes took place? Did the language around homeowner's grants simply now say that if you're disabled, you get to claim that homeowner's grant wherever you live, no matter what? Were there specific steps in that process? In fact, would that have been one regulatory change? Or would there have been several that were changed in the process to simplify and streamline that for individuals with disabilities?

**Hon. R. Thorpe:** Let me say that the example I gave was not an example intended to reflect the new approach to citizen-centred regulatory reform in the

province. What it did, when I became aware of this and worked with others.... The more I questioned and the more I pursued, the more I found that there was an extensive number of ministries — nine or ten — involved with persons with disabilities.

We haven't actually started the regulatory mapping process. We haven't got all of the ministries on side with that. I just used that as an example of a situation with an individual — one with disabilities — that I thought had a legitimate concern. When we pursued those legitimate concerns, it started raising a whole bunch of other questions in my mind. Therefore, based on that, I've asked my deputy for our ministry to take the lead in pursuing the possible regulatory reform for those folks that are not as fortunate, those folks with disabilities. That process is just starting.

[1710]

Again, as I said, the citizen-centred regulatory reform is a three-year process. We will lay that out. We will identify two or three major initiatives across government to pursue. Individual ministries will identify some priorities within those ministries, and then we'll start to work on it. But that has just led to a thought and a commitment, quite frankly, on my part and my deputy's part that we will pursue that as a Ministry of Small Business And Revenue to see how we can enhance opportunities for citizens who have disabilities in the province.

**M. Karagianis:** I guess I misunderstood that there was going to be some of the citizen-centred reform immediately coming out of the minister's interest in the homeowner grant aspect.

I guess my other question is: will there be more detail available as these regulations change, or are they going to be treated with the same sort of broader language as currently outlined in the quarterly progress report?

**Hon. R. Thorpe:** I don't know why the member wants to suggest or is attempting to suggest that information is not available. Again, I have more information here as I sit here, which is an appendix to changes in regulatory requirements. It talks about the Ministry of Advanced Education: the Degree Authorization Act, net change — 23; Degree Authorization Act — 20, etc. All of this information, page after page after page, in just one appendix — 14 pages available on the Internet for April '02 to March '04, should the member want to go on the Internet and get it.

Let me tell you that we will be making quarterly reports. We will be establishing goals in our service plans by ministry for citizen-centred regulatory reform, and we will be reporting out in the extensive detail as we currently do for ministries and government now.

**M. Karagianis:** Again I can see that this is not going to be a fruitful line of questioning to pursue. When the report says "net change — 23" in a specific department, that's great, but what were those 23 changes? Were they archaic language that was changed? Were they actual clauses that were eliminated? Were they signifi-

cant shifts in how the regulation operates? You can say that we did 23 changes, that we did 55 changes. If they are all minor in scope, that's a big difference between regulatory reform that is major in scope.

I can see that I'm going to be quoted numbers: "We reduced this many there and that many there," with no specific details as to whether that was simply language change, significant elimination of parts of existing regulations or whether it was consolidation of information. That is what I've been pursuing here in this line of questioning, and it doesn't seem to be actually getting us anywhere.

I think I will then move on, if I may, to discuss revenue programs. In reading through the review of cross-border sales tax....

**Hon. R. Thorpe:** No, excuse me.

**The Chair:** Minister.

**Hon. R. Thorpe:** Yes, I would like to make a comment before the member moves on to the next division. For the member to characterize what she has just characterized is absolutely incorrect. Ministry of Agriculture, act repealed SBC 2003, chapter 7, section 8, into force. You can go through here: OIC repeals B.C. regulation 186/92, streamlines registry processes and enables electronic filing.

[1715]

For the member to characterize that the information and the detail is not available to the public and to herself.... Quite frankly, maybe she hasn't availed herself of the Internet, but there is extensive information here that goes through and highlights the title, the comments, what took place — for instance, a new schedule of fees for crowns and bridgework for eligible recipients, OIC 1133.

I don't know how much more detailed one could be in providing information. I just want, for the record, hon. Chair, to make sure the member is aware that this detailed information, ministry by ministry, statute by statute, regulation by regulation, administrative compliance by compliance, is available on the Net.

**M. Karagianis:** Earlier I asked if there was a list available, and I was told all kinds of other directions to look, and I was told about the fact that lists were available here, there and everywhere. Certainly, the minister has now quoted a document from a specific ministry that appears to have information. I guess it's up to me to do all of the investigation here and then come back next year and question the minister about what some of it meant.

That's fine. I'm prepared to move on. I just don't find this is bearing any fruit at all — not giving me any information at all. I would, if I can, please move on to revenue programs.

As part of that, I would like to discuss the cross-border sales tax audit and compliance initiatives from January 26, 2006. I do have a number of questions here, if I may.

On page 2 of this document, there is a statement that in situations where a seller does not regularly make retail sales, the purchaser, rather than the seller, is required to self-assess the tax due on the purchase and send it to the province. For goods brought into the province, the purchaser is also required to self-assess the tax due on these goods and send it to the province. I just wonder if the minister could tell me how much revenue is collected by that process.

**The Chair:** I'll call a recess for five minutes.

The committee recessed from 5:19 p.m. to 5:22 p.m.

[H. Bloy in the chair.]

On Vote 39 (continued).

**Hon. R. Thorpe:** Provincial sales tax is self-assessed in two ways. If you're a registered vendor, it is reported on your return — whether it be your monthly, quarterly, semi-annual or annual return. If not, it can be reported using a casual tax return. For instance, I did one of those not too long ago when I bought some software over the Internet, and I'm sure other members of the House would find themselves in the same situation.

**J. Horgan:** Not pirating, I hope.

**Hon. R. Thorpe:** No.

The tax was payable. The vendor selling the software is not registered, as most aren't with Internet sales, and therefore, there's a self-assessing casual form that people fill out and send in their remittance.

We don't break this down by business or resident — where it comes from. It just goes into the overall sales tax revenue, about \$4.2 billion. The possibility does exist, we believe.... If the member is really interested in the magnitude of this number, we might be able to do some computer programming to generate that number, but as a regular course of business, we do not keep the self-compliance revenue separated by itself.

**M. Karagianis:** Thank you very much, and I think that if it's not kept somewhere as a separate line item, I can understand that it would be difficult to clarify that.

[1725]

One of the other things in reading through this was.... "The New Programs for Individuals Since 2002" talked about: "The ministry developed a program to identify British Columbia residents who purchased high-value goods in Alberta." I'm wondering is there some kind of category for what "high value" is and if there are any details on that that the minister could tell me about? Is there a threshold that actually triggers recognition?

**Hon. R. Thorpe:** Working with border communities and with small businesses located in border communities since the formation of this ministry, there were

some items that were identified as major concerns. They would be ATVs, Sea-Doos and Ski-Doos. Those were the items that people were concerned about. They were also concerned about, in some of the border communities.... I know the Columbia Valley, the Revelstoke area, was quite concerned about the amount of building materials that were coming in from Alberta, avoiding a sales tax.

Again, we use a variety of methods, from on-site reviews of major development sites to electronic information that we receive from time to time. Those are the major areas, again, that we're interested in. We are not embarking on any new programs at this point in time. We believe that we have other priorities for allocating our resources to. So that's what we're doing.

**M. Karagianis:** I'm going to get back to that last statement about not embarking on any new programs. My question actually was: what is the threshold for identifying high-value items? Is there a specific dollar amount? Is there a specific c.c. amount in the case of ATVs? How is that threshold established as to what a high-value item is?

**Hon. R. Thorpe:** We haven't established a value. Again, I think it's fair to say that we have responded to small business operators in border communities, and we have responded to chambers of commerce in small border communities. As I mentioned, we have focused in the past on ATVs and snowmobiles and Sea-Doos. We also have an obligation, though, to respond to individual complaints that we may receive from British Columbians for a particular thing.

[1730]

Again, I don't want to throw out an example of what a complaint could be, but we do have a tips line. We do receive calls from people in British Columbia concerned about possible tax evasions, and every one of those is investigated. In situations where it's deemed that tax is payable, assessments are levied.

**M. Karagianis:** In reading this document, *Review of Cross Border Sales Tax Audit and Compliance Initiatives*, it says very clearly, and I'm quoting right from the document:

'New Programs for Individuals Since 2002.'

Also following from the 2002 consultations, and in response to the specific concerns raised, the ministry developed a program to identify British Columbia residents who purchased high-value goods in Alberta — for example, all-terrain vehicles, heavy equipment, appliances, electronics and furnishings.

This program was intended to achieve fairness and equity. This program — which addresses all-terrain vehicles, snowmobiles, personal watercraft, outboard motors, utility vehicles for off-road use, portable generators and off-road motorcycles — was supported and well received by businesses in the border communities.

The minister has now said, I believe: "We're not embarking on any new programs." I'm assuming he does not refer to this.

Could the minister clarify how the value is established on these high-value goods? Certainly, all-terrain vehicles are considerably more expensive than electronics or furnishings. How in fact is that threshold determined?

**Hon. R. Thorpe:** The member made reference to electronics and furnishings. Those are things that we were looking at doing. We're not doing those.

I believe the deputy minister's report, page 7 of 18.... The program that is in place, that we have, addresses all-terrain vehicles, snowmobiles, personal watercraft, outboard motors, utility vehicles for off-road use, portable generators and off-road motorcycles. Those are the programs that are in place. That's all we have in place. That's what we are continuing to have in place. Again, those have been very well received by businesses and the communities along the borders. There will be no expansion upon those programs.

**M. Karagianis:** I take the minister, then, to mean that the previous paragraph is in fact no longer true.

**Hon. R. Thorpe:** The only items from the paragraph above.... All-terrain vehicles, as the member can see in the paragraph below, are captured. Heavy equipment was and is in response to the oil and gas contractors of northeast British Columbia. We do have proration programs that we work and that are able to assess non-British Columbia companies. With respect to appliances, electronics and furnishings, those programs were never put in place.

**M. Karagianis:** So there's no value on how these are judged. These are specifically restricted to the list of things here — all-terrain vehicles, snowmobiles, personal watercraft, outboard motors of any size, utility vehicles for off-road use only, portable generators and off-road motorcycles — and there are no criteria other than that. Any off-road motorcycles of any size, any outboard motors of any size — are they all captured under that?

[1735]

**Hon. R. Thorpe:** As I said earlier, we do have a responsibility to respond to complaints, to tips that individual British Columbians do put in. We respond to those situations. Sometimes they may not be specifically to this list. We do have an obligation to act on their complaints, their tips, but as I've said before, these are the areas that we have focused on. We've had support of the border community business communities and communities, and we have no intention of introducing any further programs at this time.

**M. Karagianis:** I take it from the minister's comments that it's only, at this point, when a tip has been received that someone may not have self-reported that the ministry follows up on those. Is that true?

**Hon. R. Thorpe:** The ministry follows up on all tips received from the citizens of British Columbia with respect to the possibility of tax evasion in the province.

**M. Karagianis:** On page 9, the conclusion of that talked about that the minister will cancel the demand notice to Costco — and we had discussed that before — and that the ministry would develop a comprehensive public education program. Can the minister elaborate on what that public education program is?

**Hon. R. Thorpe:** We are in the process of working on those programs. Staff are looking at those programs. I was in Dawson Creek last week and met with some folks in Dawson Creek. Interestingly enough, in Dawson Creek....

Let me give you an example that one of the people at our provincial sales tax round table brought up to me. She said: "You know...." She called me Rick, and that's fine because that's my name. She said: "Rick, you know what the problem is?" Her name happened to be Nora, so I'm going say her name. I said: "No, what is it?" She said: "People aren't educated. I actually know of someone who just bought a La-Z-Boy chesterfield — not in British Columbia. They brought it back to British Columbia. Lo and behold, if they didn't do some checking in British Columbia to find the exact same La-Z-Boy sofa available in British Columbia for a thousand dollars cheaper."

We had another example of someone saying: "People think they advertise no PST, so you must be getting a deal." On computers, people are saving \$200 and \$300 by buying those in British Columbia versus on other side of the border — reported by another individual.

I think that working with communities and working with small business, we have a real opportunity to say: "When you shop locally, not only do you help your community, but by the way, here are some examples of shopping locally where you actually save money by shopping in British Columbia."

We know that only 10 percent to 14 percent of the people that go outside British Columbia to shop goods through unmonitored borders go to try to save tax — 10 percent. The other 90 percent go for other reasons. But those two examples that I was made aware of on my recent trip to Dawson Creek give me extreme encouragement that not only are we going to work with the communities and develop public education, but I think we have a very good thrust to show people that they really get more than just value. They get service, and they build communities in British Columbia.

We're going to work with those communities. Our staff are looking at options right now, and we'll be rolling those programs out in the coming years. But it's going to be key that we work with the local communities, that we work with local business and that we work with the citizens in the border communities along the Alberta border.

**M. Karagianis:** The actual language in this says that the ministry will move immediately, will also immedi-

ately develop a comprehensive public education program. Is the minister talking about a comprehensive education program only to border communities or something other than that?

[1740]

**Hon. R. Thorpe:** The specifics of this here talked more to border communities. Our intention is to have programs up and in place in June-July of this year. The public information and seminars.... We are continually holding those throughout British Columbia. In fact, we're enhancing that service. So throughout the rest of British Columbia, including the border communities, you will see a renewed thrust in public education about self-compliance, about things related to sales tax in the province. We know that.... I think it's around 98 percent, 97½ percent of British Columbians are self-compliant. We know that sales tax is complex.

We know that as we work through our streamlining and simplifying process, we actually have a responsibility to work in an informative partnership group, whether it be with Retail B.C. or Retail Canada or other organizations, to work to make sure that British Columbians know the provincial sales tax system but also know what their obligations are. I'm very, very confident that with the high level of compliance we have in British Columbia today, we will see increasing levels of compliance as we roll out our education programs across the province.

**M. Karagianis:** Can the minister elaborate in any way on what this program might be? Are these pamphlets throughout British Columbia? Is this an advertising program on television? Is this something that's distributed in all communities? Is there any indication at this point how this might be done?

**Hon. R. Thorpe:** We do not envisage television commercials. We do envisage publications. We do envisage working with chambers of commerce and with other small business groups. We do envisage starting in border communities as a first priority, because that's a commitment that I made to them.

**M. Karagianis:** One more question, if I may. I do notice that in the previous paragraph it says that many residents appear not to be aware of these programs — obviously, the self-reporting — that they also apply to high-value purchases brought into the province from within Canada. This is a reference to bringing them across the border. Again, will this education process define for people exactly what high-value purchases are, or does it apply to all purchases? Or how is the ministry going to define what is permissible and what is not?

**Hon. R. Thorpe:** Those details have not been finalized at this point in time. When they are, I've arranged to have a briefing prepared for the member so that she could be aware of those public education programs and the detail of those public education programs.

**The Chair:** Committee A will now stand recessed until 6:45 p.m.

The committee recessed from 5:44 p.m. to 6:43 p.m.

[R. Cantelon in the chair.]

On Vote 39 (*continued*).

**M. Karagianis:** I would like to return just briefly to a couple of leftover questions from March 9, if I may. We had discussed the list of 40-plus revenue streams. The minister very kindly gave me a list of those 40 different revenue bodies, but there was a discussion about having a report-out of the revenue from each of those streams. I just wondered if we had a time line on that. I know the minister had talked about getting me that information. Perhaps we have a time line of when that might be available.

**Hon. R. Thorpe:** Staff are looking at that right now. They are very, very busy these days, but they'll be making every effort to get that to me as quickly as possible.

**M. Karagianis:** Certainly, I wasn't expecting it immediately, but perhaps within 30 days. Would that be appropriate? Or would the staff prefer more time than that?

**Hon. R. Thorpe:** They will work on it and get the information to me as quickly as possible, and I'll pass it to the member. Whether it's 30 days or more, I don't know, but I know they're going to make a concerted effort to get the information.

**M. Karagianis:** There are going to be several other members coming in to ask questions in areas of their interest and to do with their ridings. In the meantime, I'll actually move, then, through to the third segment of the service plan, which is revenue services.

[1845]

I'd like to talk about a couple of issues, I guess, around the revenue services. First and foremost, perhaps the minister could give me an update on the revenue collection services, EAS or EDS services, and talk about their performance to date and any updates on this company since our last estimates in September.

**Hon. R. Thorpe:** I think it might be worthwhile if we just take a moment and talk about revenue management and the vision. First of all, the vision is to create a revenue management centre of excellence here in British Columbia that fully addresses British Columbians, the processes and technology required to (1) maximize revenue realization, (2) minimize the costs per dollar collected, (3) enable effective reporting and performance measures and (4) enhance customer satisfaction and improve a model of success for the future.

Quite frankly, from my perspective — and I said this earlier about small business — I see our revenue

management model here providing British Columbia with the opportunity to establish in North America a centre of excellence for revenue management that in time will enhance job creation in British Columbia and will provide British Columbia with yet another opportunity to lead in North America. I also see the ongoing opportunity for significant gains in providing excellent and continuous improvement in customer service to British Columbians. That is the overall vision that I see. Of course, this is a partnership between the government and a private sector provider.

**M. Karagianis:** I did not gather from that any real update on the activities to date, but perhaps some more pointed questions will help with this information.

I know from our discussions in the fall that the ministry expected to see \$82 million in additional revenue, compared to in-house management of revenue services. Can the minister confirm whether or not that has been the case?

[1850]

**Hon. R. Thorpe:** I believe the number of \$82 million has to do with the public sector comparison. We had independent industry experts analyze the comparison and confirm that working with the private sector company would provide greater net benefits to government. The comparison showed that the contract with Advanced Solutions would result in a net \$82 million additional benefit to the province, when compared to proceeding with an in-house model.

But I think the numbers that.... I'm sure the member's had the opportunity to go through them in detail. The revenue management project, which has been posted on our website since November 26, 2004, on page 15, with some comments on page 16.... Over the ten-year term of the project we are projecting net benefits to government of \$382 million.

The member asks where we are in that progress right now. Well, the first-year anniversary was in December of last year, 2005. At that time I did make a commitment that we would be having a complete review that would be posted on our website by the end of March of this year. So, where we are today, March 20.... I have had no notice that we will not fulfil that commitment we made to British Columbians, so we expect that the progress annual report will be on our website by March 31 of this year.

**M. Karagianis:** I will watch for that information at the end of the month but looking at the ten-year benefit would say, averaging out, that perhaps the \$82 million as a comparator may or may not have been accurate.

One of the plans I know that the minister has is to move forward on this consolidated revenue management system. I know this is one of the really big initiatives that government is involved in right now. One of the things is that I think there's a mention of transitioning all of the accounts management systems in government to a central system. Am I correct that that's what this premise is?

**Hon. R. Thorpe:** The original premise is to consolidate some 40 revenue systems in British Columbia to one revenue management system.

**M. Karagianis:** So this process of transitioning — is there a time line for this, and is there a cost associated with this?

**Hon. R. Thorpe:** The time line is that we expect to have phase one of the revenue management build system up, I believe, before the end of April this year. Then from there, we will look at on-boarding opportunities to start adding components to the revenue management system. I think some of those have been identified. As a matter of fact, I know they've been identified in the revenue management report that has been available on the Web since November of last year.

[1855]

So we're moving forward. My indications — what I've been briefed by staff — are that we are making very, very good progress. There will be on-boarding opportunities. We have identified in our budgets going forward when we are moving to on-boarding. On-boarding is the term used when you're bringing new things into the revenue management system. We have identified funds within our various budgets to work with ministries and organizations that want to on-board with us so that we do have that capacity built into our fiscal plans, going forward.

**M. Karagianis:** I understand the term "on-boarding" is when additional ministries come on board, but organizations.... You mentioned organizations. What would those be?

**Hon. R. Thorpe:** Actually, I think we provided, at the close of estimates on March 9, the list of 40 revenue systems, so those on-boardings would come from that list. We will be approaching it.... It's our intention to approach that primarily from a business case for on-boarding. There may be, from time to time, other items that will be used, but for all intents and purposes, they will be added on a business case basis.

**M. Karagianis:** How will each ministry then report this process out? If all revenue management is being turned over to this one central system, how are they going to be reporting out on this in the future?

**Hon. R. Thorpe:** Through the ministry and our alliance office at the ministry that manages the revenue services project. We are currently working with the comptroller general's office for the province on what the methodology will be for us receiving the information, for us reporting back and for ministries reporting out. It will be a governmentwide approach. As I said earlier, we're working with the comptroller general of British Columbia to establish that reporting process.

**M. Karagianis:** If I may, I wasn't sure I heard the minister correctly. Did he say "alliance office"?

**Hon. R. Thorpe:** Yes, I said alliance office. The group that reports to my deputy minister, which is managed by my assistant deputy minister responsible for the alliance management office, manages Revenue Services of British Columbia on behalf of the government.

**M. Karagianis:** In the future, when all revenue streams are consolidated into one system, that will be all under the care of the alliance office, will it?

**Hon. R. Thorpe:** It will be the responsibility of the minister responsible for provincial revenue. At this point in time, it's called the alliance management office. I see no reason that that would be changed, but it will be part of the ministry responsible for revenue collection.

**M. Karagianis:** Will all revenue management, then, be turned over to EDS or EAS, your private partner?

**Hon. R. Thorpe:** As I mentioned earlier, it's.... Each of these on-boarding activities will be done based on a business case model, to make sure it is the most cost-effective and beneficial system for all British Columbians that we move in this way. Our intention is that there are business models that we believe will facilitate this, but each one will go through the test — to make sure it does meet the test of a solid business case — before being on-boarded and put into the revenue management system. That's our responsibility to the taxpayers of British Columbia.

[1900]

**M. Karagianis:** Well, given the fact that right now all revenue services are currently done in conjunction with the partnership, with EDS.... In fact, then, anyone coming into the central revenue or this consolidated revenue management system would either have to automatically go there. Or is the minister intending on creating another revenue management system that's in-house?

**Hon. R. Thorpe:** Our stated vision at the beginning of this whole exercise is to create a centre of excellence here in British Columbia. We believe that you will create a centre of excellence by having critical mass, by having expertise that is cost-effective, efficient, technologically advanced and provides the best customer service we can. We believe that can be accomplished through the centre of excellence.

**M. Karagianis:** I will actually ask the question again, because I didn't hear an answer in that. If all ministry streams coming into this consolidated revenue management system do not, by business case analysis, have their revenue collection turned over to EDS, then is the minister setting up an in-house system for those that do not pass the business case?

**Hon. R. Thorpe:** Our intention is to move forward on achieving a centre of excellence. We believe that

using our technological platform, which is being developed by Advanced Solutions and the technological capabilities that they have and have demonstrated to us so far, will be in the best interest of all British Columbians. Again, we'll be moving forward to consolidate revenues in British Columbia, and our intention is to use the service, the centre of excellence, to achieve that.

**M. Karagianis:** From that, now, I'm interpreting that all of it will go to your private partner, EDS. One question that does come up out of this now: debt transfer. We had talked about that earlier — about debt transfer. In fact, how is that process going to take place, and what are the costs for that?

**Hon. R. Thorpe:** There is no transferred debt. The debt is the responsibility of the province. We're working to reduce debt through a modernized centre-of-excellence collection agency. That's our goal. That's what we're striving to achieve.

**M. Karagianis:** All of the revenue, then, is going to this consolidated revenue management system — EAS being your private partner in this case. They will now manage the consolidated revenue management system. What are the costs to each individual ministry now for this process of transferring everything through this one central system?

**Hon. R. Thorpe:** That will depend on the business case. It's our belief — when we look at technological investments which are required in government, based on the technological platform we have and the ability to provide enhanced customer service — that ministry cost will be reduced and benefits to government will be increased over the ten-year period by about \$380 million.

**M. Karagianis:** Ministries are all currently responsible for bringing in or managing their own revenue streams, although it is all consolidated here in this ministry at the end of the stream, so I'm not sure what technological requirements shift here. Does it mean not investing in technological upgrades to continue to leave ministries responsible for their own revenue? Is that where the savings will be? By consolidating this in the hands of EDS, this centralizes everything into one place for technology management?

[1905]

**Hon. R. Thorpe:** I suspect that after we build the phase one and implement it in late April and move forward and start looking at on-boarding opportunities, the billing — the management of the receivables and the collection of the receivables — transfers to our ministry as responsible.

One of the things — I would be surprised if it's not included in a business case coming forward — is ministries looking at what would be required for them to have to make a technological investment in a ministry

versus being able to capitalize on the large platform, the modern platform, that has been built as part of our revenue management system and our centre of excellence.

Those decisions will be part of the business case development. Our strong belief, with the advanced technological platform being developed and put in place, is that it certainly will be advantageous to ministries and will replace further investments that may be required in other ministries in government.

**M. Karagianis:** The minister referred to making technological investments, but wouldn't that merely be upgrades with ministries? Do they currently not have systems in place at all?

**Hon. R. Thorpe:** The member may not be aware of this, so I'll just take a few moments and advise the member that there's a variety of antiquated legacy systems throughout government that at different times has fallen behind the technological advancements of today. Those systems, on a case-by-case basis, could be extremely expensive.

You know, one of the benefits of our centre of excellence is that our service provider is committed to making sure that we have modern technological upgrades on an ongoing basis, to make sure that we continue to be a centre of excellence. I think it's fair to say, in very general terms, that government is faced with a number of old legacy systems that, when properly assessed, could cost millions and millions of dollars to replace.

**M. Karagianis:** Perhaps that, then, explains page 20 of the service plan, where there's the following quote: "Performance measures...replaced where and when appropriate, balancing the need for reliable information with reasonable cost." Is that what the minister means by a business case?

**Hon. R. Thorpe:** These comments on page 20 of the service plan are our approach to performance measurements throughout the entire ministry, not just the revenue management system.

**M. Karagianis:** I see. Thank you very much.

I understand, then, that this central revenue management will be dependent on an analysis of current, existing technologies within ministries and, where upgrades would be more costly, turning all of the responsibility over to the central management system and your partner EDS. That would be the business-case scenario that would be the test. In building phase one, as you've referred to it, of this central revenue management system, who is in that first phase?

[1910]

**Hon. R. Thorpe:** I'm sure that the member has read, as I have, the revenue management project summary that's been posted since November 26, 2004, a number of times. On page 9 of the report, the project summary, there is a list here. It starts with Medical Services Plan;

immigrant sponsorship; B.C. Ambulance; British Columbia student assistance program; employment and assistance program; court fines; mineral, oil and gas revenues, etc., etc.

If you go across the matrix, you can see, in the phase one, what is being done. For instance, in phase one for the Medical Service Plan premiums is the account management, the billing, the payment processing and the collection of overdue accounts. With respect to B.C. Ambulance, it's payment processing and the collection of overdue accounts. Each one has different phases, but it's laid out — rather neatly, I might add — on page 9 of the project summary from the revenue management project.

**M. Karagianis:** I was actually anticipating that there would be new, additional ministries or organizations in this phase one as part of the management system, but apparently not.

I would like to ask, then, about this on-boarding and this centralizing of changes to the terms of the contract that we currently have — the province has — with EDS systems. How does that contract change?

**The Chair:** Could you repeat your question please, member.

**M. Karagianis:** Yes. The on-boarding of new ministries or organizations and the consolidated revenue management system — how does that actually change the terms of the contract with EDS systems?

**Hon. R. Thorpe:** Perhaps I wasn't as clear as I could have been, so let me just say that phase one is going to, in our estimation, accrue at least \$380 million over ten years to the province and taxpayers of British Columbia. That's phase one, on here.

As we on-board.... Obviously, as you expand a system, there will be costs. We believe that those costs will be incrementally less than we are, because the platform will be there, etc. But again, each one of those will be done on a business case. Each one of those on-boardings will be done in discussion and, quite frankly, in very aggressive negotiations on behalf of the government in dealing with its private sector provider.

**M. Karagianis:** I wasn't really clear on how this changes the terms of the contract. Is it going to be incrementally changed as each organization on-boards, or has the contractual negotiation already taken place with EDS? The minister did refer to the fact that everyone on the list of the 40 revenue streams would eventually be business case-tested. In fact, it's a significant alteration to the current contract with EDS.

[1915]

**Hon. R. Thorpe:** The current contract does contemplate on-boarding, because we are talking about consolidation and moving 40 revenue accounts receivable onto one platform. It's my understanding that the economic model is embedded in the contract.



As we move forward with on-boarding, that economic-impact model will be the basis for on-boarding — looking at incremental benefits to the province and providing economic, incremental benefits to the service provider, who will be doing increased work on behalf of British Columbians.

**M. Karagianis:** Is that reflected in the current contract, and is that available to read where those references are in that contract?

**Hon. R. Thorpe:** On-boarding is contemplated in the current contract. As I said, the contract summary and revenue management project are on the website — have been since November 26, 2004 — but as with all governments and all jurisdictions, we must and we will protect the commercial confidentiality of the partners we do business with.

**M. Karagianis:** Recently there was some discussion in this House about the sale of computer equipment that resulted in the breach of private information. Has anything of that nature occurred with EDS at this point in time?

**Hon. R. Thorpe:** To my knowledge there has been no sale of any equipment. It's my understanding — and our ministry's position — that we are complying with the government's position. We will not be selling anything, and materials will be destroyed by professionals that do that.

It's also my understanding that Advanced Solutions has very sophisticated methodology for enhancing the protection of personal and private information. They will adhere to direction received from the province with respect to the protection of personal and private information.

**M. Karagianis:** On March 8 the Minister of Labour promised that amendments would be made to the contracts with Maximus in order to embed that kind of expectation and promise. Has such a contractual discussion taken place with EDS?

**Hon. R. Thorpe:** Staff have had preliminary discussions with our service provider. I have given instructions that our ministry will comply with the direction and the spirit of what my colleague the Minister of Labour and Citizens' Services has said with respect to no material being sold. That will also take place with EDS Advanced Solutions. We will be doing that and amending our contract to reflect that.

**M. Karagianis:** Is there a cost to doing that — to amending this contract and including that kind of language? Will there be a cost for that?

**Hon. R. Thorpe:** Our agreement has some 42 items in it protecting the enhancement and making sure that personal and private information is protected. Our position — the position of myself, of our government

— is that personal and private information will not be compromised. In fact, within our contractual obligation agreement with our service provider, there are substantial fines if that should ever happen. We actually have the right to take back control of the company and the systems, should we not be satisfied. We have the right to do surprise audits at our discretion.

Our service provider has been very forthcoming in saying that they also believe that the compromise of protection of personal and private information is not acceptable. I feel very strongly that they'll be working with us. If there is any cost, it will be minimal to the people of British Columbia for the protection of personal and private information.

[1920]

**M. Karagianis:** The minister is saying that EDS, in fact, is taking on new responsibilities for on-boarding a number of additional responsibilities under the consolidated revenue management system and has also had some indication that there would be higher expectations on their contract — that they are not to sell any of their equipment and are to follow the promise made by this government, through the Minister of Labour, on how this is to be protected. This has resulted in no additional cost for this contract whatsoever?

**Hon. R. Thorpe:** The privacy protections that we have contemplated in the agreement and any future privacy-protection items that would be required.... It is my understanding and the advice I've received that there will be minimal, if any, increase in the protection of personal and private information — for the government or for Advanced Solutions.

**M. Karagianis:** I think the minister meant "no additional cost." I don't think he meant....

Interjection.

**M. Karagianis:** No, you said privacy — that there would be no additional privacy — and I think you meant cost.

**Hon. R. Thorpe:** If there is any additional cost, I believe it will be extremely minimal. It will have no impact on us ensuring that there is no compromise with the protection of personal and private information. Based on my discussions with our service provider and my staff that manage it, their willingness to ensure that there is no compromise that takes place.... It's part of their business model and one that.... I do not believe there will be any costs, increases, passed onto British Columbians.

**M. Karagianis:** On page 45 of your service plan it also says that the reporting of costs per transaction for information is now being dropped, due to the terms of the contract with EDS. I wonder why that has changed. I mean, you're talking now about a company that has such largesse that we can add all kinds of revenue

streams. We can add new expectations around privacy protection with no additional cost, and yet the cost per transaction is being dropped because of contractual agreements with them. I'm just wondering if the minister could explain that.

**Hon. R. Thorpe:** Thank you to the member for the question. The average cost-recovery per tax collection position. These measures were focused more on internal administrative matters which allowed the ministry to effectively allocate resources to ensure all overdue accounts are being properly worked. The ministry will continue to monitor these important numbers to ensure efficient operations.

The performance measures that we will monitor our service provider are embedded in the contract and will be aggressively managed by our alliance office. As we have moved forward on the revenue management system and the contractual obligations, we will be managing those, but given that we are moving over here, it didn't seem appropriate, on the advice I received from senior management in the ministry, to continue to have that performance measure as part of our service plan. There will be other.... We will track it inside, but through our service provider we also purchase a suite of services.

We know it's in our interest, because it's in their interest to make sure our technological platform is the most effective and efficient it can be, to drive down costs through technological advancement.

**M. Karagianis:** I have one more question before some of the other members who are here to ask questions wish to be heard. What other performance measures are being used, then? I see significant increases and shifts in this contractual agreement with EAS — EDS systems: brand-new consolidated revenue management system, up to 40 new revenue streams coming into that, new and higher expectations for privacy protection — and no additional costs there. What are the performance measures that go with this contract? Because this organization sounds pretty phenomenal to me.

[1925]

**Hon. R. Thorpe:** The first year of our ten-year agreement, we believe, is going to be marked by significant customer service accomplishments and milestones. We believe that when we report out, we will see significant improvements in response times for customers, more streamlined processes and customer service, and increased training and professional development for our increased staff and employees. I think, if my memory serves me correctly, we had 177 employees from our ministry, all members of the BCGEU, move over to Advanced Solutions, and out of that, only seven have transferred back into government service. So I think they're doing a very, very good job over there.

[H. Bloy in the chair.]

In addition, the contract has 22 service points — performance measures are defined which may have

financial consequences to Advanced Solutions. An additional three-level.... Service levels are also defined subject to contractual management. Those are all commercially sensitive information and are managed by our alliance management office. There are extensive performance measures in place to monitor the performance, to report back to ensure that our goals are being achieved, both financially, and as importantly, in my estimation, as improved customer service.

**M. Karagianis:** So the performance measures really are around customer satisfaction and the number of satisfied employees. We're already one year into that contract, and so I would expect that some of those performance measures have already been achieved or not. But certainly, considering it's a ten-year contract, they seem fairly vague performance measures. I'm sure that the minister has probably a more detailed performance measurement agreement with this contracted company.

**Hon. R. Thorpe:** I can assure the member that when we report out — as we committed in December.... We will be reporting out on an annual basis, and my commitment and our government's commitment is to report out by March 31 of this year. I believe, based on trend lines that I have seen, that the increases in customer services, the rollout in implementation of the revenue management system and the ever-increasing financial benefits.... Based on the information that I have at this point in time, we're making very good progress. We're pleased with the progress. We believe that we're on track to achieve the goal of \$380 million over ten years for this agreement.

**M. Karagianis:** I do have several other members here who wish to speak. If I may give the floor to the member for Cariboo North and, after that, the member for North Island....

**A Voice:** North Coast.

**M. Karagianis:** Sorry, North Coast. We're kind of on a little northerly binge here. If I may.

[1930]

**B. Simpson:** Just so that I'm not misunderstood, nothing that I say going forward here is to impugn the good services of staff here or any of the ministry staff or anybody else who works on the minister's behalf.

A couple of things I want to explore in a bit more detail, taking off from the previous line of questioning. I want to think a little bit around the work that's done by the minister's group for Ministry of Forests and Range and what that looks like from the customer, as the minister keeps speaking about customer satisfaction.

When someone is getting an invoice for whatever they're doing under the auspices of the Ministry of Forests and Range, are they getting the invoice from

B.C. Timber Sales or from the ministry, or are they getting the invoice from EDS directly?

**Hon. R. Thorpe:** They are getting the invoice through work at the Ministry of Forests.

**B. Simpson:** So if I'm a woodlot owner, and I get an invoice for stumpage, that invoice, if I understand the minister correctly, is from the ministry directly. Then what is the function of EDS, and where is the streamlining impact of EDS, as the minister talks about this technology platform? What role does EDS play in that process?

**Hon. R. Thorpe:** Currently that information flows from the Ministry of Forests. In our revenue branch, within the ministry, we have a team that monitors forest revenue for collection purposes. They work closely with Forests. What the member speaks of is something that is a possibility for future on-boarding but has not been studied at this point in time in detail.

**B. Simpson:** Thank you for that. So if I look at the ministry's service plan, it talks about ministry capacity and what it hopes to get from EDS Advanced Solutions Inc. to leverage private sector investment expertise and technology, while transferring risk to improve, consolidate and streamline revenue management processes across government.

So here we have a large sector of government that does a lot of revenue generation. I couldn't even begin to imagine the number of invoices that must be issued by both the Ministry of Forests and Range and B.C. Timber Sales. Yet, it's just a possibility that EDS would be involved in that daily work of issuing and tracking invoices, and dealing with revenue collection. Am I understanding correctly the current state of that?

**Hon. R. Thorpe:** I'm not going to comment on details with respect to the Ministry of Forests and Range. The appropriate place for those questions to be asked, of course, would be in the estimates of the Minister of Forests and Range. The member will be playing a fairly significant role, I would suspect, in those questions.

[1935]

What we will be doing with the Ministry of Forests, as yet another example, is sitting down, looking at the business case, understanding the various possibilities. After a team has approached this in a very thoughtful, deliberate way, a business case will be prepared. If the business case warrants moving forward to the centre of excellence, and if people believe that improved customer service can be achieved at the same time, minimizing risk on investment capital for technology, the possibility is very real that we could move forward with an on-boarding with respect to some of the items that the member has talked about.

**B. Simpson:** Old age sucks. I hate wearing these glasses.

Interjection.

**B. Simpson:** I can't. Then it's all just a blur.

I'm a little confused, and I hope the minister will bear with me. Again, on page 12 of the service plan, under "Revenue Services," which has been allocated \$62.2 million and 135 FTEs, it speaks in the present tense about services provided to the Ministry of Forests and Range — not future tense, but present tense.

It says: "This business area also manages and collects revenues" — again, present tense: manages and collects revenues — "resulting from invoices the Ministry of Forests and Range issues to its forest industry clients, and manages trust security deposits for tenure agreements. These services are provided through a combination of ministry staff and a private sector provider. A key focus for revenue services is the management of the ministry's alliance with EDS Advanced Solutions...."

It seems like there are a lot of FTEs there to manage a third-party, private sector component. If they're not issuing the actual invoices and they're just collecting the money, it seems like an awful lot of horsepower and an awful lot of money for something that the ministry and B.C. Timber Sales are still doing the bulk of the work on. So if the minister could help me to understand what this means and where our savings are on this, it would be helpful.

**Hon. R. Thorpe:** I want to thank the member very much for that question. It's a very good question. Out of the 135 FTEs that the member asks about, two of those are in the assistant deputy minister's office, 19 of those are in the alliance management office, which is managing the whole revenue management rollout program, and 24 are within the forest revenue branch of our ministry, looking after the collections of outstanding debt and things like that.

There are 90 in receivables management. They're within the ministry, managing a variety of other receivables — tax receivables and those kinds of receivables. They are not part of the revenue services performed by Advanced Solutions. They are within the ministry, working on sales tax and corporate tax and things like that at this point in time.

**B. Simpson:** Again — and pardon my ignorance in advance — if I understand it correctly, the line agencies issue the invoices. The Ministry of Forests and Range and B.C. Timber Sales issue the invoices. Once the invoices are issued, however, the management of accounts receivable transfers to the minister's ministry and to the staff that are in this area.

[1940]

So when Guido calls, where is he calling from? Is he calling from the line agency? If I've got an accounts receivable that's over 90 days or 60 days, is he calling from the line ministry, or from the revenue branch or from EDS Systems? Who is the woodlot owner or the licensee calling when their accounts receivables have been dated?

**Hon. R. Thorpe:** Thank you very much for that question. They would be dealing with staff within the

forest revenue branch area of the Ministry of Small Business and Revenue.

**B. Simpson:** So what does EDS do in all of this equation? Where do they fit in, then? If the line agency is issuing the invoice and the ministry's own staff in the revenue branch is following up on dated accounts receivables, then what is the function of EDS in this partnership? It states under "Revenue Services" that a key focus for revenue services is the management of the ministry's alliance with EDS Advanced Solutions. I can't find here an explicit statement of what it is that EDS is doing in this scenario.

**Hon. R. Thorpe:** I don't know if the member has had the opportunity to go on to our website and to review the revenue management project's summary report of November 26, 2004. In that report, on page 9, it lays out the basic premise of, for instance, the Medical Service Plan premium. We do the account management; we do billing; we do payment process; and we do collection of overdue accounts.

For B.C. Ambulance Service, we do payment processing; we do collection of overdue accounts. With respect to the British Columbia student assistance program, we have the collection of overdue accounts. There are a number of other things on here that the member could see in detail.

At this point in time, Advanced Solutions does not do any revenue management services for the Ministry of Forests and Range. Those are in the ministry, in the forest revenue branch. That may be one of the areas that could be considered for on-boarding.

I know the member has a great knowledge of the forest sector, and quite frankly, I would appreciate very much his input. If he thinks it would provide better customer service, more efficiency, better results for British Columbia, sometime if he wanted to share his views with me with respect to forest revenue management in the province, I'd appreciate that.

**B. Simpson:** My feeling these days is that my degree of ignorance is growing, not my degree of knowledge. It's quite an extensive file. But I'd be happy to engage the minister in that conversation at some point.

Thank you for the clarification. That's helpful that it may be moving forward and may be on-boarded. There are some other questions in here around the functionality of the ministry with respect to some of the nuances in the forest sector.

One area, of course, is the repayment of deposits. That's a bugbear for people when you talk about customer satisfaction. It's one that I would suggest that on a broad scan, you'd find would be a very low degree of satisfaction, particularly for the smaller players in the industry.

Is the minister, first off, aware of that problem? Secondly, is there some plan to tighten that up again, particularly for small- and medium-sized operations that have deposits sitting with the government?

**Hon. R. Thorpe:** Thank you very much. One of the things that I think is very important... I really do appreciate the member pursuing this line of questioning because I think my interpretation — and if I'm wrong, I'm sure that the member will correct me — is that we're actually talking about how we work and how we provide better customer service to individuals that are involved in the forest sector in this particular case.

If the government is not getting deposits out in time and things like that, and if the member has knowledge of people that have challenges, I ask that he bring those personally to my attention. At the same time, if people owe the government of British Columbia money and find themselves in difficult situations, our strategic thrust is to actually work with those individuals.

Our objective is to maximize revenue collection, but at the same time ensure that these very important and... As the member knows better than I do because of his background, some of these are small operators in smaller communities throughout British Columbia. We have a very open and flexible approach to providing customer service to ensure that people have the opportunity to stay in business.

[1945]

**B. Simpson:** I can give the minister some examples of that. It is a continuous problem. As people say: "Quick to invoice; slow to pay." For a lot of small- and medium-sized businesses, it is a bit of a bugbear.

There are a couple other things on this topic, and then I want to switch topic to value-added and small business. There are a couple of comments with respect to EDS — and again, as you project forward — and one of them has to do with the degree of money that ends up being parked in ten-year deposits and trusts and so on.

Is EDS currently managing trusts on behalf of the government? Will it at some point manage trusts in order to get a maximum return for the government? And particularly, in the case of the Ministry of Forests and Range, will there be any move to manage those trusts by a private entity to maximize return to the Crown?

**Hon. R. Thorpe:** No, Advanced Solutions is not managing trusts. To my knowledge, there have been no discussions of that. Again, as I said to the previous questioner, all of those things coming forward would be brought forward on a business case, and a business case would be looking after not only the interests of the province but the individual citizens of the province.

But at this point in time, to my knowledge, there have been no discussions, no preliminary discussions. I have not been part of any discussions that would see us moving in that direction.

**B. Simpson:** Thank you for that rock-solid clarification.

A couple of other quick comments or questions on this. The forest revenue group that sits within the minister's ministry: does it issue all payments to licensees, including payments for the 20-percent clawback?

**Hon. R. Thorpe:** I have no knowledge of that, but I'd be pleased to check into that and advise the member within the next day or two.

**B. Simpson:** Last question on this topic. With respect to reporting-out, we currently report out as line items for the various revenue streams. Will that continue or will there be, at some point, a collapsing of those revenue streams? So for example, just now, if I understand it correctly, in the revenue reporting we report all revenue — the taxes, stumpage, rent and so on — for forests as a line item for forests. As the ministry has this on-boarding and has all these revenue streams, will there be a collapsing of the reporting or will we be able to still discretely track revenue by various streams?

**Hon. R. Thorpe:** Our intention is not to collapse the reporting out on revenue streams, as published in the commonly referred to blue books, etc. That is not the intention whatsoever.

**B. Simpson:** Again, I'm sure the minister will correct me if I'm asking the question of the wrong person. In the budget and fiscal plan, when there is a reporting-out on revenue by source under forests, am I correct in understanding that that is all revenue from forests — that's rent, that's deposits, that's everything that the government accrues under forests and is not somewhere else? And just by way of background, some individuals have indicated that because the Ministry of Small Business and Revenue is collecting, there may actually be a division somewhere here in how it's reported out.

**Hon. R. Thorpe:** It's my understanding that the number the member refers to in the fiscal budget that was tabled February 21 is the consolidated revenue for forests. There is no money put in another cookie jar somewhere.

[1950]

**B. Simpson:** The minister may have to have some other staff come in, so if need be, I can pause. I just want to have a brief discussion on the small business profile. As the minister is aware, when he was in Williams Lake, the drop-off in secondary manufacturing in small business and forestry shocked some people. I'd like to explore that with him. I'm not sure if the minister needs different staff there.

**Hon. R. Thorpe:** I'm advised by my deputy that we do not have staff here that would be able to discuss that level of detail. If the member wanted to ask the questions and get them on the record, I would undertake to get that information back to him within the next few days.

**B. Simpson:** Well, I would be remiss if I didn't take the opportunity to go back and reflect on the *Small Business Profile 2002*, which this government produced,

in order to set a context for my questions for 2005. We've had lots of rhetoric around the decade between 1991 and 2001, but reading from the report that this ministry produced in conjunction with B.C. Stats and Western Economic Diversification: "From 1991 to 2001 the number of small businesses across the country grew at an average annual rate of 2.5 percent. Once again, British Columbia led the way with average annual compound growth of 4 percent." In that decade, we were leaders in small business growth.

Again, over that same decade: "Small businesses in British Columbia grew at an average annual compound rate of 3.9 percent. Overall, small business growth lagged that of large businesses, which grew at an average annual compound rate of 6.7 percent." So for a so-called dismal decade, there was a heck of a lot of small business and large business growth in this province, according to the ministry's own documents.

However, over the last six years, as I'm sure the minister is fully aware, we have seen a significant and dramatic drop in small business growth, particularly in three highlighted sectors: tourism, technology and secondary manufacturing. The numbers are quite staggering, actually. The minister's own report, in conjunction with Western Economic Diversification, really paints a very, very statistically dismal picture of the last six years.

Now, that was pointed out. As I said, the minister is well aware that there were a number of people in Williams Lake who were quite shocked by this. Is the minister finding a similar response as these numbers kind of float out in the Small Business Roundtable? That's just sort of a general comment that I think the minister can answer. Is that sitting with other people the same way, where they're quite shocked by how much we've dropped off in those three sectors over the last five years?

**Hon. R. Thorpe:** We've conducted 14 Small Business Roundtables in the province. I think the member is well aware that on April 11, I believe it is, I'll be visiting Quesnel. The member has been advised, and I'm looking forward to the member bringing forward some names. If his schedule permits, as we talked, he would come and listen and participate, should he choose to do that.

What we are hearing, and one of the things that I've picked up out of the 14 round tables, is that people are actually managing success throughout British Columbia. I know the member knows that generalizations can be.... We should all be careful in generalization. But I have found actually that overall, people are extremely positive. There are some 20,000 new small businesses in the province since December 1 of 2001. I think the employment figures are 275,000 new jobs in British Columbia, and 90 percent of those are full-time.

The member mentions tourism and technology and value-added. There's no question that I have heard comments on the value-added sector. The tourism sector, interestingly enough, is bouncing back very significantly now.

[1955]

I think all of us, no matter what our political beliefs are, know that from 2001, for the first couple of years there, there were some pretty catastrophic events that took place in the world that have adversely affected tourism. I know, looking at hotel sales tax that is collected across the province, year to date it's up 8 percent in all regions of the province, which is a very, very healthy sign. I know that our technology community is very robust on the future, as is our biotech.

There's no question that the value-added sector — the member has probably forgotten more about that sector than I'll ever know — does face challenges. But I think that all of us working together can see some strategies implemented to assist that sector. I know that my colleague the Minister of Forests.... I'm sure that the member will be pursuing that line of questioning there.

But over all, we are seeing from the small business sector in the 14 communities we've gone to so far, very, very positive.... Through the Canadian Federation of Independent Business quarterly surveys, British Columbia has the highest level of confidence of small businesses in Canada. So all in all, we are doing very, very well, and people are excited about the future. Again, we face the challenges of managing success.

**B. Simpson:** I would suggest the minister read his own small business profile for 2005. Let me read some of it into the record. The tourism sector saw growth in the number of businesses employing fewer than 20 employees, but there was a substantial drop in the number of establishments with between 20 and 49 employees. High technology. The only growth sector in high technology was in the one to four employees.... All other high-technology sectors dropped. Secondary manufacturing. Between '96 and 2001 it grew 300 businesses. After that, we have dropped almost 500 businesses.

So you know, there is fluff and rhetoric. Then there are hard statistics — statistics that have been developed by the minister's own ministry. Let me read again. The Cariboo region experienced the fastest drop in small businesses, losing an average of 500 businesses per year, which translates to a rate of decline of 3.1 percent. The Vancouver Island-coast region also experienced significant losses in the number of small businesses — with a 2.5-percent drop between 1999 and 2004.

Just so the minister doesn't sort of go back and talk about '99 and 2000 again, I reference the 2002 small business profile, which tracks to 2001 and shows a net growth. In fact, during that decade there was a growth of 9,000 small businesses. Since then, there's been a reduction of 700. All of the statistics are here. So again I take the minister's managing success and how everything is wonderful and so on.... The sad reality is that it's not.

In particular, if you take a look at both tourism and secondary manufacturing — the minister's own document again — secondary manufacturing small business establishments disappeared in every region of the

province. Again, it talks about tourism. Mainland, southwest and Kootenay regions had some growth, but all other parts of the province experienced a drop in the number of small businesses in tourism.

You know, you can line out the numbers, and the numbers tell a very significant story. If you also look at the total value of exports in the province from small businesses, we have declined from \$11.3 billion for the previous decade to only \$8.9 billion worth.

I can go into all of these figures. The reality is that if we go out with the presumption that what we're doing is managing success, then I believe that we will miss what the sad reality is, and that is that we have had failures in these three targeted sectors over the last five, six years. Now, the minister can talk about Asian flu and can talk about all those things. But somehow, for some reason, the logic doesn't apply when you talk about the collapse of the Asian market and everything else during the 1990s.

[2000]

My question to the minister, to get down to some of the nitty-gritty here is.... In this document it's suggested that manufacturing has collapsed as a result of the softwood lumber agreement. Has the minister done any analysis on the collapse of secondary manufacturing as a result of the structural changes that have occurred in the Ministry of Forests and Range — specifically, the changes to the small business program, which no longer exists; specifically, the changes to the tenure system?

If not, will the minister engage in a comprehensive appraisal of the changes that have occurred in the Ministry of Forests and Range — and all the various acts have changed — and of the impact on secondary manufacturing, value-added manufacturing and the small business sector in the forestry sector?

**Hon. R. Thorpe:** I think that one of the reasons the Premier committed our government to a permanent Small Business Roundtable was, no doubt, to go out and listen — not to go out and talk, but to go out and listen. That's why we've gone to 14 communities. That's why we're going to his community on April 11.

I'm going to communities around British Columbia to listen — to listen to what have been the successes. What are the issues, what are the challenges, and what are the opportunities? As I go, I'm pleased that I'm accompanied by some members of our permanent round table of 23 very distinguished British Columbians from every region of the province. Again, working with those individuals, our goal, our objective, our commitment is to build a small business strategy that will move out and roll out and continue to grow small business in all communities and all regions of the province.

With respect to the member's questions with respect to forestry issues, it would not be appropriate for me to discuss those. Those questions would be most appropriately directed to the Minister of Forests and Range in the estimates of the Ministry of Forests and Range.

**B. Simpson:** One of the lessons I'm learning in the estimates process is that there's a lot of this, and it's unfortunate.

My question was explicit. You're out doing a Small Business Roundtable. You're out, as you say, listening — although I would caution, again, that there's listening with a heavy filter on. If the heavy filter on is that you're managing success, then I believe fundamentally that the lessons that can be learned will not be as deep or as broad as if you go out with the willingness and the opportunity to embrace the realities we're confronted with in this province. Again, the minister's own document speaks to those realities. I don't have to speak to them again.

My question was explicit, though. Sometimes in organizations it's best to have somebody sitting outside the organization have a look-see about what fundamental changes have wrought on the collateral damage. My concern just now is that we are experiencing collateral damage that the people within the Ministry of Forests and Range are too — as we say in the industry — head down, butt up to see. They're too mired in what they're doing and what they've got in front of them to actually see the collateral damage.

My question again to the minister: would the minister consider, as part of the round table or as an adjunct to the round table, doing an appraisal of what the implications are on the Ministry of Forests' range of changes on the impact to the value-added? Look at it from the perspective of if we've made changes that have negatively impacted that sector, what can we do to rectify that so they don't persist in being collateral damage?

**Hon. R. Thorpe:** Thank you to the member for his question.

Let me be extremely clear. I hope that the member's schedule permits him to be at our Small Business Roundtable on April 11 in Quesnel. I can assure the member that there are no filters taking place at our Small Business Roundtables. When I open them, I actually say to people — and I mean it sincerely: this is not about sugar-coating. This is not about politics. This is about me coming to your community to listen.

[2005]

The best way that I can learn and that permanent round-table members who are with me can listen and learn is by people being extremely candid. I always encourage extremely candid comments and inputs. As a Minister of Small Business and Revenue, one of my responsibilities is to be the champion of small business inside government.

I can assure the member that if there are issues related to the sector that he is speaking about now, I would be pleased to pursue those with the ministers responsible. In this case, if it's the Minister of Forests and Range, I'd be pleased to pursue that with him.

**B. Simpson:** Thank you to the minister and his staff.

I would say, however, as a student of human nature, that anybody who says they don't have filters on

needs to be very careful. I've always coached our managers on that, because that just simply means that you may not be very aware of the filters you bring to any given situation.

However, I do suggest quite strongly that the minister may want to consider adding to his workplan a very deliberate, strategic analysis of the value-added sector that may be an adjunct to the round table, because there are a lot of people out there who will not attend the round table — a lot of people who are busy making money, or trying to make money. I think it is a sector that — it's self-evident from the minister's own documentation — needs a good, hard look-see if we're going to change the situation in our forest industry in this province.

With that, I will cease flapping my gums and pass it over to the hon. member for North Coast, where the speaker seems to want to keep putting me. So, happy to turn it over.

**Hon. R. Thorpe:** I want to thank the member for his comments.

As I went to the member before the House broke for the constituency break.... I'm sure the member will recall that. I think it would be very important. I think that the member could do us a great service in government by contacting some people in his area who are in the value-added sector and putting their names forward, seeking for them to participate. I would think that would be a very, very useful exercise. I would ask that member to seriously consider doing that.

I think it would be very important, since the member doesn't think, perhaps, that others can operate without filters. I can assure him that there are many who can, but he might want to come and see firsthand whether he believes things are handled filtered or unfiltered.

**G. Coons:** I hope you have the staff here. I'd like ask some questions about B.C. Assessment.

**Hon. R. Thorpe:** Sure.

**G. Coons:** Okay, no problem.

Just in the last couple months I've been getting quite a few inquiries about the B.C. Ferries assessments on some of the terminals. I guess there are close to 47 terminals that had successful appeals done by B.C. Ferries. There's a huge impact on municipalities, cities, regional districts, and quite a few of them are grappling with how to handle it.

I'm coming from a municipality, a city, that is having huge financial difficulties, and we're seeing the city of Prince Rupert having to pay back close to \$200,000 over the last two years — over 2004-2005. I'm just wondering: who did the terminal assessments, and on what basis were they approved?

**Hon. R. Thorpe:** B.C. Assessment conducted the initial assessments. B.C. Ferries filed application with the Property Assessment Appeal Board.

Working together under the guidance, if you will, of the quasi-judicial Property Assessment Appeal Board.... I believe the terminology is conference. Is that correct?

[2010]

**A Voice:** Settlement conference.

**Hon. R. Thorpe:** Settlement conference.

The assessed values and discussions took place. It's my understanding that those discussions were then presented back to the appeal board. It was interesting that all.... There were four intervening municipalities on the 2004-2005. They were West Vancouver, Port Hardy, North Saanich and Prince Rupert. It's my understanding that all four of those municipalities agreed to the settlement agreement for the 2004-2005 assessments, and the property assessment appeal board has ratified that agreement.

**G. Coons:** In Prince Rupert there is talk.... There are some municipalities and regions that are appealing the decision. Could you inform us which ones those are that are currently appealing them?

**Hon. R. Thorpe:** It's my understanding that the only community is Delta.

**G. Coons:** Up and down the coast, when we start looking at the terminals — whether it's Bella Coola, Klemtu, Ocean Falls, Little River, Earls Cove, Kuper Island, and then you've got Swartz Bay, Duke Point.... You know, a lot of communities are ferry-dependent communities and have been really hit hard by the assessment that they have to pay back. It's going to have a huge impact on property taxes. Some actually need to work out a repayment process back to B.C. Ferries.

The Powell River regional district chair pointed out that the provincial government requires local governance to make a five-year financial plan, but then, "Two or three years later we get this horrendous problem," he says. The current way of handling assessments and appeals causes uncertainty for local governments, particularly in resource-based rural areas of the province. I think it's a major concern.

I'm just wondering. I'm trying to get a grasp on this, because some people were coming to me with some numbers and figures. I just want to make sure that I could get some of them on record.

As far as the Westview terminal in Powell River.... I'll give you a second to get there.

**Hon. R. Thorpe:** No, that's fine.

**G. Coons:** Okay.

The 2004 roll value was approximately \$4.3 million. Then it went down with the assessment, about 42 per cent. That's not too much of a concern. The 2005 roll value was approximately \$5.1 million. What was the 2006 roll value for Westview terminal?

**Hon. R. Thorpe:** We don't have that detailed information here for 2006, but staff believe it was the same as the revised number.

I think it's interesting to just talk about Prince Rupert for a second. It's my understanding that B.C. Assessment was very diligent in keeping all of the communities advised of what was going on. It's also my understanding that a number of the communities also knew that there was a potential and were safeguarding the potential and not necessarily committing and spending the money.

But what is interesting to me is.... When we had grants in lieu of payments — and I think that was up to 2001 or something like that — and now we've moved to payment.... Prince Rupert, for instance — their grant in lieu was \$58,000. Their 2004 property taxes after the settlement are almost \$127,000 — more than twice what they were getting in the past. Their 2005 is \$120,000. So there has been a substantial increase in the amount of revenue that the communities have received in moving to the property tax.

[2015]

It is the taxpayer's or the assessed value's right to appeal, to go to the Property Assessment Appeal Board. As I've said earlier, and I trust the members on the other side are aware, this appeal board is a quasi-judicial board, arm's length from government. The settlement conference was conducted by B.C. Assessment and its senior team, with B.C. Ferries and its senior team. The four intervening municipalities agreed with the settlement, and the appeal board has sanctioned it.

**G. Coons:** Yes, I can see the amounts that you quoted. I can see that Deborah Marshall, the B.C. Ferries spokesperson, indicated that they wanted to pay their fair share. I would think that — I'm not too sure how to describe B.C. Ferries these days — as a private corporation, they should be paying their fair share and not download this onto communities and coastal-dependent communities up and down the coast. I guess we'll differ in that fact.

I'm just sort of wondering. You mentioned that the 2006 roll was the same as the revised number. I hope to get those for the 47 terminals — the 2004, 2005 and 2006 roll values. I think that wouldn't take too much time and effort, I hope, if you don't have that with you. I did have somebody come up with the assessment roll in Prince Rupert. For B.C. Ferry terminals there, the roll last year was approximately — I'm sure you've got it there — \$4.1 million. The current roll this year was \$3.958 million.

**Hon. R. Thorpe:** The numbers I have for Prince Rupert after the assessed value, after the settlement in 2004 are \$3,890,100, and for 2005 it's \$2,965,000. Those are the numbers that I have. But the member didn't really ask a question; he made a statement. If it would be helpful to that member, I will undertake to get him the numbers for 2004, 2005 and 2006 and get them to him within the next week or so.



**G. Coons:** Somebody got these from the assessment in the local office in Prince Rupert and got them to me, so I'm not quite sure what numbers I'm playing with and what numbers you're playing with. Perhaps you've got the numbers for the.... Now, do you need a roll call number if I give it to you? This is for the Alaska Marine Highway ferry terminal. I'm not quite sure what roll number I'm giving you.

**Hon. R. Thorpe:** Just give us the amount.

**G. Coons:** The amount for last year, 2005, was \$2.844 million. The value this year, 2006, was \$3.643 million. The numbers that I've got there — and perhaps that can be clarified, as you get back to me — as people pointed out to me, that was about a 30-percent increase in the property assessment for the Alaska ferries terminal. The number that I've got through the Prince Rupert office was an 8-percent decrease in the B.C. Ferries' terminal assessment. I know properties around my house went up 30 percent in Prince Rupert. Hopefully, time will tell if that will come to a true value. But right now, we're still having a rough time in Prince Rupert.

[2020]

I'd like to clarify those numbers and whether or not B.C. Ferries' assessment actually went down from 2005 to 2006 and the Alaskan ferries went up by 30 percent.

**Hon. R. Thorpe:** Every property owner, once they receive their assessment, has the right to file an appeal, to move forward through an appeal process. B.C. Ferries chose to move through that appeal process. The member here talks about Alaskan ferries. I'm not privy to the information on their assessment roll at this point in time. I can make myself knowledgeable of that. I have no knowledge whether they appealed or they didn't appeal. But based on staffing with me today, I would have an indication that perhaps they didn't seek an appeal.

Again, that's an individual taxpayer's right to seek review, to seek appeal, and there's no general application. That is the individual right of taxpayers, as they are assessed in the province.

**G. Coons:** Just one last comment before I pass it on to my colleague from Delta North. As MLAs, we do get our secret service-line number, and I did access that to ask some questions. I did talk to Barb — I think it's Barbara Tribe — who went through the figures I was throwing out, and we were on the same page. That would have been about a month ago, dealing with the figures I was talking about, where the one ferry terminal went up 30 percent, and B.C. Ferries went down 8 percent. So I'd like that clarified.

I'd like to thank you for your time, and I look forward to the information. I'd like to pass it on to my colleague from Delta North.

**G. Gentner:** I just want to begin by segueing from what the hon. member beside me has started, relative to discussion on B.C. Ferries. In my community of

Delta, we've seen in two years, a clawback of \$1.15 million, which is going to affect sidewalks in my community and public safety. Expectations drawn on a five-year plan have been basically ruined by the new assessment's quasi-judicial proceedings.

I don't quite understand, in today's market, how it is everything else seems to be going up and this particular infrastructure is one of the few in British Columbia where the assessments have come down considerably. My understanding is that the ferry terminal in Tsawwassen is a unique property of value, and it's very difficult to assess it and compare it to other types of infrastructures. My question to the minister is: what determined the depreciation of the value at Tsawwassen ferry terminal?

**Hon. R. Thorpe:** Before I would engage in that discussion with the member, I was wondering if we could seek some clarification from the member. Is he referring to the roll of 2004-2005, or is he referring to the 2006 roll?

**G. Gentner:** I'm referring, I believe, to 2004 and 2005. My understanding is that Delta will be on the hook again this year. My understanding is the 2004 assessment was about half a million dollars. The new one was at \$650,000. I'm wondering, though, as time is of the essence, why B.C. Assessment rejected the enterprise model as opposed to the conventional cost-approach model?

[2025]

**Hon. R. Thorpe:** I don't think it serves a purpose for me to guess or to attempt to interpret what took place in a settlement conference between B.C. Assessment and the B.C. Ferry Corp. — a settlement conference that was sanctioned by the four intervening communities of West Vancouver, Port Hardy, North Saanich and Prince Rupert and then sanctioned by the appeals board. It serves no purpose for me to speculate on those things.

What I can say is that I, as the minister responsible for B.C. Assessment, have been assured by my senior staff that Delta was well aware of what was taking place, was kept abreast of potential developments, was kept abreast of things. But for some reason, Delta chose not to seek intervener status. That would have to be asked of Delta.

It's also interesting to me that Delta, when they were receiving grants-in-lieu a few years ago, would have got \$220,000 in 2004, but they received \$947,458 — four times as much money. In 2005 the old model, under the previous administration, was \$220,000 through grants-in-lieu, and they received \$904,000, so the increases have been substantial.

They didn't file as an intervener status. It was sanctioned by the four communities that did have intervener status, so it serves no purpose for us to speculate on why, what happened, whatever. With respect to 2006, I cannot discuss that, because there's an appeal underway.

**G. Gentner:** I remember that when the Premier was elected in 2002, he said that the Crown corporations would pay their way. We have a municipality that undergoes the severe traffic impacts. The real Trans-Canada Highway, I'm sorry to say to my colleagues on North Shore, for all intents and purposes, runs through my neighbourhood, and the impacts it has for Delta are quite substantial.

My understanding is that we've also seen a decrease in some of the Deltaport area; 40 percent on the foreshore was removed. Those types of.... That was a direct impact, and I believe it was some interference by this government to change the rules in order that ports don't pay the same as other ports used to.

I still haven't received the answer relative to why the Assessment Authority of B.C. decided to reject the enterprise model, which would have meant a cost based on income, and decided to go with a different model altogether.

**Hon. R. Thorpe:** I think I answered that in extreme detail earlier, that the 2004 and the 2005 assessments.... B.C. Assessment was very diligent in making sure the communities that potentially could be affected were made well aware of the potential impacts it may or may not have.

I think it's also extremely interesting to note that Delta chose not to be an intervener. I think it's also important that when, through the appeal board process, a settlement conference was arranged, the two parties worked together — B.C. Assessment and B.C. Ferries. In my understanding, they reached an agreement, which then had to go back to the appeals board but was also supported by the four intervening communities. I think that the process and the right for people to appeal.... I think this is an example of where people all exercised their legal rights.

[2030]

Again, let us remember that under the previous government, municipalities were getting grants-in-lieu. It was \$220,000 a year, on average, they were getting for Delta. It's now ranging in excess of \$900,000 — over a 400-percent increase. So for that member to not recognize that our government has actually kept its commitment by making sure, through an appeal process, that taxpayers are paying what is deemed by processes that are put in place to safeguard the person being taxed, to safeguard the person receiving the tax, and that that process has gone through. Whether we like the outcomes of quasi-judicial boards, we accept them, because that's part of our administrative justice system in British Columbia.

**G. Gentner:** I'm sure the people of Delta will be quite overwhelmed to know that this depreciated asset will have jeopardized them over a million dollars. Time is of the essence, and I want to quickly go into the general view of the B.C. Assessment Authority. The corporation sells property information products and services to earn additional revenue. Where is this information sold to?

**Hon. R. Thorpe:** Thank you, hon. Chair, and through you to the member, thank him for the question. We accrued just in excess of \$3.5 million from the sale of non-confidential information. That is provided to public and private sectors through strategic business partnerships with, for example, B.C. OnLine and with other data providers and data agents that request and handle non-confidential information.

**G. Gentner:** What type of criteria do we have relative to defining what is confidential and non-confidential material?

**Hon. R. Thorpe:** What is deemed to be confidential and is not provided to data agents is ownership. Ownership is considered confidential. Ownership information is available on B.C. OnLine and is also available at our B.C. Assessment offices should someone want to go in and seek information that way.

**G. Gentner:** Increasingly, B.C. Assessment will need to be or, it's believed to be, should be competitively minded and flexible in order to develop what it calls more partnership opportunities. Could the minister please elaborate what that means?

**Hon. R. Thorpe:** B.C. Assessment for a number of years has had many partnerships that add value to services and create a strong economy and support communities throughout British Columbia. B.C. Assessment strives to create beneficial partnerships with public and private sector organizations to improve services, to save money for taxpayers and to provide customer service excellence.

The Integrated Cadastral Information Society was created as a non-profit organization to create a single source for all provincial mapping data from both government and private sector sources. As a member of the society, B.C. Assessment provides staff, expertise and data that enable all partners to share resources more effectively. B.C. Assessment is also a founding sponsor of CivicInfo B.C., a website portal designed to help B.C. local governments share information and services on line.

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Assessment data is also provided to public and service sectors through strategic business partnerships with B.C. OnLine and other data agencies in the private sector. We also work with the B.C. Real Estate Association. The corporation also works closely with local government associations such as the Union of B.C. Municipalities, the Local Government Management Association and the Government Finance Officers Association. B.C. also works cooperatively with other government agencies to share information, including the Oil and Gas Commission, the Land Title and Survey Authority and the integrated land and resource registry.

**G. Gentner:** I'm going to go back to the service plan for 2005 to 2007, because the language seems to be

changing somewhat. There doesn't seem to be an explanation as to why. It suggests there that by the end of 2006 the B.C. Assessment Authority will "develop greater...partnerships with the private sector, leading to more efficiency..." And in section 3(e): "The B.C. Assessment Authority will...explore cost-effective areas to...partner support services through specific shared properties." Would the minister like to comment on what this all means?

**Hon. R. Thorpe:** B.C. Assessment streamlines its operational efficiencies by using provincial government services such as B.C. Stats, the Queen's Printer, the purchasing commission and information and technology support services through the Ministry of Labour and Citizens' Services, sometimes known as shared services.

**M. Karagianis:** Mindful of the time, I do have just a couple of questions here to finish up. I did make a commitment to try to finish these estimates today.

This is actually just a little bit further to the questions previously asked by the member for Delta North. In the current B.C. Assessment service plan, on page 15, it very, very specifically refers to financial challenges. It says here: "The British Columbia Assessment Authority is committed to reducing its reliance on taxpayers through implementing specialization and effective marketing initiatives, including private sector partnerships to streamline the collection and distribution of assessment data, and the corporation has developed a new web-based replacement of its current B.C. OnLine systems to make it more user-friendly."

Can the minister please answer whether or not this is a form of outsourcing and whether or not, in fact, the replacement for B.C. OnLine — the Web system — is going to be contracted outside of government?

**Hon. R. Thorpe:** I believe that what the member is talking about is Assessment Link, which is internalized inside B.C. Assessment and government. And no, it will not be outsourced.

**M. Karagianis:** Well, in fact, it does make a reference here on the next page to: "One significant enhancement plan for the Assessment Link B.C. will be the availability of non-market-change new construction and development reports for local governments." Also, sort of leading out of that question: could someone explain to me exactly what information...? It says here that these reports generate data which is critical to local government. Could we have a fairly brief explanation as to what that might be, please?

**Hon. R. Thorpe:** B.C. Assessment has a long history of working cooperatively and collaboratively with municipalities. This information that is referred to in the service plan relates directly to sharing information which is going to assist municipalities in establishing tax rates based on development activity that B.C. As-

essment sees taking place in those communities throughout British Columbia.

**M. Karagianis:** My last question on the Assessment Authority. I have here a shareholder's letter that was posted on the website from the board where there are a number of references made here to alternative service delivery.

In fact, it says here: "This is a letter that was sent out..." It's posted on the website. This is the most recent shareholder's letter. "Based on the results of the corporation's core services review, the corporation has directed to take the following actions. Create significant opportunities for alternate service of delivery of property inspections, data collection, research and shared services."

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It goes through a number of points there that outline: "Implement e-commerce. Enhance links in partnerships with government, etc." Then it says that in the next six months the corporation and the Ministry of Sustainable Resource Management will develop a framework consistent with current legislation to establish clear roles and responsibilities for the CEO, commissioner, board and ministry. Then further, it goes on to say to review its board's governance practices.

Then over the next six months the corporation will develop strategic plans and direct the implementation of actions with the objective of improving, among other things, operational efficiencies, client satisfaction, risk assessment and service delivery. So can the minister address in any way the alternate service delivery and some of the fairly aggressive strategic planning that's being done here to change the governance model of this?

**Hon. R. Thorpe:** First of all, that letter of stakeholder's expectation is, I believe, 2004. We will be, over the coming months, establishing a new letter as a shareholder to B.C. Assessment.

B.C. Assessment has moved forward with Value B.C., a new technology platform inside government, inside B.C. Assessment, at the cost, I believe, of about \$15 million. Staff have moved into specialized roles. B.C. Assessment is currently, as part of an ongoing process, developing continuous improvements in customer service. It has taken a look at the Ministry of Revenue's *Taxpayer Fairness and Service Code* and is adopting that, where applicable, to the B.C. Assessment business.

We are not looking at closing any offices. We are not looking at shared services outside the government entity. In fact, if one looks at our business plan, one will see that over the next three years we are increasing employment roles at B.C. Assessment by 78 people.

**M. Karagianis:** Well, perhaps the minister would be well advised to instruct someone to take this letter off of the website then because, in fact, it is alarming in the direction that it indicates the Assessment Authority is going. Now we hear that there is a new letter, which

obviously will change directions again significantly from what was indicated here in 2004. Again, this was part of their action plan for the 2005-2007 service plan, so you will forgive us if we relied on material that we found at hand.

I do have one last question, really being mindful of the time here. I did notice in this — this has no bearing whatsoever on B.C. Assessment.... I did have several other questions, but one that actually caught my attention here was Small Business B.C., which is a co-funded program, I believe, between the province and the federal government. But in looking at how the program's been structured and how it's funded, it was very unclear who is managing this program. I see that it was made a non-profit society in 2003, so I would ask about why that was done. This was an organization established under the previous NDP government, but it became a non-profit society.

Since then I see that the regional partners include both government and private sector managers. There seems to be a bit of crossover between public and private management of this program. So could the minister enlighten me in some ways as to why it is structured the way it is, how it's funded? I realize it's a complex question, but any information you can give me would be very helpful.

[2045]

**Hon. R. Thorpe:** Small Business B.C. was transferred into — as the member correctly says — a non-

profit. Both the provincial government and the federal government shared in that funding to start it up.

It had been the responsibility of the Ministry of Labour and Citizens' Services. It has now been transferred to our ministry. We will be the government folks involved with it. We have had discussions with the federal government. We believe this is a very important tool for moving forward, and we will be doing that in the fiscal year.

I always think that whenever government — whether it be the federal or provincial government; in this case, both levels of government — is working together and having inputs from the private sector, it's actually better for all. Partnerships are an excellent thing, one our government is striving to do and one that we recognize the importance of small business and Small Business B.C.

Vote 39: ministry operations, \$45,200,000 — approved.

**Hon. R. Thorpe:** I move that the committee rise, report resolution and completion of the Ministry of Small Business and Revenue and ask leave to sit again.

Motion approved.

The committee rose at 8:46 p.m.

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