



Second Session, 38th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON
**FINANCE AND
GOVERNMENT SERVICES**

Vancouver

Friday, September 15, 2006

Issue No. 22

BLAIR LEKSTROM, MLA, CHAIR

ISSN 1499-416X

**SELECT STANDING COMMITTEE ON
FINANCE AND GOVERNMENT SERVICES**

Vancouver
Friday, September 15, 2006

- Chair:* * Blair Lekstrom (Peace River South L)
- Deputy Chair:* Vacant
- Members:*
- * Harry Bloy (Burquitlam L)
 - * Dave S. Hayer (Surrey-Tynehead L)
 - Hon. Gordon Hogg (Surrey-White Rock L)
 - * Richard T. Lee (Burnaby North L)
 - * John Yap (Richmond-Steveston L)
 - Maurine Karagianis (Esquimalt-Metchosin NDP)
 - Leonard Krog (Nanaimo NDP)
 - * Jenny Wai Ching Kwan (Vancouver-Mount Pleasant NDP)
 - Nicholas Simons (Powell River-Sunshine Coast NDP)
- Other MLAs:*
- * John Horgan (Malahat-Juan de Fuca NDP)
- *denotes member present*
- Clerk:* Kate Ryan-Lloyd
- Committee Staff:* Jonathan Fershau (Committee Research Analyst)
-
- Witnesses:* Hon. Carole Taylor (Minister of Finance)

CONTENTS

Select Standing Committee on Finance and Government Services

Friday, September 15, 2006

	Page
Presentation by Minister of Finance Hon. C. Taylor	461
Release of Committee Report	468

MINUTES

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Friday, September 15, 2006
1 p.m.
1420-1430 Segal Centre, SFU Harbour Centre
515 West Hastings Street, Vancouver

Present: Blair Lekstrom, MLA (Chair); Harry Bloy, MLA; Dave S. Hayer, MLA; Jenny Wai Ching Kwan, MLA; Richard T. Lee, MLA; John Yap, MLA

Unavoidably Absent: Hon. Gordon Hogg, MLA; Maurine Karagianis, MLA; Leonard Krog, MLA; Nicholas Simons, MLA

Other Members Present: John Horgan, MLA

1. The Chair called the committee to order at 1:07 p.m.
2. Opening remarks by the Chair, Blair Lekstrom, MLA.
3. The Hon. Carole Taylor, Minister of Finance, presented the *Budget Consultation Paper* and answered questions from the Committee.
4. The Committee adjourned to the call of the Chair at 1:55 p.m.

Blair Lekstrom, MLA
Chair

Kate Ryan-Lloyd
Clerk Assistant and
Committee Clerk

FRIDAY, SEPTEMBER 15, 2006

The committee met at 1:07 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): Good afternoon, everyone. I would like to call the Select Standing Committee on Finance and Government Services to order. I would like to welcome you all here — previous members as well as new members — to the committee.

I welcome you to a committee that does a great deal of hard work on behalf of British Columbians, and I think it's been extremely worthwhile over the years I've been involved. It is a tool that we as British Columbians have available to us in having our input in the development of our budget here in British Columbia. I'm very proud to say that the work of the committee over the years has put forward recommendations that have been acted on, on numerous occasions, by the Ministers of Finance. Today we have with us the Hon. Carole Taylor, who is here to present the prebudget consultation paper to us.

Good afternoon, and welcome to the committee.

Hon. C. Taylor: Thank you, Chair. I'm so impressed with your sound.

B. Lekstrom (Chair): Yes. It was so the people in the far back of the room could hear this afternoon.

With that, we do have a one-hour meeting scheduled for today. It is, as I indicated, for the minister to present the paper, which we will take out and speak to British Columbians and receive their input on. Without taking up more time, I will pass the microphone over to you, Minister, and look forward to your comments here this afternoon.

Presentation by Minister of Finance

Hon. C. Taylor: Thank you very much. This follows, of course, from our previous meeting when I attended the Finance Committee meeting. I did that before we actually wrote the piece, to see if there was some information that should be included or approached. I was appreciative of a number of the comments that were made at that time. I know that most of the members are probably familiar with this, but just because there are a couple of new members.... The consultation process is designed to reach out to British Columbians to see what their priorities actually are, as one of the inputs, as we are looking at creating the budget.

This morning at a press conference when I released this, I referenced the fact — I believe it was two falls ago when this committee was meeting — that one of the major priorities was to pay down the debt. That information was given to me as I was preparing last year's September update, so one of the things we did directly in response to that was increase our commitment to put

100 percent of the surplus towards paying down the debt. Previously it had been 50 percent.

At our meeting earlier this year, a couple of committee members re-emphasized, of course, the importance of the multicultural communities and translations. I want to assure everyone that we are doing that very aggressively. They weren't quite printed today, because we had to wait to the last minute to put in the numbers, but I will make sure that the committee has them available for all of your meetings.

One other very strong comment came from one of the members that we include social housing in our list of options, in terms of what we were asking people to think about. As you can see, I've put that at the top of the list as one of the possible areas that people might deem to be their personal priorities as we look at the budget.

[1310]

One other comment I would make is that I had said to you last year — and then again when I met with you a month or so ago, two months ago — that I was going to try and get to the communities that you are visiting, at least some of them, just before you arrived so that I could encourage people to attend your meeting. I think we all realize that all of the big associations and groups know how to do this. They know that they can appear before you, but I believe that it's really important for all of us to try and reach out as broadly as we can and to get individuals who perhaps just want to listen or some who want to present, or it might provoke them into thinking about how they might write a proposal and send it in to you.

I will not match you place for place, because you've got a very ambitious schedule ahead of you, and I must, of course, be doing Treasury Board, looking at all the ministry budgets this fall. I have about five or six places that I will try to get to and encourage everyone to visit you.

I understand from my conversations with the Chair and also from your previous experience that you take the first part of the meeting for presentations that are basically booked, but that you do have an open mike at the end. That's a very important part of what I'll be saying, because I do want people to feel that it's not all set anyway and there's no point in their showing up. So I will mention that as well. I'm assuming that that's going to be your pattern.

The real thinking — approach — behind this paper is just to say that balancing a budget requires give and take, and there are choices. There are places you would put more money; there are places you would pay less money. But in terms of the levers that a Minister of Finance has, it is to spend more, to spend less, tax more, tax less or pay down the debt.

Those are the factors that I'd really like the community broadly to be thinking about — the interaction of all of those. We all know that you can't simply say: "I will pay more for everything, and everything will work out." If we can draw the community into really thinking about where the give-and-take should happen, then I think we will all be better off.

I look forward to your report and to giving it real consideration in terms of what people seem to be either concerned about or happy with or would like us to do.

B. Lekstrom (Chair): Well, thank you very much, Minister, for your presentation here this afternoon.

I was remiss earlier in not introducing members of the committee. With us today we have John Horgan and Jenny Kwan. This is an all-party committee — a select standing committee of the Legislative Assembly. As well, we have Richard Lee, Dave Hayer and Harry Bloy. Joining us will be John Yap, who is on his way to this meeting.

Just before we open it up for questions I want to make sure that British Columbians, again, have a great opportunity here to have their input heard on behalf of our committee. As I indicated earlier, our report is put forward to the Legislative Assembly no later than November 15 — by statute — of this year, at which time the minister takes that information and works with it in the development of next year's budget.

I think it is fair to say that over the years people have been, from my view, somewhat skeptical of parliamentary committees, wondering if their voice is heard. I think we as a committee have, over the years, been involved and turned that skepticism around to one where people are saying: "We put forward recommendations, we had ideas, and it was nice to see that they were acted on." Again, it's a great opportunity for all of us.

First and foremost, our job is to listen to British Columbians, not to engage and put forward our views as a committee but to listen to what their ideas are and try and move from there to move our province ahead.

With that, I am now going to open the floor to members of our committee if there are any questions of the presentation the minister has just put forward to our committee.

D. Hayer: Thank you very much, Minister. This information brought from you — we will be sending it all to the newsletter to all the households. It is very good, very well balanced, greatly done. There are four questions in there.

I also want to thank you, first of all, for listening to what British Columbians had to say in the past when they provided information to the Finance Committee. I know that when talking about giving a bonus with having a four-year contract signed by the public service and then five years with the teachers, one of the major things we heard was how we should be fair with a pay increase to the workers.

In another one they talked about seniors. Also, they talked about children. You have done a good job in that, so we really appreciate it.

What different approaches are going to be taken so that all British Columbians have a chance to put information in?

[1315]

We have a very diverse province and people from many different backgrounds — different languages —

in British Columbia. It's like a mini-United Nations here. Are you going to have some of the information available in different languages so they can fill in the questions — or at least let them know these questions are available so maybe they can get help from the children to translate it into English so they can provide the information to the committee?

Hon. C. Taylor: In fact, I have been working quite hard with our communications people to make sure that not only is the translation done but it's done well, because I think often there are differences of opinion about what words are the right words to use. So we're really trying to do this better as a government — to make sure that our translations are good. It will be available. It will also be available for every MLA, if they wish to put it in their constituency office as well.

I of course have nothing to do with your schedule and how you're making sure that the multicultural communities are pulled in, but from my point of view, I am making sure that I am speaking with the media from various cultural groups and presenting them with this material. Hopefully, they will start to talk about it in their print and on their radio as well as television.

I do believe that the press is very important in terms of getting our message out. The message from my point of view is that the committee wants to hear from you, and there are ways that you can either appear in person or send in information. So I'm just trying to be the funnel, really, to encourage people to make sure they know that we listen to every voice.

J. Horgan: I thank the minister for her brief presentation, allowing us an opportunity to ask more questions. I'm delighted to be not yet a full member of the Select Standing Committee on Finance.

This is an interesting document, and I think it goes a long way to assisting citizens in British Columbia to understand the choices that finance ministers and the executive council have to make. I have been involved in governments in the past, and I do appreciate that competing demands often put pressure, certainly, on the minister and her staff to address concerns as they arise.

As I look at the language in the document, there are some interesting observations I'd like to make. For example, on the "A Balanced Budget Every Year" component, there's reference to risks in a budget plan. I'd like to talk for a moment, if I could, hon. Chair, about risks and how better to explain those risks to the public so that they can be better informed as they try to assist us in the work that we're doing.

I look at international events that can lead to economic slowdowns. I recall in 1997 the meltdown in the Asian economy and the significant impact that had on government revenues at the time and the response that finance ministers of the day had to make to try and adjust forecasts to meet the expectations of the public.

I wonder if the minister could help me out here because, as I look.... We also have the benefit today of the release of the first quarterly report. With this new

information, it raises questions in my mind — massive reductions in natural gas revenues, for example, from the projection in February.

I'm wondering if the minister, in creating a contingency fund, which I think is almost completely eliminated by just the natural gas reductions.... How can we better explain to the public what are in essence subjective judgments, as I think the Premier said yesterday with respect to the VANOC and other issues? How does your staff and how do you, Minister, come to conclusions on the size of a contingency fund on projections for revenue with respect to natural resources, particularly natural gas?

B. Lekstrom (Chair): Certainly, the questions are valuable. What we will do today is make sure we focus on the paper versus the overall financial issue. I'll again caution members of the committee that when we go out, certainly as the Chair it is my job to make sure that our key role is listening to the public and hearing their views. But we'll carry on with this. If we could stay focused on the paper and direct questions on that, time permitting, it would help a great deal.

J. Horgan: Thank you for that, Chair. I wasn't wanting to stray too far from this, but these are issues that are public issues, and if we're going to speak to the public.... I know the minister is sincere in her desire to have an informed discussion with the public. I've been around this stuff for a long, long time, and I get confused.

When we go to communities and talk about hedging against exchange rate fluctuations and contingency funds and the choices that executive council has to make, we as legislators can often get confused. I'm wondering if an exchange of ideas today might better help us do our work when we get into the communities across the province.

[1320]

Hon. C. Taylor: We build into the budget four levels of prudence. I don't know what other provinces do and can't comment on the volatility of other provinces. With British Columbia, for sure, because so much of our revenue comes from natural resources and they're cyclical — commodity prices, we all know, have big fluctuations — we really try to be perhaps more conservative than some other provinces.

The first level of prudence, certainly when you're out in the community and talking to people, is our forecasts. We take the forecasts of economic growth, for instance, and we have a panel of experts from across the country that gives us advice, and then we pull it back a little bit. We apply that prudence in a lot of our calculations in terms of what we think the economic growth will be in the province.

That's one level of prudence. The second is that we have moved the contingency fund up, just in recent budgets while I've been there, to 1 percent. It hadn't been that much before, but we felt, now that times certainly were better and the economy was strong, it

was good to make sure that we start a pattern of 1-percent contingency.

On top of that, we have the forecast allowance. That's where we really try to absorb the shock of commodity prices. In the past the forecast allowance has not been that large, but having had the experience of last fall and seeing gas prices, in February in the budget we put a forecast allowance of \$850 million.

We knew that we could see there were going to be some issues around trying to judge what the forecast would be on this. You asked how we come to decide what price to put in the budget. On our natural resources we go straight to the experts in the field. I'm not sure if it's ten or 15 of the top experts in each field. They give us their consensus number.

Of course, even experts are not always right. One of the adjustments we made today as we released the first quarter was to take back our natural gas price. We had put it in the budget at \$8.62, and we've pulled it back to \$6.21. That does mean a decrease in revenue of \$774 million. That is the mirror opposite of what happened last fall. We had put it in at \$6, and because of the hurricanes and other issues, it bounced up to — at one point — \$14. But we came in with 757 million more dollars that we hadn't expected.

That's an enormous amount of volatility. As I said this morning, boy, if I were a student in economics, I'd like to do a thesis on this year and look at commodity prices and how you budget as a result of that.

For your purposes as the Finance Committee going out to the community, I think it is important for people to know that we do try to build in enough cushion so that the balanced budget is protected. Then you will have some years, like last year, that worked out very well, and the surplus was \$3 billion. The surplus is not as much going forward, but it's still good. It's strong for the economy and therefore will allow us to make some choices.

J. Horgan: Thank you very much, Minister, for that response. But I think it speaks to the challenge that we all have as legislators when we go to our own communities, much less as we travel as a committee, when we can say that one year because of a hurricane or other natural disasters or fluctuations in the international marketplace, there can be that radical a swing here in sleepy British Columbia on the edge of the Pacific.

I think we're all now, certainly, in a better position to go into communities and say: "Well, last year it was this, and this year it's that, and therefore these are the challenges that government has in delivering the services that everybody wants." So point taken. I think it's a difficult job for us to go to the public and say: "Well, I know what I'm getting every year, and I know how I'm going to spend it." That's how people make their own decisions.

I wanted to turn to the "Where Would We Spend Our Money?" section. One of the bullets says, for example, that a 10-percent income tax cut costs \$600 million. I'm wondering if that's across all brackets. It's on the

"Where Would You Spend More? Where Would You Spend Less?" section.

[1325]

Again, it's difficult in a communications document to go into the detail that some people would want, and you don't want to go into too much detail for other people. But I'm curious as to a 10-percent income tax cut. Is it the high-end income tax cut? Is it the middle bracket? Does it include corporate income tax, or is it just a ballpark figure?

Hon. C. Taylor: To the best of my knowledge, it is just personal income tax. My impression was that they took it off the bottom.

J. Horgan: The bottom.

Hon. C. Taylor: For instance, we did wonder whether we should put in PST. One percent change in PST is \$540 million. That's another one that is often useful, because a lot of people will come before your committee, I'm sure, and say: "Do that." Well, that's fine, but if we take \$540 million of revenue, how does that affect other priorities and issues?

J. Horgan: Just to conclude, is it possible for the ministry to provide — again, new to the research staff here at the committee — those sorts of details across the board, perhaps not on every revenue item but what the impacts would be on revenue reductions in various areas so that when these questions do come up, we're all equipped to answer those questions? Would the ministry provide that, or is that a research job?

B. Lekstrom (Chair): John, I can ensure, as Chair, that we will pull together those numbers from our research staff, who I'm sure will be working with the ministry staff as well. We'll ensure that members have that.

J. Kwan: Welcome, Minister. There are a number of questions that I'd like to ask related to this paper, but the first question is: when does the government intend to send this document out to people's households? In other words, when will they expect that the public will receive this document at their homes?

Hon. C. Taylor: There are various methods of this getting out. Of course, your committee is the primary way that people will see this material. We are sending it to all of our MLAs, who will then get it to their constituents and out. We will start mailing it out as of next week.

The Chair and I discussed timing, and we're doing this as quickly as we can, given that we didn't have the quarterly numbers till just in the past week when we printed them. So that ties us on one side, and we understand your ties on the other side in terms of your timing.

This is not meant to be the main communication. Your advertising — how you let people know you're

coming — is the main thrust. This was done by sending it out as a mailer by Minister Collins when he was Minister of Finance. I don't believe Minister Hansen did, but that was an election year, and I'm sure there were unusual circumstances there. But it is additional, so we put in here all about your committee and also encouraged people — whether the meetings are in their area or not — that they can send in information as well. So this is supposed to be additional and add-on. This is not the main way that people will find out about your committee.

J. Kwan: Thank you. I'm just trying to get the time line. Is it anticipated that the document that gets mailed out...? I presume it will be this document. And will the translated document go with it as well, so there'll be two pieces to it? I'm just trying to see what the thing will look like when it arrives at people's doorsteps.

Hon. C. Taylor: The document in English will go out to every household. The documents that are printed in other languages are available, and we say so on the website, and all of the MLAs will have access to it.

J. Kwan: Then getting into the document itself in terms of the material and along the lines of my colleague's questions in terms of the level of detail that's provided or not provided, I think that will make a significant difference in people's response to this documentation. I'll take, for example, focusing on another area, your choices and your priorities under question two. In their broad categories, of which there are 11 listed — better access to social housing, protecting the environment, strengthening the economy and our standard of living, tax reductions and so on.... The interpretation of these 11 priorities could mean something very different from one person to another.

[1330]

Access to social housing, for example, could range from the development of new affordable housing, which, for all intents and purposes, the provincial government has not engaged in a program related to that since 2001.... For example, and related to that information about the fact that the affordable housing wait-list with B.C. Housing has gone from approximately 10,000 to 14,000 since 2001.... At the same time homelessness has more than doubled in our communities, particularly in the lower mainland.

These levels of detail.... One could argue, perhaps, there's too much detail, but at the same time others may argue: what exactly does better access on social housing mean? Therefore the investment from government, from a budgeting point of view.... What does that mean? Are we talking about developing new social housing? Are we talking about doing shelters, which has been the focus of the government — temporary housing that gets people off the street for the moment, for a few days, but nothing that's permanent and that would provide for long-term housing, which ultimately addresses the homelessness problem in the long run?

That's one example in terms of the level of detail that's lacking.

I'm a bit concerned about this document as it goes out — how people will respond to it and how government will then interpret the response. People are asked here to rank the items without details. I don't know. If I had received this, I'm not quite sure how I would rank it, not knowing what it really means.

If you talk about protecting the environment, as you know.... Taking another area that impacts our economy in a significant way, we know that climate change is tied to the pine beetle epidemic. As the weather gets warmer, it impacts our forestry and forest health. Does that mean to say, then, that protecting the environment means the government needs to support Kyoto or call for Kyoto to address the issue of climate change, which will ultimately impact our forestry sector and our economy in terms of the future?

Tax reductions — another area, just to highlight that. Tax reductions for whom? At what level and what bracket? Is it for corporations and so on? That, too, has huge significance to the broader public in what this could mean in terms of budgeting and what it means for government as well.

I'd like to get the minister's response to the issues I'm raising around the generalities of the categories that have been put out without the details and how the public will be able to interpret what these categories mean to them as they relate to government's priorities.

Hon. C. Taylor: This is a similar approach to the one that was done last year. When I appeared before this committee very recently, it was suggested that I add to the list social housing, which I did.

This is not meant to be the definitive list, of course, but it is an attempt to get people away from just saying health care and education. We know from polling that if you ask for a response, that's the first thing they think about. These are very important issues, but there are other important things we should be doing as a government in the community.

We could have just said, "Tell us what your priority is," but we wanted to make people think about things like social housing and the environment. Everyone has their own idea of how they would run government. This is really an attempt to stimulate debate, encourage them to come before you, and if they have ideas, then in fact....

All of this comes to you. You will decide how to interpret it and go forward and bring a report that says.... It may be mixed. That would be interesting. It may be very clear that there's something standing out that we hadn't expected. I'm not sure that everyone expected a couple of years ago that debt reduction would be so strong, but it was, and so we certainly acted on it. This is, as I say, meant to start the debate. It's not meant to be the end of the debate.

B. Lekstrom (Chair): As well, just for members.... Jenny, question 4 is similar to previous years. Although

you've raised some questions to the minister, question 4 on the questionnaire is: "Other comments and suggestions regarding your choices." I think that leaves it open, in the sense that if something isn't encapsulated in those 11 points that you've referred to, British Columbians can actually go outside of that box and present to the committee other views that they have.

J. Kwan: Thank you, Mr. Chair. I can appreciate that. I can certainly appreciate, as well, that when government receives this information through the committee, it could also be interpreted to say that the government can actually fit the broad categories that are listed here into any programs that the government might incorporate.

[1335]

For example, access to social housing. That could also mean a rent supplement program versus that of building actual affordable housing units. That would mean access to social housing, I suppose, but fundamentally, the investment of taxpayers' money into different programs within the social housing pocket could be very different. I'm not quite sure if people would actually go further to elaborate on that.

I only caution this, then. When this work is done and the government takes this information — and it will, I know, be tabulated by the research staff, and they will do a fantastic job of it — they should not overswing in the interpretation, necessarily, of this document, unless it is clearly defined. Otherwise, I think it's misleading, and it could potentially provide misinformation, both for the government and for the public as well. I just want to caution that.

I think for future years.... Last year I think a similar document went out, and the minister actually did come before the committee to seek some input, but the ability of the committee to provide input and the level to which the process should engage are limited.

I do thank the minister, though, for taking the first step. I think that's important. But I do think, as I mentioned to the Chair at the beginning of this meeting, that there is much work to be done by the committee in contributing to making sure that the value of the Finance Committee's process is true to both the government and the ministry in terms of the work that the government is trying to accomplish here and also in the contributions of the committee along with the community who participate.

If we don't work towards defining this and ultimately revising what this process is down the road, I worry that the investment that everybody's making here will not be maximized to the place where I think we all hope it will be.

I also want to ask the question.... I do note that social housing is added as a category, but there was also the question that was asked about the Auditor General's budget in terms of accountability from a watchdog, one of which is the Auditor General, and whether or not British Columbians would think that it's a wise investment by the government to increase the support to the Auditor General's office. I know that's

not put here as a category for the public to choose. I wonder why that is.

I take that as an example in the area around the Olympic costs. There's huge debate out there around the Olympics at the moment. The government takes one perspective in terms of what should be counted as an Olympic cost; the Auditor General takes another point of view.

B. Lekstrom (Chair): Jenny, if I could bring us back. We're now talking about the independent officers of the Legislature, who our committee will meet with. We will deal with their budgets, their service plans and so on.

I am going to try and keep us focused. I will reiterate: this is not the committee's paper per se; this is the Minister of Finance's paper, a paper that we as a select standing committee of the Legislative Assembly now go out and consult with British Columbians on.

I understand that what you're saying is to maximize not only the committee's time but British Columbians' time well. But I do want to caution us that if we're going to have a discussion, we focus on the paper, and at the appropriate time the Auditor General, for example, his budget.... We've had that discussion in the past. We will have it again with the Auditor General when he presents to our committee, but I do want to be focused on the paper here today.

J. Kwan: Thank you, Mr. Chair. My question is very focused around the paper, which is based on the last meeting that we had. One of the suggestions was for the minister to actually put a question to British Columbians through this paper about whether or not it is a wise thing for the government to invest in the budget of the Auditor General's office by increasing that budget for the purposes of openness, transparency and accountability. I know that that item of one category of the items is not added on this list, and I wonder why not.

My point is, as I highlighted the issue around the Olympics, their huge cost overruns. This is a huge debate out there. I don't want to talk about the Olympics specifically, other than to say on the question around accountability: why is that broad issue not listed here, and does the minister not deem that to be an important issue?

It's a separate thing, Mr. Chair, when the committee engages in the debate about what the budget should be for the Auditor General, from the question to British Columbians about how much we should be investing to ensure that the Auditor General has the resources to do his work. That's my broad question related to this paper.

[1340]

Hon. C. Taylor: I came before the committee to hear ideas and suggestions and then certainly listened very carefully and went away and put together this report, which is what I believe we should be talking to the community about.

I do believe we should keep it at broad areas. That's why these descriptions are broad and not specific about a certain kind of social housing. That's why we say that the environment is a large issue. I didn't ask about parks. That's why we didn't take it down to the detail of specific officers, because we've got a number of officers of the Legislature, and we've got parts of various departments, especially if you look at health.

This is just meant to be the large, broad categories from the community. Where are your priorities?

J. Kwan: If we're talking about broad categories, then — even on the question around openness, accountability and transparency in investing in independent officers of the Legislature — it's not anywhere in this document at all. That broad category is not an option by way of a priority to be highlighted under the 11 categories that have been put.

I question that, to be frank. Maybe we have a different opinion in terms of how the government should proceed with this. However, I do think that accountability in investing in the officers is a significant piece, and it was highlighted in the last committee. I think that's unfortunate. Maybe there's some other way in which the committee... Well, we'll see what the public's response is going to be.

R. Lee: Thank you, minister, for giving us the opportunity to see this consultation paper first hand.

When I look at the news released this morning, this is some new figure that came out from the ministry in the first quarterly report. The number I see for this year, 2006-2007 — the surplus for this financial year — is forecast to be \$1.2 billion. Yet looking at this consultation paper, you can see that the only listed available revenue is to be \$600 million. Are there any changes in the forecast number in this paper? This is my first question.

The second question is.... Overall, this is a really balanced approach. All the questions I can see.... Question 2 bears a lot of important ideas. It's sometimes difficult to...them, but I believe people will have some idea on.... I think my question on that one is: how do you weight those responses without any answer? Do you give...weight, or do you somehow give equal weight to others?

Hon. C. Taylor: On the first question, this is available revenue, and that is after the surplus that was in the budget that — as we said, as a result of your consultations in previous years — is committed to paying down the debt.

The budget that we brought out had \$600 million this year for surplus and therefore for paying down the debt, \$400 million and then \$150 million. You subtract that from the new revenue numbers, and that gives you your line that we are talking to the community about in terms of uncommitted revenues, which is the \$600 million, \$900 million and across that line.

On your second question, we have been very careful to make sure that any responses from this come into

the committee through its Chair. How you put that together and present it will be your decision.

R. Lee: Okay. Thank you.

D. Hayer: I've been following this budget process for the last 20 or 25 years. Every time I look at a different government, they've had different approaches for getting input from the community. This is the first time I have seen.... Over the last few years so many chances have been given to the public, and so much information has been provided.

I'm especially happy with question 4, which sort of leaves a very broad.... If there's anything in here that you haven't touched yet, if you can put any reports you have or any other project you want to talk about or any other type of spending you should think about, you can put it in there, which is a good way of getting.... That's what we've done in the past too.

[1345]

I have a question. If people want to find more information than what's available on this or on the press releases, can they go to any government website where they can get more detailed information on the budget — what the government is doing — so they can actually have more detailed information? Can they go to the library and get it on the Internet? Is any access available?

Hon. C. Taylor: I'm sure the Chair will elaborate on your plans for letting people know where they can get more information. Certainly, you can also go to the Ministry of Finance site.

D. Hayer: And that's detailed information available?

A Voice: Yes.

J. Horgan: Minister, in response to another question with respect to interpretation of some of the items in "Your Choices, Your Priorities," you mentioned polling. I'm wondering: is the ministry doing polling with these sorts of questions to complement the work that we're doing, or is this polling being done for some other purpose?

Hon. C. Taylor: No, we're not doing any polling. I'm just talking as a reporter when I say that if someone asks you a poll question.... What we see in the paper all the time is that people will first of all — top of mind — say health care and education. So from my point of view, I just wanted to make sure that the people thought about some other options.

J. Horgan: So the Ministry of Finance isn't polling on these questions to get a broader consultation going, beyond what we're going to be doing as a committee.

Hon. C. Taylor: No, we're not.

J. Kwan: I have one quick question. On the question around item 3 on infrastructure, does the minister define infrastructure in her mind to include Olympic-

related infrastructure that's been spent, which is not part of the \$600 million budget?

Does that include infrastructure? I'm just trying to understand what infrastructure means.

Hon. C. Taylor: This is not the budget process here, but what I will say is that infrastructure from our point of view is very clear. It's everything we spend on hospitals, schools and roads.

J. Kwan: Does that mean it's just those three things? So it does not include the Olympic-financed infrastructures. That's not part of the \$600 million budget?

B. Lekstrom (Chair): Jenny, I'm just going to bring us back again to this. I know there are great areas of interest out there. I agree — whether we're talking the Olympics or whatever. I do want to reconfirm that the paper before us today is not the committee's paper. This is the Minister of Finance's paper that has been put together — not written by our committee but given to us as a document to go out and consult British Columbians on.

We are going to stay focused on that. There are many areas that I understand you're bringing up, but I do want to keep us focused on the job that we've been tasked through the Legislative Assembly to do, and that's to consult British Columbians on the paper that's put forward by the minister.

J. Kwan: Thank you, Mr. Chair, for that guidance. As we go on the road, if a member of the public asks us this question, how should we respond to it? How should we give guidance to the public as they're consulting with us?

I think this is an opportunity here for the minister to help us to understand what infrastructure means under item three. Does it only mean roads, schools and hospitals? If it means that, great. Just so that I know so that if we're asked that question, the public will know what it is that they're talking about.

B. Lekstrom (Chair): I will turn it over to the minister in a moment, but I will caution us again that our job is to listen to British Columbians. We will engage them, I'm sure, in discussion and clarification of points. But in the years that I've been involved — and, I think, to the great success of this process — our ability to listen and take the information presented to this committee and put it into a report that is submitted to the Legislative Assembly is but one tool in the development of a budget for the province of British Columbia.

J. Kwan: I fully appreciate that, Mr. Chair, and I fully appreciate the fact that we don't drive what the public says. But at the end of the presentations, as the Chair will know, committee members are also given the opportunity to put questions to the presenters for clarification.

There have been times when presenters will ask us questions for their clarification before they present. So I think it would be useful and helpful for the minister to help us and certainly help me.... Maybe everyone else here knows what that answer is, but I don't. If the minister can help me in understanding that, I would appreciate it.

B. Lekstrom (Chair): I will defer to the minister for one final comment, and then we will move forward.

Hon. C. Taylor: Infrastructure is very clearly laid out in all of our budget documents, if anyone wants further information. I assume that you'll probably take with you.... I'm not sure if you do, but you certainly can take with you this first quarterly, which also lays out more recent information.

[1350]

Infrastructure is our capital spending as a government, and it does mean everything from health.... That's hospitals. It's roads, such as Sea to Sky. It is the spending we do as a government on infrastructure.

J. Kwan: So it's all capital spending, then. Good.

B. Lekstrom (Chair): Minister, we have no further questions this afternoon. I do want to thank you for taking time out of your busy schedule to come and present and really kick the work of the committee off with the presentation of this prebudget consultation paper.

Over the years we have been, as I indicated, somewhat successful as an all-party committee of this Legislative Assembly in British Columbia, presenting the views that we hear from British Columbians and knowing that the Ministers of Finance take that. It's a valuable tool in developing the budget. We're thankful for that.

Again, thank you very much for coming here today, and I certainly wish you a great weekend ahead.

Hon. C. Taylor: Thank you, and thanks to the committee for your work, because it is a very ambitious schedule that you take on every fall. I know the meetings are long, but they're very valuable.

B. Lekstrom (Chair): With that, moving on in our agenda, just a couple of comments.

We did have introductions of the committee members earlier. We do have other people that will be traveling with our committee and working with us. We have with us, to my left, Kate Ryan-Lloyd, who is a Clerk Assistant and Committee Clerk, and also our researcher Jonathan Fershau, who has worked with the committee in years past.

Hansard will be travelling, as everything is recorded and transcribed at all of our public hearings. Adam Wang and Wendy Collisson join us today. We are also live on the Internet at each of our hearings, so I encourage people, if they're able — if they can't make it to the public hearings and would like to listen — to tune in.

We have in the past.... I'm sure that again this year we'll have some valuable information put forward by British Columbians on what their priorities are and what their vision is to help build a better and stronger province. Through the provincial priorities we will again put together a report and submit it to the Legislative Assembly.

With that, is there any other business to be brought before the committee?

Release of Committee Report

J. Kwan: I would like to just get some clarification from you and perhaps from the Clerk's office with respect to the report that comes out of the Finance Committee.

The Finance Committee, as you know, is mandated to do this work from the Legislature, and every year — certainly, since I've been on this committee — we've been driven to make sure that we actually have a report to be presented in November. I believe it's the 15th of November.

Given that the information now is that the House won't sit in the fall, how will we be able to table this report to the House for that deadline? Does that deadline still hold as well? If it's just tabled from the Clerk's office to the Speaker's office, does that have the same ramifications or the same authority as formerly, when the report was actually tabled in the Legislature and then adopted by the Legislature for the purposes of the budget process for the Ministry of Finance to consider?

B. Lekstrom (Chair): I have done some work with the Clerk's office, as well, on that very question. We are, by statute, required to deposit the report no later than the 15th of November. If the Legislative Assembly is not in session at the time, we deposit it with the Clerk's office, which then makes it an available public document — available to all British Columbians, all ministers, all MLAs and so on.

The work of this committee will not go for naught because the Legislative Assembly is not sitting. Your question: does it carry more weight if the Legislative Assembly moves...?

J. Kwan: Does it carry the same weight?

B. Lekstrom (Chair): The same weight. That question, I believe.... I will confirm this for you prior to the next meeting, but yes. It is not my intent — and I've said this since 2001 — to take all of our time together to go out and listen to British Columbians, put together a report and not have that report valued and listened to.

I see no difference whether the House is sitting or not, but I will confirm that and have an answer for you on Tuesday in Nanaimo.

J. Kwan: And with whom will you be confirming that? Is it the ministry?

B. Lekstrom (Chair): I will deal with both the Clerk's office, if there are any statutory issues that we have to investigate, as well as the minister's office.

Seeing no other business to be brought before the committee today, I would look for a motion to adjourn.

Motion approved.

B. Lekstrom (Chair): We are adjourned.

The committee adjourned at 1:55 p.m.

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