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REPORT OF PROCEEDINGS
(HANSARD)

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

Vancouver

Wednesday, September 20, 2006

Issue No. 25

BLAIR LEKSTROM, MLA, CHAIR

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

Vancouver
Wednesday, September 20, 2006

Chair: * Blair Lekstrom (Peace River South L)

Deputy Chair: Vacant

Members: * Iain Black (Port Moody–Westwood L)
* Harry Bloy (Burquitlam L)
Randy Hawes (Maple Ridge–Mission L)
* Dave S. Hayer (Surrey–Tynehead L)
* Richard T. Lee (Burnaby North L)
* John Horgan (Malahat–Juan de Fuca NDP)
* Jenny Wai Ching Kwan (Vancouver–Mount Pleasant NDP)
* Bruce Ralston (Surrey–Whalley NDP)
Bob Simpson (Cariboo North NDP)

**denotes member present*

Clerk: Kate Ryan-Lloyd

Committee Staff: Dorothy Jones (Committees Assistant)
Mary Newell (Administrative Coordinator)

Witnesses: Lynell Anderson (Human Early Learning Partnership)
Stirling Angus (Truck Loggers Association)
Colin Brown (CEO, Canadian Direct Insurance)
Laney Bryenton (Executive Director, B.C. Association for Community Living)
Stephanie Cadieux (British Columbia Paraplegic Association)
Christina Clews (Students Union of Vancouver Community College)
Rob Clift (Executive Director, Confederation of University Faculty Associations of British Columbia)
Serge Corbeil (Insurance Bureau of Canada)
Melanie Crombie (Executive Director, British Columbia Paraplegic Association)
Neil Cumming (Consulting Engineers of B.C.)
Caryn Duncan (Executive Director, Vancouver Women's Health Collective)
Garth Evans
Jess Hadley (Canadian Bar Association, Poverty Law Section, B.C. Branch)
Alanna Hendren (Executive Director, Developmental Disabilities Association)
Penny Irons
Paul Keeling
Dr. Paul Kershaw (Human Early Learning Partnership)
Steve Kerstetter (First Call: B.C. Child and Youth Advocacy Coalition)
Pat MacDonald (Canadian Bar Association, Poverty Law Section, B.C. Branch)
Sandy McKellar (Truck Loggers Association)
Glenn Martin (Consulting Engineers of B.C.)
Adrienne Montani (First Call: B.C. Child and Youth Advocacy Coalition)

Francois Morton (Consulting Engineers of B.C.)
Lindsay Olson (Insurance Bureau of Canada)
Christa Peters (Executive Director, Students Union of Vancouver
Community College)
Chris Petter (President, Confederation of University Faculty Associations
of British Columbia)
Karen Philipchuk (B.C. Federation of Families Society)
Richard Prokopanko (Greater Vancouver Alliance for Arts and Culture)
Heather Redfern (Executive Director, Greater Vancouver Alliance for
Arts and Culture)
Hermann Schindler
Bruce Schmidt (Genome British Columbia)
Dawn Steele (B.C. Federation of Families Society)
Jack Styan (Planned Lifetime Advocacy Network)
Andy Tse
Susan Whittaker (Chair, Planned Lifetime Advocacy Network)
Adrienne Wong (Greater Vancouver Alliance for Arts and Culture)
Brian Young (President, Canadian Direct Insurance)

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MINUTES

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Wednesday, September 20, 2006
9:00 a.m.

Dr. S. C. Lam Hall, Chinese Cultural Centre of Greater Vancouver
50 East Pender Street, Vancouver

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

Unavoidably Absent: Randy Hawes, MLA; Bob Simpson, MLA

1. The Chair called the Committee to order at 9:09 a.m.
2. Opening statements by Mr. Blair Lekstrom, MLA, Chair.
3. The following witnesses appeared before the Committee and answered questions:

- | | |
|--|--------------------|
| 1) Vancouver Women's Health Collective | Caryn Duncan |
| 2) Genome British Columbia | Bruce Schmidt |
| 3) Canadian Direct Insurance | Colin Brown |
| | Brian Young |
| 4) Hermann Schindler | |
| 5) Truck Loggers Association | Stirling Angus |
| | Sandy McKellar |
| 6) British Columbia Paraplegic Association | Melanie Crombie |
| | Stephanie Cadieux |
| 7) Confederation of University Faculty Associations
of British Columbia | Rob Clift |
| | Chris Petter |
| 8) Insurance Bureau of Canada | Lindsay Olson |
| | Serge Corbeil |
| 9) Penny Irons | |
| 10) Planned Lifetime Advocacy Network | Jack Styan |
| | Susan Whittaker |
| 11) Students' Union of Vancouver Community College | Christa Peters |
| | Christina Clews |
| 12) BC Federation of Families Society | Karen Philipchuk |
| | Dawn Steele |
| 13) Developmental Disabilities Association | Alanna Hendren |
| 14) Greater Vancouver Alliance for Arts and Culture | Heather Redfern |
| | Richard Prokopanko |
| | Adrienne Wong |
| 15) Human Early Learning Partnership | Lynell Anderson |
| | Dr. Paul Kershaw |
| 16) BC Association for Community Living | Laney Bryenton |

4. The committee recessed from 1:34 p.m. to 2:11 p.m.

17) First Call: BC Child and Youth Advocacy Coalition

Adrienne Montani
Steve Kerstetter
Neil Cumming
Francois Morton
Glenn Martin

18) Consulting Engineers of British Columbia

19) Andy Tse

20) Paul Keeling

21) Canadian Bar Association Poverty Law Section
(B.C. Branch)

Jess Hadley
Pat MacDonald

5. The committee recessed from 3:35 p.m. to 4:13 p.m.

22) Garth Evans

6. The Committee adjourned at 5:04 p.m. to the call of the Chair.

Blair Lekstrom, MLA
Chair

Kate Ryan-Lloyd
Clerk Assistant and
Committee Clerk

WEDNESDAY, SEPTEMBER 20, 2006

The committee met at 9:09 a.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): Well, good morning, everyone. I would like to welcome you to the Select Standing Committee on Finance and Government Services prebudget consultation hearing here in Vancouver. My name is Blair Lekstrom. I'm the MLA for Peace River South, and I have the honour of chairing the Select Standing Committee on Finance and Government Services.

Today we are here to listen to you, the presenters and British Columbians, on what your priorities are for next year's budget. We, by legislation, are asked to go out and consult with British Columbians. We are an all-party committee of the Legislature. The prebudget paper was presented to our committee on the 15th of September. We are mandated to go out, hold public consultations, review written and on-line submissions, and put a report back to the Legislative Assembly no later than November 15 of this year.

Today our format for the presenters will be 15 minutes for each presentation — ten minutes for the presentation, with five minutes for members of the committee to dialogue with the presenters if they have any questions regarding what has been said or presented to the committee.

[0910]

We have a couple of members that are yet to join us. They are apparently caught in lovely Vancouver traffic — something some of us don't face in the northern part of the province, but understandably so.

Before we begin, I'm going to ask the members to introduce themselves, and then we will begin with our first presenter.

J. Horgan: John Horgan, Malahat-Juan de Fuca.

I. Black: Good morning. Iain Black, Port Moody-Westwood.

J. Kwan: Jenny Kwan, Vancouver-Mount Pleasant, and welcome to my riding.

B. Ralston: Bruce Ralston, MLA for Surrey-Whalley.

R. Lee: Richard Lee, MLA for Burnaby North.

B. Lekstrom (Chair): As said, I'm Blair Lekstrom from Peace River South.

Also joining us today are, to my left, Kate Ryan-Lloyd, who is our Committee Clerk, as well as Mary Newell and Dorothy Jones, who were at the table when you walked in.

As well, all of our meetings are recorded and transcribed by Hansard staff. Joining us today we have Alison Braid-Skolski and Mike Leblond, who is over here to our left. We are also live on the Internet for people who wish to listen in to each of the hearings.

We will be hosting 14 public hearings around the province. We began yesterday and have completed two. Today is our third session.

With that, I am going to move on. As well, I should point out that the portion of the meeting from 3 p.m. to 6 p.m. today will be for witnesses wishing to speak in Mandarin, Cantonese, Punjabi or English. We will have translators available for the committee. It is something new that we're trying this year, and we look forward to that.

Today we are going to begin with our first presenter. I am going to call Caryn Duncan from the Vancouver Women's Health Collective. Good morning, Caryn, and welcome to the committee.

Presentations

C. Duncan: Good morning. I'm here, of course, this morning to speak to you about health care in the 2007 provincial budget. The Vancouver Women's Health Collective has for three and a half decades been advocating for appropriate quality health care for women in British Columbia. Our information centre is just a couple of blocks away at 119 West Pender Street.

Vancouver Women's Health Collective volunteers staff our information centre. By that I mean, they assist women with their health inquiries and search for health information and services when women visit our centre, call or e-mail us.

We also offer workshops for women, including our patients' rights workshop and our menopause, body image and depression workshops. We have two staff who are paid to work part-time and about a dozen dedicated women volunteers. The Vancouver Women's Health Collective is all about health promotion and prevention.

It was with interest that I read an article in last Saturday's *Globe and Mail* newspaper regarding Finance Minister Carole Taylor's assessment of the increasing costs of health care and her concerns about how to meet these costs in the face of government commitments to education and other social services.

As all of you know, the health care budget accounts for about 42 percent of the overall provincial budget. I would like to recommend to Ms. Taylor and to all of you as members of the Standing Committee on Finance that one significant step your government could take in tackling rising health care expenses is to invest more in health promotion and prevention.

It's my understanding that only a couple percent of the overall health budget is actually spent on health promotion. The bulk of the health care budget, as you also know, is spent on hospitals, ever-increasing doctor fees, including specialists' fees, and escalating drug costs.

There are allies in the community sector, like the Vancouver Women's Health Collective, that have devoted decades to encouraging women to live healthier lives. Unfortunately, the B.C. government continues to neglect to support groups like ours with our vast experience of working to promote healthfulness.

Let me give you a few examples of how the Vancouver Women's Health Collective promotes health in

B.C. At our patients' rights workshop we encourage women to establish a relationship with a family physician for their care and their children's care. Family doctors can play an important role in preventative medicine. We discourage women from visiting hospital emergency departments and walk-in clinics. The quality of care is poor, and the cost to the system, to all taxpayers, is greater.

[0915]

We encourage women to get yearly Pap smear tests and mammograms. We also assist women with their search for support groups and counselling to help them deal with depression, menopause or terminating a pregnancy. If ignored, addressing these health issues may require expensive, invasive health care down the road as well as diminish a woman's quality of life.

We encourage women to live active lives and keep a healthy outlook on life and on their bodies, even in the face of incredible pressure to be ever thinner and younger and perfect.

The Vancouver Women's Health Collective is committed to promoting healthfulness because it makes good sense. Unfortunately, the B.C. government doesn't feel the need to assist us with this work. In April 2004 the provincial government cut 100 percent of our \$47,000 grant. Today we receive zero provincial funding.

We rely on our own funding initiatives, the city of Vancouver and gambling revenue to do the work that we do for the women of British Columbia. As an aside, I can't tell you how conflicted we feel about relying on gambling revenue to keep our doors open.

We directly assist about 1,500 women a year with their health care, either through their participation at our workshops or through the resources we make available to women at our information centre. We do this work with no financial support from government.

It's worth noting that the government recently established ActNow B.C. and appointed Gordon Hogg the Minister of State for ActNow. The ActNow B.C. website provides useful information for computer-savvy British Columbians about healthy eating, healthy schools, workplace initiatives, tobacco and healthy pregnancies. To someone who has been involved in this work for a decade, ActNow B.C. looks like window dressing.

As we see it, the fundamental shortcoming with ActNow B.C. is that it solely targets individuals and the choices they make about, for example, their diet, exercise and smoking. Interestingly enough, the only gender-specific information for women on the website relates to pregnancy. This is a very narrow perspective regarding women's health promotion.

Now, don't get me wrong. I think that giving British Columbians information about their health is really important. We do that every single day. However, given the resources available to your government, ActNow B.C. is a very small step in promoting healthfulness for British Columbians.

The single greatest determinant of one's health is income. Or put another way, living in poverty undermines one's health. In our work, every day we talk with women who are unable to access basic health care

because of health care user fees and because they live on modest incomes.

Eliminating MSP premiums and restoring MSP coverage for preventative health services, increasing welfare rates and getting back into building social housing — all of these would make a significant difference in health outcomes for British Columbians, particularly poor residents who are, according to Statistics Canada, mostly women.

The Finance Minister is forecasting a \$1.2 billion surplus for 2006-2007. The Canadian Centre for Policy Alternatives estimates this budget surplus will be more than twice that, or \$2.8 billion. They're also projecting a \$3.9 billion surplus next year. Of course, this is added to the '05-06 surplus of \$1.775 billion.

Significant year-over-year surpluses mean that the provincial government is in a position to refocus its commitments and address some of the very pressing issues facing this province. We urge you to give greater priority to restoring services to the most vulnerable, many of whom are women, and women with children.

The Vancouver Women's Health Collective would like to make the following four recommendations to the members of the Select Standing Committee on Finance. Firstly, we'd like to see the government establish a grant-ing program under the Ministry of Health in order to provide financial support for community organizations that carry out health promotion work.

We understand, from meeting with government staff, that no Ministry of Health grants program exists. We believe this is a missed opportunity. The provincial government should be supporting innovative, community-based health promotion in this province.

[0920]

Secondly, I would urge the government to eliminate Medical Services Plan premiums and restore services such as eye examinations, chiropractic care, physiotherapy, massage therapy, naturopathic care and podiatry. In 2002 MSP user fees were increased, and all of these health prevention services were cut under the plan.

Thirdly, increase welfare rates to levels that provide women and children who are dependent on social assistance with a livable income.

Lastly, I would urge the government to reinvest in social housing, including co-ops and supported housing for those in need.

Now all of this, of course, is going to cost money. But down the road, spending money saves money. That's what health prevention and promotion are about because, of course, health is about the social determinants of health. We all know that if you ensure people a quality of life, at the end of the day, it reduces health care expenses because people are not relying on expensive things like going to hospitals and emergency rooms and relying on emergency services.

I would urge you, and the Vancouver Women's Health Collective would urge you, to think about the health care budget — that 42 percent chunk that consumes the overall spending of government — in a more holistic fashion. Look to preventative and health promotion strategies to try and get a handle on the health care budget.

Thank you very much. I was pleased to be able to present to you this morning. I'd be happy to answer any questions.

B. Lekstrom (Chair): Thank you very much, Caryn, for your presentation to our committee here this morning. I am going to look to see if there are any questions from members of our committee.

R. Lee: Caryn, what is your total budget in your association and the source of the funding?

C. Duncan: We're less than \$100,000 a year. I think we're about \$95,000 this year. About half of it comes from gambling revenue. We get a \$35,000 grant from the city, and the remainder we raise through initiatives, membership fees, miscellaneous donations and whatnot.

R. Lee: For the gaming revenue, is that part of the access plan?

C. Duncan: No, it's gambling. It's the bingo hall up on Main Street. We've been affiliated with Planet Bingo for many years. We get money because we have a relationship with a bingo hall.

J. Horgan: I'm wondering if you could advise the committee. You made reference to a \$47,000 cut — the elimination of your provincial funding. Where did that money come from prior to April?

When you discussed establishing community health-based grants, would you envision that that type of program could replace that money and increase funding for the promotion of preventative health care that you want to deliver in the community?

C. Duncan: Yes. We used to receive funding under the women's centres portfolio, so it came from MCAWS. That was cut more than two years ago.

I can't tell you how stressful the last few years have been for our volunteers, for me personally and for the women we serve, because we weren't sure whether we were going to continue to operate or not. We fought and kicked and screamed and pushed.

We managed to convince city hall, the city of Vancouver, to support us against its better judgment, because it doesn't believe it should be supporting health. That kept our doors open. That grant has gotten smaller every single year.

We're very frustrated that we have been doing health promotion work for decades, and that the Premier and the provincial government seem to have made a priority of this work by setting up ActNow. But there doesn't seem to be any means to access funding for the kind of work that we're doing — this health promotion work.

We met with the ministry staff late last week, and they told us there's no means of granting for community work through the Ministry of Health anymore because all the funding is redirected through the health authorities. This seems to me to be rather shortsighted. If the government has initiatives that they want to sup-

port but they don't have any money to help community groups do the work to support the initiatives, then it rings a bit hollow.

That's why I say that ActNow feels like a bit of window dressing, because there are so many of us doing this work, and as I say, we're doing it with no provincial government funding. We need \$50,000 from the government of B.C. to replace the money that we lost so that we can feel we have a tiny little stability in our organization, because it's evaporated in the last three years. It's been really, really stressful.

[0925]

J. Kwan: I was wondering: do you have a sense of how many organizations do health promotion work in and around the province?

C. Duncan: How many do that work? No, I have no idea. I think there are probably many. The health community is very diverse, and I'm a bit more familiar with women-serving organizations.

I do know that a number have closed in the last few years, like the pelvic inflammatory association and the menopause group over on the North Shore. I know that because of the stress, groups that were doing this work are no longer doing it because they lost their funding and closed their doors. I know of about half a dozen groups.

In terms of how many groups are doing it, I don't know the answer to that question.

J. Kwan: Is it possible for you to provide the information to us — maybe not right now — on the list of organizations that you do know of that have lost their funding? Some of them may well still be open, and some of them may have closed — just for us to get a fuller sense of the issue around health promotion, particularly for women, and what that picture looks like for our consideration.

C. Duncan: Yeah. Anecdotally, I know that a number of the women's centres — there were 37 of us across the province — have closed. I don't have the resources to do any comprehensive kind of scan — right? I can barely do my job as it is with all the pressures on me, but we hear anecdotally that women's centres are closing down because they've lost that \$47,000 grant. That's unfortunate, because we should have been very proud of that network of support for transition houses, which your government has supported with enthusiasm, which is great.

Supporting violence-against-women programs and transition houses is important, but without the support to other groups like ours, you're not strengthening the community in the attack against violence. You're kind of cutting it off at the knees by not supporting groups like the Vancouver Women's Health Collective and others that provide other supports to women who have gotten out of the violence cycle and who are now trying to rebuild their lives.

B. Lekstrom (Chair): Caryn, possibly just one final question, then.

On the four recommendations that you've put forward for our consideration, do you have any priorities in that? The reason I ask is that although there is a surplus out there — and certainly, the markets are volatile, whether natural gas.... We've had an impact of over \$700 million in lost revenue this year. The elimination of MSP premiums alone, I think, will run in the \$1.3 billion range. So if you had to prioritize it.... Did you put some thought into that?

C. Duncan: Yeah, but I do want to point out that B.C. is unique with these MSP premiums, which I pointed out to the NDP many years ago also. We can single ourselves out as.... B.C. has premiums. Ontario has a complicated sort of thing in their tax structure. And Alberta, I'm under the impression.... They've reduced them and are considering eliminating them.

It is possible to eliminate MSP premiums. Most provinces do not have them. I would urge government to think about that, because we hear about the hardships those premiums have on women's lives. Yes, there's a subsidy, but if you're a part of the working poor, it's hard to meet those premium requirements.

We hear every day about how the cuts to services under MSP have undermined women's lives. Those were important preventative health care services. You can't get your eyes checked now and not have to pay quite a whopping fee. That strikes me as kind of short-term thinking and not a very wise step in terms of health promotion. Certainly, restoring the services under MSP is a priority.

I come here with self-interest. Establishing some means of supporting the work that we do — point 1 — is obviously a priority for us. If we can't access provincial government funding in the short term, we won't be at these sorts of committees, and we won't be speaking out on behalf of women.

We're going to be on CBC radio on Friday. We've been asked to speak on the *Almanac* show about body image issues. Our voice will be lost, and we won't be in the community if we can't figure out how to access some money. So obviously, number one is important to us, as an organization, and important to the women we serve.

I live just a few blocks from here. I can't tell you how important social housing is. All of you know that. It's been in the news non-stop all summer. It's been in the news in a not always helpful way. We need more social housing in B.C., in the lower mainland, to get people off the streets and to improve the quality of their lives.

[0930]

I know that's a big-ticket item, but this morning I heard Mayor Sullivan on the news talking about a meeting — I think he's in Ottawa — around trying to get the feds to reinvest in social housing. This has to happen from the federal government and the provincial government. I know it's a big-ticket item, but it is important.

Welfare rates are important too. I don't know how to prioritize. I know number one would be the cheapest thing. I know restoring MSP services would not be a

big-ticket item. Yes, eliminating the premiums would be. Social housing and welfare, so-so. But those are all integrated and important components of ensuring that the quality of British Columbians' lives improves.

I think we need to start thinking about those issues and reinvesting in British Columbians, because we can do that.

B. Lekstrom (Chair): Caryn, I want to thank you. You certainly touched on something very important as you went through that. They're all very important. How do you prioritize? How do you fund out of the pie, and which ones? We hear numerous presentations that are excellent. We try and balance that out with what we can do and put in our report and put it forward.

C. Duncan: Thank you, and I'd love to get a call from any one of you who can suggest where I can find \$50,000.

B. Lekstrom (Chair): You have a great day.

Our next presentation this morning is from Genome British Columbia, and joining us is Bruce Schmidt.

Good morning, Bruce.

B. Schmidt: Good morning. It's indeed a pleasure to be presenting to this committee.

I have to say that, certainly, with respect to the first presenter before me, predictive and preventative health is an issue for us all. I think that not only is there an issue on the social services side but also around how technology can enable that for the province. We'll be talking a little bit about that in the few minutes that I'll be with you.

If you don't mind, I have a small presentation that is in front of you, and I'll just use those as talking points.

On the first page, I wanted to.... Everybody knows this, but we don't think about it a lot: this is a life sciences province. Of any province in Canada we have the richest and most diverse life sciences environment. We have forestry and fisheries and mining. The environment is important, and the health of our population is important. With that, we have universities, teaching hospitals and our own Ministry of Health, which are working, as well as the other ministries, to enhance this life sciences environment and this lifestyle environment.

On page 2. Just to explain life sciences in context, biotechnology seems to be one of the areas that we focus on in terms of biopharmaceuticals, diagnostics and medical devices. But there is a very rich base of other life sciences industries in this province, which we as a genomics institute are trying to enable.

The biotech industry also moves into forestry, agriculture, fisheries and environment. I'll be talking to you a little bit about an approach to the pine beetle issue that is important to us all.

Bioproducts are in some ways quite established here, because we've been using biomass or the waste from our forestry industry to create wood pellets, which we export. But now we're also going to be using a lot of that biomass to convert into ethanol and into biofuels and biodiesel. What we're really talking about

is: how do we enable our province not only to be competitive with the rest of the world in terms of these economies but also to service our own population and our life sciences industries?

On the bottom of page 2 I'm just indicating to you that overlying this entire industry is the area of genomics and the area of nanotechnology. I'm not going to talk about nanotechnology today, but you will see in the future how this will become a key enabling feature to our legacy industries within forestry, mining and fisheries but also a key to our competitiveness in the high-tech industry and in the biotech industry.

[0935]

On page 3, in British Columbia we have been incredibly successful within our genomics community. Genome British Columbia is an independently governed, non-profit organization based in Vancouver, servicing the entire province. We now have investments of around \$300 million, which touch every post-secondary research institute — mostly universities and teaching hospitals — and involve, really, every corner of our life sciences industry base and the ministries which affect those life sciences.

We have been, on a pro rata basis, more successful than any other province in Canada. You'll see on the chart that we have garnered about 32 of the projects of 112 that have been set up nationally. We are one of six genome centres in the country that are affiliated with this federal organization called Genome Canada. Because of our science, our universities and the calibre of our scientists, we have been able to help them stand toe to toe with the rest of the world.

You may have seen an announcement the other day where we've been involved in the sequencing of the poplar tree, which will really prove to be the key to some of the raw materials for cellulosic ethanol and for other wood products that are important to bioenergy and bio-fuels, etc. These last five years have been a terrific start to us being competitive in the world around life sciences and enabling our industries to be that as well.

At the bottom of page 4.... We've had some interesting media. I think you may have seen some of these before, but I wanted to illustrate to you what this has really done for us in terms of our preparedness for some of the future opportunities and threats that we have as a province. The fact that we were involved in the sequencing of the SARS virus now has enabled us to have a very large infectious disease institute and to have projects.

Now we've just started a project — it's about \$15 million — that will actually give us tools to prepare ourselves for major infectious disease outbreaks. This is through the Centre for Disease Control. If we hadn't been in that position to establish that capability around SARS, it's unlikely we would have had the kind of notoriety and momentum to establish this new infectious disease capability.

We've talked about the sequencing of a poplar tree. Our Genome Sciences Centre was involved with people around the world really looking at the essence of why these trees are so important to our future, not only in terms of wood products but also in terms of a source

of bioenergy. We have been involved in an interesting project around microbes which like to eat PCBs and finding out why these bugs do that and how we can actually choose the right organism for the right remediation problem. We do that genetically.

That has now allowed us to interface with a huge problem in British Columbia around acid rock drainage. What we now know about acid rock drainage is the fact that there are microbial communities that set themselves up on these rock faces. They become incredibly acidic. The water leaches off them and creates a tremendous amount of pollution. We will be able, through the tools that we now have, to find out the nature of those microbes and find environmentally benign mechanisms to reduce that acidic nature of the rock face.

Forestry is a wonderful example of us originally wanting to understand growth rates, disease resistance and wood quality, etc., at the genetic level. We're not interested in changing trees; we're interested in understanding trees. We now understand which genes contribute to certain characteristics that are important to our forestry industry. In time we will be able to enable our very — I must say — amazing forestry ministry and its departments to breed trees in a more efficient way, understanding the true molecular mechanism of what they are breeding.

[0940]

On the next page I wanted to point out that we've been through a process over the last five years where we've had — we call them — competitions. We've had open competitions that have really enabled scientists who were in the top two or three in the world to come and, as I said, really be toe to toe with the rest of the world and compete on an international level. We've had international accolades. We have over 50 international collaborations. We have enabled other things around CFI, the Canadian innovation fund.

We have been involved in an international project around viticulture, around our health system — understanding why children are affected by drugs and the adverse drug side effects that they have and why individuals may reject an organ transplant whereas others may not. Why is that? We can explain this now on a genetic level. We're now adapting this technology. With that, some multinational companies have come here, and they have established bases of investment.

As we move down this chart, we are now involved in the strategic programs part of our cycle. We are now really trying to focus on the true strategic needs of the health sciences and life sciences industries and sectors in the province. We are going to be looking at predictive tools for health care.

Sometimes we confuse health and illness. We have to get out of the illness business and get into the health business. Predictive and preventative measures, lifestyle measures are important. How we can counsel people based on their familial propensities is important, how we can predict diseases before they happen, if possible — that is starting to happen in the international life sciences areas now — and then, ultimately, create lifestyles that will maintain that health.

In agriculture bioproducts is a key factor. We are trying to understand the nutrition of genomics. It's called nutrigenomics. We are looking at energy and the pine beetle, as well, within the forestry area.

My last page would be to just give you a little bit of a snapshot of a project we are proposing. This is where we are using moneys that we have received from the provincial government. We're going to be seeding a project that will be the single largest project that we know of in the world around beetle infestations. We are partnering in this with Alberta. We're going to be partnering in it with Natural Resources Canada. This will be a way of understanding the interaction between the tree, the beetle and this fungus, which is really the primary pathogen in this area.

We are here to really support what the province needs — and this is in consultation with ministries, with industry and with academia — and also to provide a key enabling technology to be competitive industrially in the life sciences area and also to create the absolutely best environment for our population.

I thank you very much for the opportunity and would be happy to answer any questions.

B. Lekstrom (Chair): Well, thank you very much, Bruce. As always with our presenters, the time line is extremely short to get a great deal of information in, and you've done a great job.

I'll look to members, and I'll start with Iain.

I. Black: Good morning, Bruce. Thank you for that presentation, and congratulations on a lot of the successes that you've had.

B. Schmidt: Thank you.

I. Black: It's encouraging to hear that the support of the government has been helpful in things like determining the breakdown of the SARS problem.

My question for you.... I've got two related questions: (1) what is the basic split in your funding model today in terms of money that comes from government and money that comes from elsewhere, and (2) given that this is a very sophisticated area of science that even people who are scientific don't always wrap their heads around, is there a "so what" phrase that you could give us that would be helpful in trying to prioritize in our work why investment should continue in this area and, indeed, as we talk with our constituents?

B. Schmidt: The first sets of funding from the provincial government.... I should say that none of this would have happened — period, absolutely — without provincial support.

[0945]

Anything we've done here — the 28 projects; the four technology platforms — has been enabled, to the greatest degree, by the provincial government. We have raised about \$300 million in total. The first contribution from the province was \$34 million, and the last one, which was last year, was \$45 million; \$150 million

has come from the federal government. The rest has come from collaborations from Sweden, Norway, the United States, many institutes, some pharmaceutical companies, some large industrial groups, and the mandate we were given by the province was that this was meant to leverage provincial money. That is, I believe, what we've done. So far, it's been about a 1-to-2 ratio sort of thing.

In terms of priorities, I see us having a split, really, on priorities. One is we need to enable the health system to become more effective, efficient and sustainable. We are going to do that by understanding disease better and understanding the mechanisms of disease and the mechanisms of health. Predictive tools, prognostic tools — already you've probably heard about tools that can actually tell somebody who, unfortunately, has cancer whether they would benefit from chemotherapy or not. Number one, why have that burden to your quality of life, but number two, why have that cost if you really don't need it? There are many other ways of curing cancer, or certainly containing cancer, other than just chemotherapy.

The other side is the opportunities we have in our legacy industries. How can we get better at remediating our minesites? How can we get better at understanding how to predict and contain pest threats? The pine beetle is something that we never thought would happen, and it is, and we need to know what the next one looks like. When the trees we plant today are 80 years old — and that's their prime cutting age, and also the prime eating age for beetles — we need to know how we can best resist those pests and best understand the effects of climate change on our environment.

I think it's really environmental issues and health issues which come together on that.

R. Lee: Congratulations on your success on all your projects.

One area is the technology aspect. We know that Ontario and other provinces seem to be leading in technology development and genomic research. What does it take for B.C. to have more development in that area, because that is related to our economic development as well?

B. Schmidt: Interestingly, there has been some media in the newspapers recently around Quebec losing some technological effort and Ontario gaining it, and the fact that there is really a ministry of technology in Ontario. Interestingly, the Premier is the minister of that.

Now, I have to say that in British Columbia we have been doing the right things. We have been supported by the Premier every step of the way. He has, as I'm sure you know but we understand, a very active interest in the technology industry. We have a cabinet that has been continuously supportive of technology development, and members such as you who have been — I mean, in the times that I've been able to talk to you — very interested in what's going on.

We have to keep the momentum in terms of this funding, because we have been able to attract the same

kinds of people that you are hearing about in the news. So Marco Marra is one of the best sequencing people in the world, with Rob Holt, at the Genome Sciences Centre. We've just attracted Christoph Borchers, who is one of the best proteomics people, really, in the world on molecular biomarkers — those things that we can look for in terms of detecting disease conditions. He is one of the best in the world. We just got him from North Carolina.

[0950]

We have bioinformatics groups here that are stronger than anywhere else in Canada. The only reason we've been able to do that is by creating this environment where excellence breeds excellence, and people come and follow other people here to do the work that's exciting and important.

I have to say, in closing, that we want to be applied in nature. We've been doing a lot of good fundamental science over the last five years. We are transitioning to apply those capabilities now to all the industries that need that innovation and are really starting to apply it practically to scientific outcomes and to being able to enable industries to become more efficient and productive, and our health system to be more sustainable.

B. Lekstrom (Chair): Well, Bruce, again I would like to thank you for taking time out of your schedule to come and speak to our committee here this morning.

Our next presentation this morning is from Canadian Direct Insurance. Joining us is Colin Brown as well as Brian Young. Good morning.

B. Young: Good morning, ladies and gentlemen. Canadian Direct Insurance is pleased to provide this submission to the Standing Committee on Finance and Government Services regarding the 2006-2007 provincial budget.

My name is Brian Young, and I am the president and chief executive officer of Canadian Direct Insurance. With me today is Colin Brown, our chief operating officer. Colin, by the way, for your interest, besides his ten years with Canadian Direct Insurance, spent 22 years with the Insurance Corporation of British Columbia, last serving as their chief underwriter there. We would both like to thank you for this opportunity to share our thinking with you.

We are here this morning to answer a challenge posed to British Columbians by the Minister of Finance, the Hon. Carole Taylor. You will recall that she asked citizens and organizations to come forward with creative budget-making ideas. As she put it, the challenge of budget-making is that increases in one area mean doing less somewhere else. So where would you spend more, and to pay for it, where would you spend less?

You may wonder what auto insurance has to do with the cost of government. We believe it has a great deal to do with it, as I'll explain in a moment.

First, please allow me to introduce our company and put today's subject into context. Canadian Direct Insurance is a property and casualty insurance company created ten years ago right here in British Colum-

bia. We are headquartered in Vancouver, where we employ about 200 out of our 250 employees. We provide auto, home and travel insurance directly to 110,000 policyholders in B.C., as well as to another 45,000 policyholders in Alberta.

By the way, contrary to what you may have heard, we provide auto insurance in every corner of British Columbia. Our customer base pretty well reflects the province's population distribution as well as its other demographics. We are competitively priced on optional insurance for about 85 percent of B.C. drivers.

The fact that we sell auto insurance in both B.C. and Alberta has given us a unique perspective. In Alberta we compete in an open market where every insurance company can sell both basic and personal injury public liability insurance as well as the optional collision and comprehensive. It is in this area of basic and optional auto insurance that we start to see the connection between government, the cost of government and insurance.

Auto insurance is a major living cost for most British Columbians. We submit that government policy, no doubt unintentionally, has driven up that cost. Public auto insurance has become, in effect, one of those costs of government mentioned by the Hon. Carole Taylor.

We submit to you that the cost of public auto insurance is higher than it should be. This is because ICBC has been allowed to restrict and undercut competition. What most people don't understand is that ICBC has more than just a monopoly on basic insurance. It also has complete control over who may distribute it, and it uses that monopoly to reduce competition on the optional side.

[0955]

Here is how it works in practical terms. Let us say that a local insurance broker wants to sell optional insurance offered by one of the surviving private insurers in B.C. This has happened to brokers connected to the credit unions. ICBC simply says: "You can have the licence to sell the basic, but only if you let ICBC control which optional product you sell." In the rest of the economy this is called tide selling or an abusive market position. At ICBC I think they simply refer to it as a non-compete agreement.

Many people think that B.C. auto insurance is fairly simple. ICBC has a monopoly on basic, and there is free competition in the optional. Not so. In truth, ICBC uses its market power to control who may sell basic insurance and to suffocate competition on the optional side. That's the major reason ICBC's share of optional insurance has actually increased from 87 percent of the market under the previous NDP government to about 89 percent of the optional market in today's environment, and why this year we expect ICBC's share of the optional market to grow to over 90 percent of the market.

What has this got to do with the cost of government? Well, let's look at what competition could do both to reduce costs for government and to improve auto insurance in B.C. If you look at where there is still a limited amount of competition to operate in the B.C. auto insurance industry — namely, on the optional side — you will see that competition has brought con-

sumers better insurance at a lower cost. If you look at where government has not fostered competition, transparency and accountability — namely, on the basic side — consumers have experienced little improvement. In fact, they have seen only rising deductibles and a steady accumulation of price increases now totalling 15 percent since 2001. Lack of competition has made basic auto insurance more expensive in B.C. than in any other western province.

We would ask you to consider the effects of competition on the optional side and what has happened over the last ten years. During that period drivers have come to gain the following new customer benefits: 24-hour claim service, premium discounts for good drivers, discounts for people with car alarms, valet service for people needing to have their cars repaired, the ability to buy insurance at a lower cost over the Internet, lower premiums for buyers of hybrid cars and lower deductibles.

All of these benefits were introduced by a competitive, private sector company: Canadian Direct Insurance. Except for the lower premiums on hybrid cars, sales over the Internet and, of course, the lower deductibles, the rest of those benefits were subsequently copied by ICBC.

Now let's ask what new customer services or benefits were introduced by ICBC basic insurance, where there is no competition, over the same period. The answer is: none. Of course, they did raise deductibles for hit-and-run insurance as well as increase their cost.

For all but two of the past 32 years ICBC's basic insurance premiums have been, on average, the highest in the four western provinces — not just higher than private enterprise Alberta, by the way; higher than both Saskatchewan and Manitoba, both of which have government auto insurance. In fact, the only change ICBC has made to basic insurance, other than the deductibles I mentioned, has been to raise its costs by 15 percent.

The fact that there is a significant price gap between ICBC's basic and the equivalent insurance in the three western provinces was confirmed in a May 31 report by the official consumer advocate on the Alberta automobile insurance rate review board. She found that the average price gap between these provinces was between \$150 and \$350 per vehicle. Since then rates in Alberta and Manitoba have dropped further while B.C.'s average rate has increased — just recently by 6½ percent. That price gap, in our view, is essentially a cost of government or, if you will, a lack of competition. It is a cost which could be reduced substantially by measures to let the B.C. auto insurance market operate more efficiently.

Before anyone jumps, let me assure you that we are not about to call for ICBC to be abolished, sold or privatized. What we are calling for are modest measures to reduce the cost of insurance and thereby the cost of government by making the market more efficient. We submit three changes could be made safely, simply and soon.

[1000]

First, require ICBC to stop using its control over the Autoplan broker licences to suffocate competition in

the optional side. ICBC should not have the power to control what optional insurance products Autoplan brokers can sell. That simply is an abuse of power.

Second, we ask that you support the BCUC's efforts to demand a higher level of transparency and accountability from ICBC.

A recent report rated British Columbia's level of insurance data availability and disclosure as the lowest in Canada. Perhaps increased disclosure would show why it cost ICBC about a little over \$1,100 to provide an average insurance policy in British Columbia when the competitive industry can provide the same coverage in Alberta for \$1,000 — and it's dropping — and why Canadian Direct can provide it for \$800, on average, in Alberta.

The B.C. Utilities Commission appears to be concerned about the issue of transparency and accountability. At the end of its recent hearings into ICBC's proposed premium increases the commission told ICBC to come back with answers to a number of questions — for example, to explain why it thinks it would cost more to sell basic insurance over the Internet than over the counter at the brokerage offices.

You can imagine why the BCUC would find this puzzling. Thousands of businesses around the world have demonstrated that it is possible to sell their products over the Internet more cheaply and efficiently than through traditional distribution channels. Why is ICBC different? Is it perhaps that by allowing this, it would lower their costs and increase competition?

The commission has also asked ICBC to explain why it needs still further premium increases when basic insurance premiums are falling in every other western province. This leads me to our third request of your committee.

The Utilities Commission does not yet have sufficient legal authority to require ICBC to answer these kinds of questions. Two sections of Bill 58, which was passed by the Legislature in 2004, have still not been proclaimed. These would give the BCUC the authority to prevent cross-subsidization between ICBC's basic and optional products and to properly regulate ICBC. We hope you will urge the government to proclaim that legislation and give BCUC the power it needs to stop the Insurance Corporation of British Columbia from abusing its market position.

In summary, auto insurance is a major cost for most British Columbians. Government policy, no doubt unintentionally, has driven up that cost by permitting ICBC to restrict and undercut competition.

Your committee can help reverse this trend (1) by investigating ICBC's control over distribution channels, which continues to thwart effective competition; (2) by supporting the B.C. Utilities Commission's attempts to make ICBC operate more transparently and accountably; and (3) by supporting the proclamation of the legislation the commission needs to bring ICBC to the bar.

We appreciate this opportunity to share our views with the Standing Committee on Finance and Government Services, and we look forward to any questions that you might have.

B. Lekstrom (Chair): Thank you very much, Brian and Colin, for presenting here this morning.

D. Hayer: Good morning, Brian. Thank you very much for bringing a very detailed presentation.

I have a question. One of my constituents came to me. This was awhile ago. He said that he had a pickup and that he had insurance with your company. The car was broken into about four times and damaged and vandalized. After that he received a letter from, I think, Canadian Direct, that after the expiry of the insurance they would not be covering it.

He was concerned. He used to really support private insurance until he received the letter. He said: "It wasn't our fault." If he had damaged the car or his kids had got into an accident, then he could understand it. His position changed somewhat about private insurance after that letter from what he used to tell me before that.

B. Young: Let me respond to that by telling you a story about one of my neighbours who has insurance with ICBC, who's approached me because his insurance has been cancelled because his car has been broken into six times in his lot. It's exactly the same.

D. Hayer: So it happens in both.

B. Young: He's come to me to complain about what ICBC....

C. Brown: The corporation has the same powers. They can walk away, on the optional side, from a risk that they believe is not what they're prepared to work with.

D. Hayer: He understood a bit that maybe it was because it was private insurance. He didn't realize that.

[1005]

B. Ralston: First, on page 5 you refer to a recent report rating level of disclosure and availability as the lowest in Canada. What's the reference there?

B. Young: That was a report and study done by PACICC, the property and casualty insurance catastrophic centre, based on the International Association of Insurance Supervisors' rating on disclosure and transparency in insurance. They have essentially recommended that more transparency and accountability on insurance companies be reported, at least to the level of what the OSFI, the Office of the Superintendent of Financial Institutions, requires.

That's what we abide by. When they ranked all provinces in Canada, they came out with B.C. being at the lowest. I'd be happy to give you a copy of that article.

B. Ralston: Thank you, and just one further question. I would imagine that when you compare insurance rates, ICBC would respond that the claims experience in British Columbia is different than, say, Saskatchewan or Manitoba. Anticipating that kind of response from ICBC, what would you say to that?

C. Brown: Every province, essentially, tells their drivers that they're the worst drivers in Canada. It's standard operating practice, but the coverages and the amounts paid out are part of a government mandate. The coverages that ICBC offers could be described as being Cadillac coverage. That may or may not be the case.

The coverages in each jurisdiction are what are priced for. Once that level is set, the pricing meets that. By setting that level, you're predetermining what is going to be paid out. In Alberta, Manitoba and Saskatchewan they have determined what level of coverage they have.

The accident levels may or may not be higher, but I don't think it should be given in British Columbia that we say we've got bad drivers and therefore it's okay that things are higher here. I don't think that's the right place to go.

B. Young: I would also add to that there is not a hue and cry from the public on the coverages in the other provinces. They seem to be satisfied with the level of coverage that they have in Saskatchewan, Manitoba and Alberta.

B. Lekstrom (Chair): Thank you, gentlemen. It is always interesting to hear the different views of all of the different organizations and individuals that come before our committee. I thank you for taking time to come and present here today.

For our next presentation this morning, I will call on Hermann Schindler.

Good morning. Welcome to the committee.

H. Schindler: Good morning. I'm just a one-man accountant. I serve about 300 individuals here in Vancouver.

Over the last ten years it's really gotten much worse. What has gotten worse is your constituents trying to keep money in their own pockets. That is especially when they have two or three children. The clawbacks are unbelievable.

I think you understand what I mean by benefit clawbacks. The more income you earn, the more we reduce any sort of government services and handouts and, of course, increase taxes. People often just look at the taxes.

I'll try to, here, produce somewhat of a.... I can't say comprehensive; I don't know all the services offered by the federal and provincial government. I'm just highlighting the fact that the more you earn, in many cases, you end up with less in your pocket — less to spend taking your kids to Science World; buying them bicycles, music lessons, running shoes, you name it.

[1010]

I think in the last government election they talked about beer and popcorn — right? Give the families extra money, and it would be spent on beer and popcorn. I think most of you know — most of you are family people — you don't spend the money on beer and popcorn. You spend it on things for your kids, which may be popcorn, movies, Science World.

I think we're all familiar with federal tax. Under \$35,000, of course, is taxed at 15 percent. Now, if you're self-employed, then we have our Canada Pension Plan.

It used to be about 3 percent. It is now 9.9 percent, and so many people, self-employed, have to pay the full 9.9 percent. If you don't pay 9.9, you pay 4.95 percent plus maybe 2 percent EI — anywhere close to 9.9 percent.

Let's start adding this up. What's next? Well, most families have to spend something on dental, prescription drugs, medical benefits. In the example I've given you, I've just put in family as one person with three children. A family of four or family of five.... The numbers actually don't matter much. It comes out about the same.

There's an additional 5 percent refundable medical expense supplement that is clawed back. You'll see it on line 452. On line 332 there's also a 1 percent clawback, roughly, of the medical expense tax credit reduction.

Now, the big one: 33.3 percent. These are all federal things; we can't change those. If you start earning \$10,000 more, the federal government is going to take, in addition to this, another 33.3 percent. The federal government is taking 64 percent of income. If you've got three kids and you're earning more than \$21,000 — roughly between \$21,000 and \$31,000 and even up to \$41,000, as we'll see — the federal government is already taxing 64 percent. We're not going to change that.

What can we change? Maybe we can reduce the provincial burden on these families. What is the provincial burden? If you're low-income and.... It's not even low-income. I'm talking about working Canadians — \$21,000 to \$31,000.

By the way, the last budget did a great job on those earning, say, between \$16,000 and \$21,000. There were good improvements in there, and I'm talking about more improvements now. Let's bump it up. I'm sure a lot of your constituents are earning \$21,000 to \$41,000. If you're in B.C. Housing, the rent is geared to income. We all know that's 30 percent.

Now comes the part we think about: the B.C. tax. It's only 6 percent — yeah, 6 percent. Well, I don't know — 64 percent plus 30 percent. That's 94 percent, plus 6 percent. We've already hit over a hundred percent. You earn \$21,000, and then you decide to work more, or you get a raise. You're earning \$31,000. You end up with zero.

Wait a minute. It gets worse. We have a B.C. family bonus earned-income credit. That is clawed back at 20 percent. All of a sudden now, you earn \$10,000 more, and you lose \$12,000. I don't know, but back in Boston, I think they had a tea party over something like this — 120 percent tax. Why?

Are we rewarding the people going out to work? I don't think so. I understand why people want to sit in the projects, the social housing, and not go out to work when you factor all these in. They can sit back. They have everything covered. Everything's delivered. Why go out to work when there's 120 percent tax?

What do I suggest? I suggest we come up with something in B.C. where we're tracking this. I'm calling it ABC for simplicity: all benefits, clawbacks and taxes. We ought to track it. Somebody in the B.C. government ought to know that up to \$31,000, the federal government is going to take 64 percent, so maybe we should keep our limit to under 10 or 20 percent.

Let's keep the tax rate under 85 percent. Is that reasonable? Let's not bump it up to a 120-percent tax rate. We're not going to change the federal; we can change the provincial one.

We like millionaires. They pay 44 percent. If they don't like that, they go to Alberta and they pay 39 percent tax. What about our B.C. families? The highest taxed people are the working people in B.C.

[1015]

I have not even included.... I don't know how old this program is, the B.C. child care subsidy, but when I made my phone calls.... If you're making more than \$35,000 and you have three kids, the clawback is — get this — 49.8 percent. Add that on to all your other taxes. B.C. child care subsidy clawed back, for three kids, 49 percent — two-thirds of that if you have two kids, and yeah, only 16 percent clawback if you have one child.

Pharmacare. Don't forget, 3 percent of your family income, and we expect you to pay Pharmacare. B.C. sales tax credit — that's more for the low-income people, clawed back 2 percent. Let's not forget the good program we have, Healthy Kids, for dental and optical.

What about B.C. student loans, physical therapy, legal aid, family counselling services? A number of clients I have.... The men leave or die. They need counselling; their kids need counselling. Oh, you're earning \$36,000? You don't qualify.

But what about all the other 120-percent taxes? Let's not forget MSP premium assistance. I think there was talk about that this morning. Most provinces don't have that. It's roughly 16.2 percent. MSP premium assistance has clawed.... You pay extra MSP premiums if you earn more than \$31,000.

How am I doing on time?

B. Lekstrom (Chair): About two minutes.

H. Schindler: All right. What do I suggest? If we cut this 20 percent down to 4 percent.... By the way, it's 4.8 percent for one child. Why does it need to be 20 percent for three children? Why can't we cut it down to 4 percent? That's in here on the page on B.C. family bonus.

This is all standard tax software. Obviously, I'm a professional. I use ProFile; it happens to be used by the most people. It's right in there — 20 percent if you have three children, 4.8 percent if you have one child.

Why can't that be 4.8 percent for three children as well? That would really help. Not to mention, why does that clawback have to start at \$20,921? We have so many other clawbacks. Why not change that one to \$44,000?

Next page. MSP premium assistance. That helps those families with more than \$31,000 income. Why are children only a \$3,000 deduction? I don't know, but I'm guessing none of you spent that little — less than \$3,000 — on your children. Why not make it \$9,000 for MSP premium? Just change the formula a bit. That will help.

Next page. Why do children have to pay MSP premiums? We're not going to let them be without medical care anyway. Why shouldn't MSP premiums simply

be set based on the number of adults in the house? Why the number of children? Why, if you have children, are you penalized again, in addition to all the other penalizing?

Those are my recommendations. Again, on the front, an example — \$21,000; the second page, \$31,000. You end up paying \$3,475 more tax and CPP; \$4,172 as your loss on your federal and B.C. child tax benefit; \$518, you pay a little bit more in insurance premiums. Of course your rent, your income.... Earn \$10,000 more; lose \$11,165. So you'll see it's well over 100 percent.

What if the person goes: "I'll just make more money. I'll go out and earn \$41,000"? Let's earn \$41,000. Next page. What's the difference between earning \$41,000 and earning \$31,000? You don't lose \$11,000. You only lose \$10,700 because you decided to earn \$10,000 more.

I don't know. That seems unfair. Change the 20 percent to 4 percent. Change 16 percent. Either lower that, or increase the exemptions for the children. That will go a long way. This has obviously happened accidentally. Every time we introduce a new program, there's a clawback.

[1020]

Let's not talk about how many provincial employees it takes to administer these programs.

I'll open it up for questions.

B. Lekstrom (Chair): Hermann, thank you very much. As with previous presenters, it's a short time frame to get a great deal of information in. You have done that.

J. Horgan: Thank you, Hermann. You rock. That was a great presentation — very enjoyable. I have to say that in the year and some months that I've been a member of the Legislative Assembly, I haven't enjoyed a presentation as much as I did yours. I want you to meet my accountant, because you're far more interesting than he is.

I do have a couple of questions, though, and I want to focus on what I believe is the intent of your presentation: to try and revise the tax system so it's child-centred, so that families are not penalized for growth. We can have debates — and we do, I know, when we're travelling — about how we can improve the quality of life for our constituents.

You've come here to the Finance Committee, where we'll hear weighty presentations about large numbers and so on, and you've narrowed it down to the basics for the people that we represent, and that is: how do we help them with this?

I wanted to touch on the PST, which is something that we can make recommendations about. I'm certainly going to remind my colleagues as we get closer to a final report about Hermann's presentation in September on a rainy day in Vancouver. But with respect to PST exemptions, I know if I buy my son a pair of shoes, I don't have to pay PST. If I buy him a pair of skates, I do. If someone has a daughter and you buy ballet shoes and you have to pay for those, you have to pay PST.

H. Schindler: You go to Staples, you tell them it's for your child's school, and they will take off the 6 percent.

J. Horgan: But not for skates, unless you're skating for school.

Do you have any thoughts on...? Other MLAs in the past have talked about tax credits for....

H. Schindler: I've been to PST presentations. The exemptions are already way too complex.

J. Horgan: Yeah. How would you simplify those exemptions?

H. Schindler: I don't know. I'm not an expert on that. I tell you that there are already way too many. It's already way too.... I'm glad that the government introduced making the employees at the PST centre accountable. Before, they used to give you advice, not give you a name and hang up. Then the next person would come along and give you a different answer to the complex questions. Don't make it more complex.

J. Horgan: Okay. And with respect to registration fees for cultural activities, for sporting activities and that sort of thing, where would we find an appropriate place on our tax return summaries to put credits or benefits to those parents who are engaging their children in activities in the community at a significant cost?

H. Schindler: John, you're talking about making it more complicated. I'm already telling you that it's too complicated. Just give the parents more money, and don't claw back as much. Don't claw back 20 percent.

J. Horgan: Hermann, thank you very much. I will do my level best to ensure that we try and make it less complicated.

D. Hayer: I used to be an accountant when I finished my university degree, so I can understand some of the figures. Most of the time when I talk to people, they all say the lower-income ones have been helped. If you're making around \$15,500, you're not paying taxes. It's the middle-income ones who have been hurt, who haven't really been helped. We need to really look after them — especially with the children, too. Because of the clawbacks, it makes things worse.

H. Schindler: Yes, because people think: "Well, \$41,000 — you're making a lot." You're not. If you've got three kids, you're not keeping much.

D. Hayer: This is the first time, actually, in the three or four years that I've been on the committee that somebody has come with such detail trying to say how to help those with middle income. Is there any suggestion other than saying to increase the...? What is it called, for children, under that...? It's 3,000 to 9,000, or not charging the MSP premium for children. Is there any other suggestion that you have?

H. Schindler: I'm trying to keep it simple for you. There are the pages, the printout of all the tax programs. Just change that number. Why penalize more when they have more children?

B. Lekstrom (Chair): Thank you, Hermann, for coming and presenting to us here this morning.

Our next presentation is from the Truck Loggers Association. Joining us today are Stirling Angus and Sandy McKellar.

Good morning. Welcome to the committee.

S. Angus: Good morning, Mr. Chairman, members. Thank you for the opportunity to provide our input on provincial finances and specifically on the issues we feel are significant and important enough that they warrant discussion today.

[1025]

My name is Stirling Angus, and I'm here before you as the acting executive director of the Truck Loggers Association. I'm also a professional forester who lives in Surrey, B.C., and my family's livelihood depends on a sustainable and successful coastal logging industry.

With me today is our director of communications, Sandy McKellar. Sandy has a degree in forestry from UBC and has focused her career on communicating the importance of the forest sector to many different stakeholders across Canada. I know personally that many of you here understand the importance of the forest sector.

First I would like to review the mandate of the TLA and our membership's importance to the economy of coastal British Columbia. The TLA represents the interests of over 500 community-based companies relying on the coastal forest industry. Our industrial members employ over 6,500 forest workers harvesting over 70 percent of the coastal cut. Together with our associate members we work in an industry that supports one job in five provincially. No other industry is as important to the economy of British Columbia as the forest industry.

To demonstrate the financial impact of the forest industry, the TLA recently reviewed the value of forest products produced from the average cubic metre of logs harvested in the province. A cubic metre is about the size of a telephone pole. Our calculations show that the average cubic metre produced is \$256 worth of forest products. This represents approximately \$4.6 billion in direct economic activity that is created through the harvesting of coastal annual allowable cut on Crown land. TLA members are a critical part of accessing this sustainable and renewable wealth from the coastal forests.

Another recent study prepared on behalf of the TLA found that the typical efficient logging contractor working on the coast invests approximately \$10 million in his own capital in order to undertake harvesting and roadbuilding operations. This is a capital-intensive, sophisticated business. Coastwide, contractors invest approximately \$1.5 billion every ten years in equipment alone, making the harvesting sector more valuable to the economy in terms of capital investment and employment than the coastal sawmilling sector has been for a generation.

The incentive to be able to make these capital investments in the logging sector is dependent on a fair and open log market where there is a competitive market for logs, and that market includes log exports, which I know is an issue in today's press. A fair and open log market also results in fair pricing for Crown timber through the market pricing system — MPS system — that the government has used for determining price on coastal timber.

You have asked for our recommendations regarding the provincial budget and fiscal policy for the coming year. I would like to review four issues that are relevant to the forest sector and especially to the logging sector. These are issues that I believe you can help us with.

(1) Provide PST exemption for roadbuilding equipment, parts and supplies. I want to take a moment here to thank you for adopting the Truck Loggers Association's previous request to you that coloured fuel be permitted to be used in all motor vehicles not licensed to operate on public highways. You've heard us before, you've made that change, and it has made a difference. We thank you for that. Using coloured fuel means that there's no provincial sales tax, PST, applied to fuel purchases.

I also would like to thank you for the previous elimination of PST on selected equipment used in the logging industry — equipment used in falling, yarding, loading and other forest activities. This makes a significant cost savings to our members, and is an incentive for them to purchase new equipment to help ensure their competitiveness in the world economy.

At this time I would encourage you to remove PST on all equipment and supplies used in the logging industry. This is especially important to us with respect to equipment and supplies used in logging road construction. Presently logging road construction is PST-taxable. Forest roads are required not only to access and extract B.C.'s Crown timber, but they also provide access to B.C.'s forests for a variety of other industrial and recreational users.

Roadbuilding is as integral a part of the forest industry as logging itself, and we recommend that consideration be given in the upcoming budget to extending the PST exemption on the equipment, parts and supplies used specifically for forest road construction activities.

This request is consistent with what has been provided in other phases of logging such as tree falling and yarding, as I mentioned earlier. Also, this PST exemption would be consistent with what other industries such as the rock quarrying industry are now paying.

For example, we have a situation now where a quarry operator producing aggregate material to be used in road construction or for other purposes is PST-exempt, whereas a logger constructing a logging road to harvest timber pays PST on the entire roadbuilding component costs. This does not seem logical to us, especially when most of these forest roads are used to harvest Crown timber where stumpage is paid to the Crown on that timber.

[1030]

(2) Quantify the true costs of imposing ecosystem-based management on the coastal forest land base. Bear

with me. I hope your eyes don't glaze over as I explain this. Ecosystem-based management, or EBM, is a method of managing the forest, including logging, in such a way that environmental, social and economic factors are considered over time. The TLA has been based on this principle, and we stand behind it.

Much of the central coast now is being committed to following EBM through adoption of land use plans. The TLA is supportive of EBM so long as the logging industry and the social and economic provided by the logging industry can be sustained in the short and long term.

We understand that this is a key principle of EBM, whereby a healthy economy is critical to supporting a healthy environment and a healthy community. We have concerns that this process may be getting side-tracked and may not be responsive to the economy. Therefore, the TLA requests that your committee address the economic impacts of EBM and provide allowances for any additional development or operating costs that arise out of a result of practising EBM on the ground within the coastal market pricing system.

The TLA is concerned that the unbalanced adoption of EBM principles will significantly reduce the volume of timber available for harvest. By extension, this will reduce the economic activity generated and supported by logging.

At this time I would ask Sandy McKellar to continue with our presentation.

S. McKellar: Thank you. The next two items really come together under one heading, which is public awareness within the forest sector, and we want to focus specifically here on the people of B.C. In number three we're saying: "Provide resources to promote forestry to the people of British Columbia." It's so important that the people who live in this province, who benefit from the value that the forest industry brings to them, understand that that is, in fact, the case and understand the value of this industry.

The coastal industry is undergoing a massive restructuring at this time to try to bring back the prosperity which the industry and the communities across the coast are reliant upon. The critical issue that we're facing today is a huge shortage of skilled labour. Part of this problem is that many people see the forest sector as a dying industry. Why would you choose to go and work in what you perceive to be a dying industry?

As a result, while many of these skilled workers are leaving the industry to find work in, perhaps, construction or maybe even in another province, we're left now with these empty job vacancies, and we are having a difficult time filling them. This situation will continue to get worse as we move towards 2010 — more and more people moving into construction. Again, as our industry starts to pick up, we are going to have a huge lack of skilled people.

It's clear that government outreach programs funded through Forestry Innovation Investment, FII, are helping in this and starting to work. B.C.'s markets for wood products are definitely growing. Recent studies and pilot projects have demonstrated that western

hemlock, the predominant timber species that we have on the coast of B.C., is becoming well recognized now for its superior qualities, especially in uses in building engineered wood products.

Engineered wood products really are a baby of British Columbia, something that we have, in fact, inspired and innovated and are now sharing with the rest of the world. Western hemlock can play a big part in that in the global marketplace and in the domestic marketplace.

If we are to ensure a healthy and vibrant forest industry that continues to contribute to B.C.'s economy, then that capacity to harvest and deliver this timber needs to persevere. The government can take a hand in that by helping us do what we call an in-reach program. We want to promote this industry to the people that live in our backyard, the people that benefit from it directly.

To this end, we request that resources must be made available to increase public understanding of the importance of and the opportunities provided by the B.C. forest industry domestically.

The second piece of this story is allocating resources to educate schoolchildren about the natural resource industries. Here we are, in fact, opening our arms to all natural resource sectors in saying that they all suffer from some of the same challenges and issues that the forest sector suffers from.

Many studies have shown that the forestry programs across Canada — and, quite honestly, around the world — are declining in enrolment, so much so that many of them have been suspended or perhaps in some cases even cancelled. This is, in a big part, due to the negative environmental messaging that young people and their parents and other influences are hearing.

B.C.'s forest industry needs these trained workers, ranging from — everything — the entry level skilled tree-planters or people that are working on the ground through to the technical people, as well as university graduates working as managers in the forest.

Kids today are less inclined to choose forestry because of its perceived negative image. Let me ask you. If you've got kids that are making a career choice today, are you going to recommend that they choose the forest industry? Many will not.

[1035]

We need to make a change here so that we have sufficient workers to manage the growth in this sector. Therefore, resources must be allocated to ensure that students in our K-to-12 — kindergarten to grade 12 — school system are aware of the opportunities available to them in all natural resource sectors and forestry. These sectors are the backbone of this province and provide British Columbians with the majority of products that they require in everyday life. The B.C. curriculum should reflect the importance of this sector.

There are many well-established, high-quality natural resource and forestry education programs that run in B.C. Scientists and innovators in schools, run through Science World, is a very good program. Ag in the Classroom brings agriculture to students. Provider Pals and Festival of Forestry work with teachers and students, again, to bring them in contact with the pro-

viders — the people who are actually out there in the industry, providing the things that we need.

The challenge for many of these programs is that they're delivered through non-profit organizations and depend on outside funding to bring their programs to the classroom or to bring the learners into the field. Face-to-face interactive programs have proven time and again to be the most effective method of sharing this message, of bringing the passion of the people that are out there working in our natural resources to these kids and to their teachers.

In summary, I would just like to thank you, first of all, for the opportunity to present here and to remind you again of the importance of this industry to British Columbia and to ask if you have any questions about our presentation.

B. Lekstrom (Chair): Thank you very much, Sandy and Stirling. I'll look to members of the committee to see if they have any questions regarding what you've brought here today.

R. Lee: Thank you for the presentation. The question is on PST exemption for roadbuilding equipment. Do you have a sense of how big the exemption is? How much revenue will be lost if that policy is implemented?

S. Angus: Across the entire province, I don't know. I know specifically with regard to one minor component of that, and that's blasting material — powder that's used in road construction.

We've had studies showing that the estimated change in money that comes back into our members' pockets as income during this difficult time is in the neighbourhood of \$3 million to \$5 million in PST that would come back for the blasting. The powder is maybe 5 percent to 6 percent of the cost of road construction. But I don't have that number, Richard.

J. Horgan: Thanks, Sandy and Stirling, for the presentation. You may know that my constituency straddles the Cowichan Valley, so I'm acutely aware of the challenges faced on the coast. In fact, I'm quite concerned about the potential for significant announcements by Western and other producers in the next number of weeks, which will have a profound impact on the people in my community.

We have another committee member who wasn't able to make it today and who has much more expertise on the beetle kill issues than I do. But I'm wondering if you could give the committee your views on the possibility of establishing a trust fund to address the volume of beetle wood that's being removed from the interior to ensure that those resources are available into the future to address the falldown that will take place when the beetle wood is gone.

Secondly, with respect to the coast, you did mention raw log exports. I know that cutting timber and not putting it to mills in the community keeps your members working, and I know that's important to you. But do you have any comments through this commit-

tee on how we can revitalize the coastal industry and see some mills start up, rather than shut down, in the next number of months?

S. Angus: The first question on the beetle. I hate to be provincial, but that's more of an interior issue. We the Truck Loggers Association, by our very nature, focus on coastal operations. What we're anticipating is that the tragedy of the beetle may in fact move more cutting to our part of the world eventually. That's not a happy thing we look forward to, but that's something that we see as a fallback when the beetle wood is used up within the next ten to 15 years. Hopefully, that will stimulate coastal development and coastal investment.

In terms of the log export issue, you may have heard me on the radio last night, on CKNW, talking about log export. We support log export. We see that it's a stopgap measure to a certain extent. As a British Columbian, I would prefer that every single log is milled in B.C. and the maximum value extracted from it. But the reality is that it just doesn't work that way. There's no other jurisdiction in the world that can actually do that.

The free market is the most efficient way, and that wood has to move back and forth. My feeling is that if we can show that we have a free market for wood products, then the investment will come in, and new mills will be established.

[1040]

Unfortunately, a lot of the mills that are shutting down are shutting down because they're antiquated. They're no longer competitive. People can no longer make money out of them. So the issue is not that they're shutting, but it's: how do we either reconfigure these mills or rebuild them to make them effective, or move the mill to another location where it can then produce the wood products that the markets demand now, and access the resources that are available now?

I realize that from your community — and I've worked in that community — that's not the answer people want, but with anything else, it ends up being a subsidy.

B. Lekstrom (Chair): I know, like with all presentations we receive, we could certainly spend far more than the 15 minutes allotted, but I will have to cut it off, in all fairness to the presenters that follow you. I do want to thank you, Stirling and Sandy, for taking time out of your day to come forward with your presentation. As with all other presentations, it will be given full consideration.

Our next presentation this morning is from the British Columbia Paraplegic Association, and joining us are Melanie Crombie and Stephanie Cadieux.

Good morning, and welcome to the committee.

M. Crombie: Good morning, and thank you for the opportunity to speak with you today. Also, thank you for having an accessible venue. I don't know if you remember, but last year we came up through the service elevator, through the kitchen of the Vancouver hotel. This was much nicer coming in the front door. Thank you for that.

I'm Melanie Crombie, the executive director of the B.C. Paraplegic Association, and this is Stephanie Cadieux, the director of marketing and public relations.

The B.C. Paraplegic Association helps British Columbians with spinal cord injuries to rebuild their lives and manage their disability by providing innovative and effective programs that support people, from the initial point of injury right through to reintegration back into their communities. We're a not-for-profit that receives funding from individuals, corporations, foundations and government.

There are numerous organizations that assist people with spinal cord injury, and they form a triangle of support. On the one arm of the triangle is research. Representing research is the Rick Hansen Man in Motion Foundation, and to date they've raised \$178 million for research. On the other arm of the triangle is advocacy, and that's represented by the B.C. Coalition of People with Disabilities.

At the foundation of the triangle are the programs and services of the B.C. Paraplegic Association that directly assist people who live with spinal cord injury every day. BCPA's programs are rehab and hospital transition — assisting recently injured people to rebuild their lives and manage their disability and help with their reintegration back into society. We help with crisis management — because things come up that you don't expect — ongoing counselling to help you over the hurdles, and coordination of long-time clients.

Our peer support program operates in Vancouver, and recently we've been able to expand it to Prince George and the far north — it's coming to your neighbourhood — and to the Fraser Valley. Our community capacity-building program brings the community together to identify key issues that are barriers to people with disabilities. Our education outreach program provides continuing education programs to people with disabilities, to their families and to health professionals who are outside the lower mainland, who don't have access to spinal cord expertise.

Our housing subsidy program, supported by B.C. Housing, empowers people with disabilities to be able to financially afford market rental accommodation in an environment where affordable, accessible and available housing is very difficult.

[1045]

S. Cadieux: In four months we're going to embark on a year-long celebration of our 50th anniversary. We're very excited about that because we've been providing service in B.C. since 1947. In that time we've provided service to over 93,000 people.

That means for 50 years we've been the premier provider of services to people with spinal cord injuries and other physical disabilities. But we haven't just worked with individuals. We've worked with systems and advocacy and all the things along the way.

We're really proud of some of the accomplishments, including the current B.C. Building Code and our work towards the adoption of that; that we've worked to establish accessible transit and the accessible

taxis; that we worked with consumers to develop the first self-managed housing in the community for people with high-level quadriplegia using ventilators; and we've provided support and incubated other organizations like B.C. Wheelchair Sports so that Paralympians, wheelchair athletes and heroes like Rick Hansen and Sam Sullivan have been able to become a source of inspiration for British Columbia.

We want to continue our work towards a world without barriers. We believe that dreams create the future. Our founders' dreams got us to today, and now we get to dream for the next 50.

M. Crombie: So what are we dreaming? Our goals for the next 50 years are to be recognized as an independent, comprehensive service agency playing a leadership role through our positive networks throughout the disability community.

You've heard some of our accomplishments. We're going to enhance that and continue to lead by expanding our existing successful programs, like the peer program — there's a lot of British Columbia that doesn't have peer, and we want to go there, because it's so important to people who are disabled to be able to share their experience — and by continuing to work cooperatively to build community-based programs, initiatives and policy.

Over the past 12 months we've worked really closely with the bureaucrats in the Ministry of Health and the Ministry of Employment and Income Assistance. We'll be continuing to build on those relationships in the future, and we will be making financial requests of individual ministries where our needs can help the B.C. government realize their goal of creating the best system of supports for people who are disabled.

We appreciate the support the government has given us over the past 12 months. We are encouraged that the government recognizes the direct and crucial services we provide in every region of the province. We believe in the B.C. government's golden-decade goal of providing the best system of supports to people with disabilities. It's an excellent and achievable goal.

B.C. has the opportunity to be the leader in the whole world in terms of support to people with disabilities. We've partnered with government for many years in the provision of leading-edge services. We look forward to furthering those partnerships through the golden decade.

S. Cadieux: As Melanie says, we have an opportunity to shine in 2010. Paul Gauthier, a Paralympian gold medallist, and I sit on a committee with 2010 Legacies Now accessibility and inclusion initiative to promote and advance social change and make sure there are legacies of support that are provided through the games.

We're also working to make sure that VANOC makes sure the 2010 games are a model for sustainability, accessibility and inclusion.

Regardless of the great strides we are going to make with 2010, the reality remains that 100 people a

year suffer a devastating spinal cord injury. The demand for rehabilitation and services provided through our organization to help those people manage, cope and rebuild a life really challenges our ability to provide comprehensive services provincewide.

We do applaud the intention of the government to make B.C. the most welcome and accessible place for people with disabilities. The government has been a very strong partner over the last 50 years, and the government is definitely going to be an integral part of the success of the next 50.

Thank you very much for the opportunity to speak with you again today. We'll be happy to answer questions this year.

B. Lekstrom (Chair): Thank you, Stephanie and Melanie. It's nice to see you again.

I will look to members of the committee.

I. Black: Welcome, and thank you for the extraordinary work that you do — let me start by saying that — and for the presentation.

[1050]

You made reference to the notion that you'll be approaching various ministries over the next number of months. As Blair mentioned in his opening remarks, a lot of what we do here is trying to get our heads around the scope of the access and understand it a bit better. Could you elaborate a little bit on that to try to put some numbers around it that would perhaps help us, as we deliberate on the recommendations we wish to give to the Minister of Finance, in terms of what you might be asking of these different ministries.

M. Crombie: I wish we could. Our board is meeting this weekend to identify exactly what areas we're going to be coming.... When we clarify that, we will be able to let the Finance Minister know, but at this time we can't.

I. Black: I don't want to speak for the Chair, but I believe if you could forward that to the Clerk of Committees, we could use that in our deliberations before our report gets submitted.

M. Crombie: Certainly.

B. Lekstrom (Chair): Definitely.

D. Hayer: Thank you, Stephanie and Melanie. My father had used your services when he was paralyzed in 1988 after his shooting. He talked highly about the B.C. Paraplegic Association. Where is most of the funding from that the association gets? Is it outside? Is it government funding — currently, the funding the association receives?

M. Crombie: Our funding comes, as I said, from several sources. Most of it is from outside the government.

D. Hayer: We have made a lot of changes in our transportation industry: the buses and taxis. I think

some of the commercial buildings — hotels and all that — also need to get involved and do more of it.

I remember when my dad was on a B.C. Transit board. He went to one meeting, and he was called in, in a wheelchair. There was no way for him to get to the ramp. Then when he went to park his car, it was a parking lot on a slope, and when he pulled his wheelchair out, pieces of wheelchair pushed away. There was no way for him to get there, and the cell phone didn't work. You have to wait until somebody shows up before you can get help. I think having you involved, especially people who are involved with this type of disability.... They can really provide firsthand information to change the system to be accessible to everybody. So thank you very much.

J. Horgan: I've got a quick question. In the mid-1990s the government of British Columbia established the Neurotrauma Fund, which is a portion of traffic violations that would go to spinal cord and brain injury research. I'm wondering if you would support a lifting of the cap on that fund, so that more moneys would be directed to spinal cord research and work in the community.

M. Crombie: Yes.

J. Horgan: Thank you very much for that answer.

R. Lee: Thank you for all the good works that your association has been doing. I have a financial question here. In your financial statement this B.C. Paraplegic Foundation.... There's some income from that foundation and also some contribution to that foundation. What's the rationale of using the foundation?

M. Crombie: What's the rationale of using the foundation? Our foundation husbands a small pot of money that has been donated over the past 15 years. The foundation supports our rehab programs with a grant every year. This year we contributed to the foundation because we had a large bequest at the end of the year that we had not understood we were getting. That was why the transfer went back and forth.

B. Lekstrom (Chair): Again, Melanie, Stephanie, thank you for taking time out of your schedules to come and present. It has been encouraging. The work that you've done on behalf of British Columbians is truly incredible.

Our next presentation this morning is from the Confederation of University Faculty Associations of British Columbia, and joining us are Rob Clift and Chris Petter. Good morning, gentlemen. Welcome to the committee.

C. Petter: Good morning. My name is Chris Petter, and I'm the president of the Confederation of University Faculty Associations of B.C., known as CUFABC. In addition to my position as president of CUFABC, I'm also digital projects librarian at the University of Victoria.

With me today is Rob Clift, executive director of CUFABC. Rob also is a doctoral student at the Univer-

sity of British Columbia, specializing in higher education policy.

[1055]

Who are the Confederation of University Faculty Associations of B.C.? We represent 4,200 professors, instructors, academic librarians and other academic staff at Royal Roads University; Simon Fraser University, Burnaby, Surrey and Vancouver campuses; the University of British Columbia, Vancouver and Okanagan campuses; the University of Northern British Columbia; and last, but not least, the University of Victoria.

Our mandate is to advocate for a system of high-quality, public post-secondary education, training and research that contributes to the social and economic development of the province of B.C. and provides opportunities for individual British Columbians to develop their skills and intellectual abilities.

We appreciate the opportunity to speak to the committee today as it prepares its advice for the Legislature on budgetary and fiscal priorities for 2007-2008.

I have some general comments on funding of post-secondary education in a few minutes, but I want to start with two specific recommendations. First, that the provincial government fully fund the creation of 500 new graduate student spaces each year for the next four years. Second, that the provincial government establish a graduate student scholarship and fellowship program consisting of 500 awards of \$10,000 each. I've started with these two recommendations because they represent our highest priority items for this year.

In previous years we've asked the provincial government, through you, to increase the number of student spaces, to fully fund the new student spaces, to fund wage increases to help us attract top-notch faculty members and to provide necessary funds for refurbishment of existing buildings and construction of new buildings. It took some time, but the government did deliver on these priority requests.

If you turn to the coloured appendices we provide, you will see in figure 2 that for the first time in almost 30 years, there is an upward trend in inflation-adjusted, per-student funding. Looking specifically at the funding for universities in figure 3, the red line indicates what would have happened if there hadn't been new funding for the wage settlement contingency. The blue line represents what will happen after the contingency....

H. Bloy: Ours is in black and white. We don't have a coloured presentation.

R. Clift: There should have been two documents: a coloured version, which is labelled "Appendix," and then the full brief.

H. Bloy: What page is that on?

R. Clift: It was a separate document, with coloured appendices.

H. Bloy: It's not here.

R. Clift: I provided them to the....

B. Lekstrom (Chair): We'll ensure that members get a copy.

R. Clift: All right. Thank you.

C. Petter: Okay, when you get them, the blue line represents what will happen after the contingency money is factored in. It's good news. The consequence of this is that the \$150 million shortfall that we had projected last year, for 2008-2009, has shrunk to under \$30 million.

We can also see the effects of increased government support in figure 4. Using the University of Victoria as an example, you can see that the proportion of operating expenses paid by students has stabilized. But there are nonetheless two matters of concern with respect to institutional budgets that we want to bring to your attention.

First, government needs to take note that the costs of many of the goods and services purchased by the universities is growing faster than the rate of inflation. We can give examples of those if you wish. With tuition fee increases capped at a rate of inflation — a policy we support, by the way — this means that unless additional funding is forthcoming from the government, then students may pay the price through reductions in support services and declining educational quality.

[1100]

Second, on the related point, the construction costs to refurbish buildings and build new buildings are rising at about four times the rate of inflation. The Auditor General has projected that construction costs will rise by 8 to 11 percent annually over the next four years.

The universities have been dealing with these soaring costs by digging deep into contingency funds, but this is not sustainable. If government doesn't intervene to provide additional funding to offset increased construction costs, it won't be long until there is a direct negative effect on the services and education we provide to students.

I now come back to our initial recommendations regarding graduate level education. The research and innovation infrastructure of our province depends heavily on master's and doctoral students. Not only will these graduate students become the next generation of researchers, scholars, teachers and innovators, but they also play a vital role today, working with established researchers and scholars as research assistants and teaching assistants.

University research laboratories and classrooms would grind to a halt without graduate students. If you look at figure 5, you will see that in 2003 B.C. was about 16 percent behind the national average in the production of highly qualified people with graduate degrees. We were behind Quebec and Ontario and just ahead of Alberta in 2003. In the intervening three years we have fallen further behind since Ontario and Alberta created new graduate student spaces and new scholarship programs to attract the best and the brightest.

Successive governments have ignored the need to create fully funded graduate spaces in B.C. As a conse-

quence, the universities took on these responsibilities themselves, creating 4,000 new unfunded graduate student spaces over the past 12 years. The universities no longer have the ability to sustain these unfunded spaces, and the number of available spaces is beginning to shrink. The only way to recover this lost ground is for the government to fully fund the new graduate student spaces.

We are recommending an increase of 500 spaces per year over the next four years. In addition, to assist with our recruitment and retention of graduate students, we are also recommending the creation of graduate student scholarships and fellowships consisting of at least 500 awards of \$10,000 each year, beginning in 2007 and 2008.

We are grateful for the past support from this committee and for improved financial support from the government in key areas. We're heading down the right path, but there are still some significant matters that have to be addressed if British Columbia is to realize the full value from its universities. We hope you will again support us this year in our recommendations to government.

That's the end of my prepared comments. We'll be happy to take any questions now. Rob is our numbers guy, so he's probably the best person to handle your questions. Thank you very much.

B. Lekstrom (Chair): Well, thank you, Chris and Rob. I'll look to our committee to see if there are any questions from members.

H. Bloy: Good morning. When you talked about the cost of construction.... I just can't see it in your presentation because it jumped all over. Where do you think the money should come for the additional cost of construction? UBC runs its own in-house construction company now. Other universities vary back and forth. If we were going to make that decision, to give it to you, where would we cut it from otherwise in the budget?

R. Clift: I think you'll find what, in fact, the universities run.... UBC, in particular, runs its own internal contracting company, which is different from construction. What they do is they have to hire the trades to do it.

H. Bloy: Yeah, but they also have many electricians and plumbers, and their union there gets the option of accepting the project or not before it goes out to bid.

R. Clift: Only if it's of a certain size. It has to be underneath a certain size. UBC is a large campus. It has to have, you know, people to clean the streets and make sure the lights keep running. I mean, this is not new.

[1105]

The vast majority of the construction contracts that universities have are going out to the private sector — the vast majority. This is money that's getting at the pockets of taxpayers.

H. Bloy: So where should we...?

R. Clift: It's the same as all the other things that this committee has to make recommendations on of balancing the costs against. Government also has to find money to deal with the construction costs on the Olympics and on rapid transit and those types of things.

What we're doing today is making a case to you for what the pressing needs are in the universities. We're not here to savage any other sector and tell you who you should take it from. This is why you were elected. If we wanted to make those decisions, I suppose we would have run for office, but we didn't.

H. Bloy: Okay. Then I would suggest that you take the form that's been handed out and fill it in completely and share with us your personal opinions, then, on where you think that the money should come from and how it should be funded.

R. Clift: Well, we would prefer, actually, not to look at a stagnant or shrinking economy. The main thrust of our presentation is that we have to grow the economy.

B. Lekstrom (Chair): One moment, Rob. What we're going to do is try and.... I guess the issue is that you try and find balance...

R. Clift: Indeed.

B. Lekstrom (Chair): ...priorities and so on. So rather than get in a debate back and forth.... Certainly, we are here as a committee to listen. We want to do that. And there are prying questions as to: if the priorities are here and we have to adjust, do you have any ideas? I think that was the intent of the question. But rather than get in a dialogue that will take us far over the time allotted here, I will move on to our next question.

R. Clift: But in that spirit, what I would suggest is that what we're talking about here in our full brief, when you have an opportunity to read it, is a strategy for growing the economy. Our colleagues from the Truck Loggers Association.... I might note in passing, actually, that I grew up on truck logger money. My dad was in an associated industry. Their contribution to the GDP is about \$10 billion a year. If you contrast that to the financial services sector, real estate and that kind of thing, that's \$30 billion a year.

These are opportunities to grow the knowledge industry, and if we don't make these investments, we're not taking full advantage of the opportunities available to us.

J. Kwan: I note in your presentation where you talked about the undergraduate numbers in British Columbia on a per-capita basis actually ranking fairly low relative to other provinces. Then further on in your presentation you went on to talk about that part of it may well have to do with student financial assistance programs and the needs some students have in terms of access to higher education.

I'm just trying to get an understanding of the fuller picture of why our undergrad numbers are down. Spe-

cifically, then, what do you think the government should do to actually encourage those numbers and to see and work towards getting those numbers increased? I think, as you say, part of the strategy needs to be looking into the future, how to grow our economy. Part of growing that economy, of course, depends on the people within the province, and if we don't invest in that, we're actually in deep trouble, I think, years down the road. So if you could elaborate on that, I'd appreciate it.

R. Clift: The data in figures 1 and 5, unfortunately, are three years out of date at present. That's because StatsCan hasn't released the newer data as yet. We do know that with respect to the graduate education we already mentioned, other provinces have gotten ahead of us since then. However, since then on the undergraduate side — I'm not a hundred percent on this, but I'm pretty sure — we have been the leader in terms of new undergraduate student spaces being created and, of course, in the non-degree programs also. So we're talking the variety of programs, the range of programs. We're making ground on that. When the StatsCan data comes up, I hope we see that we're edging up there.

Nonetheless, there are still students that have difficulties completing their programs because they lack the financial resources to do so. We just had a conference this past weekend in Ottawa that reported.... I think it's around 50 percent of B.C. students rely on some form of student financial assistance. Now, that's the full range of things, from small bursaries and scholarships all the way up to people that have tens of thousands of dollars worth of loans. So those people definitely need to be supported.

The point we were making in our written brief is that we're about to hit a plateauing of the 18-to-24 demographic, and I think some would see that as an opportunity to constrict the size of the system in order to save some money. What we're saying is that that would be a mistake. What's happening is we're entering a period now over the next two decades where there will be more people leaving the workforce than there will be young people coming into the workforce. So unless we deal with that imbalance in terms of needing to fill highly skilled positions in the economy, we're going to stagnate the growth we've been experiencing.

[1110]

What we say in our brief is that because of that and because of this plateauing of the 18-to-24 demographic, we have to look to communities that traditionally do not come to post-secondary education. That's not going to be cheap. That requires intervention programs in K-to-12. That's going to require counselling services. It's going to require student financial assistance, probably at a greater rate than we provide to students now generally.

That's what we're focusing on with respect to that. We have to think beyond the students we have right now with an eye towards making those opportunities more widely available and finding ways to bring those underrepresented groups into our institutions.

J. Kwan: Do you have the projected numbers on how many people will be exiting the labour force in a particular time line and then compare that to the number of students that we need to enter into university to make up for that difference?

R. Clift: I will get you those data. I don't have them at hand now. There certainly is a StatsCan study of about two months ago where they looked at this projection. There was some new information released last week in Ottawa that looked precisely at this issue of the gap in the economy because of the declining birth rate.

B. Lekstrom (Chair): Well, Rob and Chris, again, we have more questions than we do time. It's unfortunate. But thank you for taking time out of your schedule to come and present to our committee today.

Our next presentation this morning is from the Insurance Bureau of Canada, and joining us are Serge Corbeil and Lindsay Olson.

Good morning. Welcome.

L. Olson: Good morning. Just to kick the ball off here, I'd like to introduce the Insurance Bureau of Canada to those who maybe don't know us. We are the national trade association representing private sector property and casualty insurance companies in Canada, and that means the insurers that insure homes, cars and businesses.

To start off, Serge is going to give you a little bit of information about our industry, and then I will talk a little bit about some of the policy priorities that we hope your government will share with us.

S. Corbeil: Thank you, Lindsay.

Good morning. I would just start by giving you a few comments about the general situation of the economy in B.C. and what it does for the property and casualty insurance industry.

We have found that the continued strong economic situation has been remarkable. It has also been positive for the insurance industry. It's good news for the consumer, it's good news for business confidence, and it also reflects on the property and casualty insurance industry.

Last year, 2005, was also a very positive year for the P and C insurance industry. In 2006, as is the case for the government of B.C. — and we saw the numbers last week for the insurance industry — so far, so good could be how it is told. But as is the case for the government, a good earning year is not necessarily what will be happening in the future. Like the Finance Minister has to do in B.C. and in other provinces, we have to keep a close eye on some paramount indicators.

Like I just said, in 2005 the earnings for the industry were healthy, but there are some trends that we see. Underwriting income was down, and the aggregate claims numbers were up. Underwriting income was down by 23 percent, and the claims were up by 7 percent. The return on equity was down to 15 percent, almost 16 percent, from 19 percent in 2004.

A number that is very important for the insurance industry, the combined ratio, was up in 2005. The com-

bined ratio indicates if you have an underwriting profit or loss. In 2004-2005 the industry had underwriting profit, but if you look at slide 6, there you'll see the cycle. We are sensing that there might be a new insurance cycle that has begun.

The combined ratio is starting to go down. The zero line means that everything that's above is an underwriting profit. Everything that's below is an underwriting loss. You can clearly see that over the past almost 50 years there have been more years where there has been an underwriting loss than there have been years where there has been an underwriting profit.

[1115]

An interesting fact is that B.C. consumers, homeowners, are in an enviable position compared other provinces when you look at the premiums for homeowners per \$1,000. It has gone down compared to 2004 and is amongst the lowest in the country. But obviously, as we know — and there's an interesting article in the *Vancouver Sun* today — the valuation of homes is going up, up, up in B.C., and that actually reflects.

Now, insurance companies did make some money in 2004. They made some money in 2005. But the vast amount of each dollar that comes back to an insurance company goes back to policyholders in the form of claims. You see a pie chart on slide 8 that indicates that. Only seven cents of every dollar is actually profit to the company. If you look at the 2004 numbers, British Columbia residents got back \$1.2 billion in claims from insurance companies.

We employ about 12,000 people in B.C. and 100,000 in Canada. In 2004 we paid \$205 million in taxes to the B.C. government, and we have close to \$7 billion in assets invested in B.C.

L. Olson: So to segue into policy priorities that our industry sees, slide 10 indicates a list of six items that we would like to go through very quickly at a high level. We have also provided a more in-depth paper that discusses those items in greater detail.

The insurance premium tax in British Columbia is currently 4.4 percent. The insurance premium tax is applied to premiums that consumers pay, so it flows directly through from insurance companies to their consumers. This 4.4 percent is not only the highest insurance premium tax in the country, but it also represents only 0.7 percent of provincial revenues for British Columbia.

One of the issues that we have with the insurance premium tax is that a fair taxation regime is usually described as being broadly based taxes and fairly applied. Unfortunately, the insurance premium tax does not qualify for either of those descriptors.

Once again, we come before you in talking about providing real choice and competition for consumers of auto insurance in British Columbia. We do acknowledge and offer our congratulations to government for proclaiming Bill 93 and its regulations, which will provide, as of June 1, 2007, a common contractual framework for all providers of optional auto insurance in the province, be that ICBC or the private sector competitors.

We do have ongoing concerns that the continued government monopoly that ICBC enjoys on the basic portion of auto insurance continues to deprive consumers of real choice and competition. I think it's of note that there has been a fair amount of competition on the optional side, which has given consumers price breaks and improved coverage, while on the basic side we continue in British Columbia to have the second highest rates on basic insurance in the country, notwithstanding commentary to the contrary.

Another area that we believe requires continued attention on the part of all governments and, in fact, on the part of all citizens of Canada, is preparing our nation and our communities to face disasters and catastrophic events and strengthening our communities so that less suffering will occur when the inevitable weather losses, weather events and earthquakes happen. What we're seeing worldwide is that more and more people are living in more congested areas. So when we have a catastrophic event, should it occur in an area of a great concentration of population, we have much more in the way of losses, and we have a lot more human suffering.

[1120]

We are advocating, and have advocated for a number of years, that Canadians work together to strengthen our communities by making wise investment choices that will strengthen our communities against such catastrophes.

Just as a sidebar, slide 14 shows some of the weather-related losses that we have seen over the last number of years and the insured values that insurance companies have paid out. Unfortunately for Canadians, that's just the tip of the iceberg. There is so much more that is either not insured or that is paid for by government. None of that really takes into account just the pain and suffering and hardship that Canadians have gone through in each of these events.

We urge British Columbia to partner with other governments, including the federal government, to support the development of a disaster mitigation plan, including the funding that comes through disaster payments after events.

Another area that we believe is a wise investment is in injury prevention. Insurers currently spend more than \$4 billion a year in purchasing health care for injured insureds. Preventing injuries, in fact, must be at the heart of an efficient and affordable health care system. It's worthy of note that injury is the number-one killer of Canadians under the age of 45.

Injuries cost \$14.7 billion annually in health care costs and lost productivity. The insurance industry has worked closely with an organization called SmartRisk in advocating a pan-Canadian injury prevention strategy.

We encourage the government of British Columbia to continue to support prevention programs. We note that SafeBC is a recent initiative and is an excellent step in the right direction. One thing to be absolutely clear about: for every dollar that is spent on an injury prevention strategy focused on stopping accidents and stopping injuries, the government will indeed save money in the health care system.

One last item here is in the area of civil liability law. One of the issues that we have seen, which has placed an inordinate burden on a number of stakeholders, is unfettered joint and several liability. This has created quite an influx of some dubious lawsuits amongst ones that have more merit. What this has done is increase insurance costs, which ultimately have to be borne by policyholders. This has had a particular impact on construction industry stakeholders as well as — from what I understand — municipalities, who have also been the subject of problems with this area of law.

We would encourage government to review that area and to reduce costs as much as possible, not only in construction but also in the court system.

With that, we draw our formal presentation to a close. We welcome questions and thank you for your time.

B. Lekstrom (Chair): Well, thank you very much, Lindsay, Serge. I will look to members of the committee to see if they have any questions regarding what you have put before us this morning.

H. Bloy: Hi, Lindsay and Serge. Earlier we heard from CDI — Canadian Direct Insurance. Even though they're growing their business, ICBC still controls most of the optional insurance, but it's reduced the rates of insurance. Is that correct?

L. Olson: It's our understanding that over the past few years premiums have come down on the optional side.

H. Bloy: Would you see that the same by opening up all the insurance on a competitive nature, for car insurance especially? ICBC would probably continue to be the major policyholder, but it would bring the rates into line with the rest of Canada.

L. Olson: We need to be clear that it's a complex issue, and there are many factors.

[1125]

However, it is quite curious that on the optional side you see reducing premiums and you see betterments in policy coverage and in service, and on the basic side, where this is a continued monopoly — that's the area where premiums are going up.

Our position has always been and continues to be that competition brings to the consumer benefits in terms of the rigours of the marketplace. We believe that the entire auto insurance product should be open to full competition.

R. Lee: Thank you for the presentation. My question is the one combined ratio, which is, as you mentioned, an indication of the loss of profit of underwriting activities. It seems that over the 20 years before 2003 it's a loss to the underwriters. So how can they...?

L. Olson: Yes. How can they stay in business?

R. Lee: ...stay in business?

L. Olson: There are two sources of income for an insurance company, one being the premiums that they take in from policyholders. As you know, premiums are taken in long before claims occur. So during the period between those two events, insurance companies invest those moneys prudently, and they use those funds from investment in order to subsidize the cost of insurance. In fact, insurance companies during that period may or may not have had a profit, but the actual underwriting net was in a loss position.

Does that help at all?

R. Lee: Okay. So they derived income from the investment of the....

L. Olson: That's right. It subsidizes. Yeah.

B. Lekstrom (Chair): Well, again, Lindsay and Serge, I want to thank you for taking time out of your busy schedules to come and present to the Finance Committee here in Vancouver today.

L. Olson: Thank you for your time.

B. Lekstrom (Chair): Our next presentation this morning is from the Aboriginal Mother Centre Society. Joining us is Penny Irons. Good morning, Penny.

P. Irons: Good morning. I actually have a really informal presentation. What I would like to see in the new budget is actually a \$10 million fund to fund five aboriginal mother centre demonstration sites within British Columbia. The other \$5 million would actually be to complete the aboriginal mother centre project by purchasing a building and opening a shelter.

I'll give you an example and my reasons for this recommendation. I've been working on the aboriginal mother centre since.... We incorporated in 2002. I started developing it in 1999. It is a model that I've taken.... It's a European model that started in Germany. What I've done is not only used the mother centre model in Germany, but I actually made it so that it would be aboriginal-focused in East Vancouver.

What mother centres are, are drop-in spaces where.... Basically, the principles are to move women from welfare to work. We've been very successful in this model, but we are continuously getting our funding cut. In 2003 we had a \$150,000 funding cut from our parenting program, and then we had to write a number of proposals. We ended up getting \$310,000 from the Victoria Foundation, which was a transfer of MCFD money to the Victoria Foundation. So what I'm saying is that we're continuously having to go after funding. If we could just clearly show that what we're doing works, it would be amazing.

[1130]

We are operating a social enterprise. We had a contract with World Urban Forum to produce conference bags — very successful. We had 50 people working in that social enterprise who were on welfare, who were disabled. We had three women in wheelchairs, and

most of them were also unemployable. We think that we've tapped into something that is really going to.... I think it would be extremely successful in the aboriginal community if you could do this.

The reason I say about \$1 million is because I've been doing it for four years. I know what we need. The problem with the funding is that there's this silo effect. You have to continuously go after.... Like, early child development — that's separate funding. Parenting skills is another separate funding. After-school care is another separate funding. Outreach and counselling services are another separate funding, and pre-employment training programs are other separate fundings.

Primarily, the women that we work with are at risk of being homeless and are homeless. We work with sex trade workers, and it's a very open-door place. The thing is that when we struggle, we don't have enough funding as it is. In a ten-month period last year we had three infant deaths that we knew of from our organization. Those three deaths were preventable. Now, one child died of an asthma attack, but the parents were living in a mouldy house. They're on welfare. For all three of these children, the parents were on welfare.

When I look at the cost of child deaths, how can you measure that? When you talk about a balanced budget or whatever.... I don't understand that, because I'm a taxpayer and B.C. has a good credit rating. If I'm a parent and my child is going to die and I need \$150,000, I'm going to go to the bank, and I'm going to take out a loan in order to save my child. We're talking about human lives here.

I understand that there's the \$100 million fund, but it's not meant for off-reserve aboriginals, yet 70 percent of the aboriginal population lives off-reserve in British Columbia. I know you will say: "Where are we going to get this \$10 million?" Well, if you measure the cost of what you will save for these women actually going off of welfare, building their self-esteem and going into the workforce, I think you're going to have a more prosperous British Columbia.

We certainly have had a lot of successes. We've got women who were on welfare going to university now. We have women who were on welfare going to work now. But we haven't been able to measure it, because we don't have the research dollars.

I would recommend, also, that if there were a matching fund for off-reserve as well as the on-reserve, like \$100 million, we could actually go to that fund and say: "Look." We wouldn't have to have the silo effect. We could write one proposal and say that we're going to do this, this and this.

We've been more than accountable. We've had Service Canada funding. We have put all of our reports in on time. I would like to recommend those things. Also, if there was this fund for off-reserve, we could.... I work with the homeless population, and we could actually access funding for homelessness under that fund. The cost of homeless people to the taxpayers is huge. When you look at how many times a homeless person visits an emergency room and the cost to the health care system, it's incredible.

Basically, I don't have a formal paper. I work around the clock. I just think those are some pretty good recommendations. Do you have any questions?

[1135]

B. Lekstrom (Chair): Thanks, Penny. Certainly, I think your presentation was very well done. If you do want to follow through with a formal written submission or if you'd like to pick up the prebudget paper, there are different opportunities to submit on line. I will pass that on as well.

Are there any questions from members of the committee?

B. Ralston: Thanks very much for the presentation and for giving us a very good idea of what it is that your organization does.

In the spring, legislation created a fund of \$100 million for initiatives. I understand that was to be focused, at least in part, on off-reserve aboriginals. I'm wondering if you've had any discussion with.... I know it's just getting started.

P. Irons: I have had discussion. The question was raised, and it will not go to off-reserve aboriginals. We did meet with the council, and they said that the fund was meant for on-reserve aboriginals.

B. Ralston: Only.

P. Irons: Yes.

J. Kwan: Just to follow up on that, when you say "they," who do you mean by "they"? The reason why I ask that is that I specifically asked Minister Tom Christensen, who was the minister responsible for this then, about whether or not the moneys would go for off-reserve aboriginals, particularly those in East Vancouver.

As you know, in our community, Vancouver-Mount Pleasant and Vancouver-Hastings, we have the most off-reserve aboriginals. I wouldn't mind getting that clarified so I can follow up with the minister.

P. Irons: It was a meeting at the friendship centre with the leadership council. None of the representation on the leadership council is off reserve. The focus was on reserve.

I know that a number of people asked the same question over and over again. They said that it's specifically meant for on reserve. Maybe we can still lobby. We can lobby, but if you take that \$100 million and divide it by the 197 bands, that's only \$5 million a band. That's not a lot of money to go around. My recommendation was that they just buy land with it.

J. Kwan: Fair enough.

Could I also just ask a follow-up question on the centre in terms of your capital initiatives? How are you doing in terms of the fundraising component?

P. Irons: We have submitted a proposal to the federal government for the down payment on the mother

centre. We're currently working with B.C. Housing to develop the shelter portion of it. We actually haven't been guaranteed either way.

We've made an offer on the building. I'll just give you an example of the building. It's 27,000 square feet. Currently the Mainstream Association for disabilities is on the main floor. The provincial government funds that. We also have the Knowledgeable Aboriginal Youth Association in our building. The provincial government also funds that.

We also have our organization in the building where we're going to be developing a day care centre. We would put a shelter in that building.

Two years ago the building.... We had made an offer, because every time you write a proposal, you have to make an offer. It was accepted for \$1.85 million. Our offer was just accepted for \$3.7 million. With the \$3.7 million it's going to cost about \$1.5 million for the renovations for the shelter.

This shelter is different. This shelter will accept boys over 12. This shelter will be a place where children aren't apprehended. The parents and the whole family.... Not the father but the mom and the child or the children will move into the centre rather than being apprehended and then will stay there for six to 12 months, taking parenting skills and whatever. Then we would find them supportive housing or housing around the centre, because we wanted all services under one roof.

[1140]

A mother centre wouldn't cost that in the Queen Charlotte Islands, in Masset, where I think it's really needed. Port Alberni is another place where I would recommend a mother centre be and also in Victoria, Prince Rupert and the Kootenays. There has been interest in those areas — in five different places that really desperately would like to develop a mother centre. Also in Prince George.

B. Lekstrom (Chair): One final question.

I. Black: Let me echo the comments in commending you for the work that you do. It's emotionally draining and exhausting, and I can fully empathize with that.

I wanted to ask you a quick question on funding. You mentioned that you had been on the receiving end on some Ministry of Children and Family Development funding via the Victoria Foundation. What I didn't hear you talk about was any success — or not, as it were — with the direct access grants. There are millions of dollars being distributed to various organizations not unlike yours in the province every year. Can you touch on that. Have you had success?

P. Irons: We actually have not had success. In fact, all our funding was cut for our children's programming. The \$310,000 that we got was meant for capacity development for our organization. We developed the capacity, and then the funding was gone. MCFD did not pick up on that funding.

Currently we get a small grant from Vancouver Native Health, which has the MCF dollars for early

child development in East Vancouver, and they've given us \$30,000. Now, our \$150,000 cut went into Native Health to do their programming, but they were doing their programming themselves because of the contract with MCFD.

That left us with a huge gap, but we picked it up when we wrote a proposal to the Victoria Foundation. Then they extended our program because it was so successful and they had more money. Now they ran out of money. We developed all these services, and then on March 31 of this year we got cut. We also got a cut of \$50,000 from the Vancouver Coastal Health Authority for our parenting program, because that \$50,000 was to top up the \$150,000. That was for a counsellor. We ended up with getting that cut, so we've been cut by about \$200,000 to \$250,000 as of March 31.

We have a homelessness program from HRDC, and we feed 1,500 meals a month to women and children. There is a need for child development. We also submitted a proposal for a day care centre. We had \$220,000 contributed from the feds for our day care centre three years ago, and we've been trying to get the matching grant from the province.

What happened when they were reviewing the proposals this year.... We forgot to submit a form to the registry for good standing or something, so for 15 days, I think it was, we weren't in good standing. We didn't know the child care branch said we were not in good standing. We submitted the form that we needed to, and they changed it on the computer. But it was at a time when they were reviewing the proposals, so they automatically thought that we weren't in good standing, that we hadn't had an AGM or anything like that, so they decided that they wouldn't fund us.

Right now our proposal is at the top of the pile. They've got all the information. We're only asking for \$370,000 to finish our day care centre, which is needed and which would hold 25 spaces.

There are a number of funding issues that we deal with, and I think we'd be more successful if we had one fund.

I. Black: Have you applied for a direct access grant?

B. Lekstrom (Chair): I'm going to have to interject here just briefly. We're quickly running out of time, certainly for the presenters that follow, but Penny, thank you for your presentation.

If you could, could you leave your contact information with us at the desk? We will get back to you on the off-reserve issue that you've brought up on the \$100 million fund. You've raised an issue there that we will follow through and get back to you on.

P. Irons: Okay, thank you.

[1145]

B. Lekstrom (Chair): Our next presentation today comes to us from the Planned Lifetime Advocacy Network. Joining us are Jack Styann and Susan Whittaker.

Good morning. Welcome to the committee.

S. Whittaker: Good morning. Thank you for giving us the opportunity to make some suggestions for you as you prepare B.C.'s next budget. I am the chair of Planned Lifetime Advocacy Network, known as PLAN, and Jack is our executive director.

PLAN was established 18 years ago, and it was established to answer the question that all parents have when they have a child with a developmental disability: what's going to happen to my child when I die? That's a major question all of us have as parents, because we don't know what will be there for our children. We've assisted thousands of B.C. families now to assure the future well-being of their children with developmental disabilities.

Our model uses social networks of friends and family that we create around the individual with the developmental disability to assure their safety and security. It's been replicated by about 40 groups now around the world. In 18 years we've gone from a small group in Vancouver to nearly 40 groups around the world.

We seek ways to have a broader impact on the ability of families to secure the future, and we've advanced the registered disability savings plan to the federal government. The federal Minister of Finance recently announced a panel to study the options and to report back by November 9 of this year.

I'd like to start by recognizing our province's leadership in the area of developmental disability. This province was the first to close institutions for people living with developmental disabilities. We were the first province to implement trust regulations to enable families to use trusts in securing the future well-being of their relative with a disability. We have the most progressive shared decision-making regime in Canada. We've created Community Living B.C. as a result of a broad community consultation process. We have made the commitment to have the best services for persons with disabilities by 2010.

There are a couple of opportunities we'd like to see your government capitalize on. The first is the potential of the families' contributions. As family members, we will do whatever is possible to ensure the well-being of our children and the quality of life for our relatives with disabilities, but we cannot do it alone. Families represent an immense potential for government.

I'd like to tell you just a little bit about our family. My husband and I have three daughters — adults. Our oldest daughter was born with a developmental disability. She was one of the last children to go into Woodlands, the largest institution in this province. She went in at five, a very young child. She has lived in a group home now for over 20 years.

I always remember my mother. When she was dying, she said that her greatest concern was that we would not remain in Stephanie's life. I wish she had lived long enough to see what's happened in this province and that her family is very involved.

Our other two daughters.... As parents, you want each of your children to live their own life, and so our goal was that they would live their own lives but that they would also be involved in their sister's life. I'm not

quite sure how we did it, but we've done it. They're very close to her. They sit on her network that we have through PLAN. They don't hesitate to tell us what they feel is very important for their sister.

[1150]

Our one daughter is married with a family, and she lives in Ottawa. We were all in Ottawa, I guess it was two years ago next month, and my husband felt it was important to have a meeting and discuss these issues. It was very interesting, because our son-in-law had never been involved in the field of developmental disabilities, but he said to us: "So what would happen if, when you and Ron are gone, we were to bring Stephanie to Ottawa?" It's a huge question for families: "What will happen to my daughter when I die and when my husband dies?"

We've been able to address many of those issues through PLAN. We've been able to follow their advice on wills and estates. We've been able to put in place a discretionary trust. We have set up a network that helps us with very difficult decisions. They support Stephanie, they support my husband and me, and they support our other two daughters. They have helped us look to the future and create a vision for our daughter's future.

So would she move to Ottawa? Would you want to leave your family and friends to move to a city where you only know four people? I don't think that's what we want for our daughter, but we do want to look at all of these questions. We appreciate that the network puts these things on the table for us to address, and we appreciate that we have the support of our other two children, but we also want our other two children, when we are no longer here, to have support, to have people help them make tough decisions.

One way that we can work together with government as families is through the registered disability savings plan. It's a tax-deferred mechanism to encourage families to save for the future of their children with disabilities. The federal government is presently considering this plan. My husband and I are on the downslide. We've still got a long way to go, but for young families, they could put dollars aside when that child is first diagnosed. They could create a more secure future for that young child. My husband and I have less time to do it in, but we would certainly do it.

I think that if governments can work with families, help us create this, and drop more of the barriers that families have to deal with, it would be so useful. We would all benefit. We estimate that families will contribute \$230 million annually to a disability savings plan. The tax deferral would cost approximately \$47 million. Families have a great deal to offer, and we have the potential to contribute a great deal more.

I'm going to ask Jack to discuss our public policy issues with you.

J. Styan: Thanks, Susan. The first question you might ask is, really: "So what stands in the way of families contributing now, or what stands in the way of this potential that families have to contribute to the lives of their relatives with disabilities?" A couple of things.

First, we're really facing, I think, a new social issue in a lot of respects that hasn't yet been addressed in social policy. So when Susan talks about her family needing to face the question of what will happen when we die, really, we have the first generation of families facing that question. Previous generations didn't have to face it because their children would typically not outlive them.

We look at the stats going back not all that long ago. In 1930 the life expectancy of a person with a disability was 19 years. In 1920 a person with Down syndrome would have had a life expectancy of nine years; in 1960 it was 31 years. Today people with disabilities are living longer and longer. The life expectancy in the future is likely to continue getting closer and closer to reach the norm, which is great, but what it means is that this question needs to be answered. Families are faced with it. In our minds, governments haven't yet wrestled with the policy issues surrounding that.

[1155]

The second is the barriers that exist in the present system. When we think about disability assistance, it's really our collective effort to give people with disabilities some basic level of financial security. It's been around as a program for a long time. The problem as we see it is that it's really rooted in a welfare model. It's administered through a welfare system.

As a result, people who have assets or income are ineligible. If you're thinking in the welfare model, you're thinking: well, of course. But if you step aside and say, "What does that prevent?" there's a different way of looking at it. We think the alternative is a model that invests.

The reason that we think the welfare model is a deterrent is that it essentially acts like a ceiling. So the policies that are in place prevent persons with disabilities from getting ahead, unless they or their families are able to have the financial wherewithal to completely escape the system. Of course most families in British Columbia are not in that kind of position.

What happens is that when we attempt to assist our relatives with disabilities, our efforts are often nullified. The contributions are clawed back dollar for dollar. You can imagine that families don't simply stop there. So what it does is force families, persons with disabilities and actually the workers to break the law, because families do it under the table. Of course they're going to help, and financial assistance workers look the other way.

Just a couple of comments on what we would recommend. We think that the time is right for B.C. to take the place as a leader in Canada in this particular area, in unleashing the potential of families to contribute to their relatives with disabilities and assuring the financial security of their relatives.

Three recommendations we would make. One is that B.C. has the potential to be the first province to make provisions for a registered disability savings plan. Three quick things that could be done in that particular area are making a registered disability savings plan an exempt asset for recipients of disability assistance, and treating withdrawals from registered

disability savings plans the same as withdrawals from trusts.

Another option would be to create a tax deduction that would mirror that of the federal government to provide further encouragement for families. Second would be to take a look at the trust legislation that exists within disability benefits.

Again, three things that we would recommend you look at. One is to allow trustees to make the decisions about where families' money gets spent. Presently there's a list of items that it can be spent on. The result is that a lot of the money doesn't come into play, and it deters families from using that as an option.

Second, allow trusts to own a principal residence. So if a family were to leave a residence or purchase a residence on behalf of a relative with a disability, and set it up in a trust, allow that to obtain the registered homeowners grant.

Final comment would be to simply say I think there's also room for B.C. to take centre stage on the national stage, to be the first province to respond to a registered disability savings plan and to develop a set of policies that would be the most family-friendly in Canada.

[1200]

We've taken a quick look at budget projections over the next ten years or so. We know that health care is going to eat up an increasing amount of the budget. There are not going to be additional funds. I think it's imperative that governments begin to look at alternative sources, and the capital that families have is a viable source to bring into play. Present regulations deter that. We think that if you looked at opening it up, this could be a good way to assist families and assist British Columbians with disabilities. Thanks.

B. Lekstrom (Chair): Jack, Susan, thank you very much for a well-thought-out and well-presented presentation to our committee here today. I know there will be questions. Unfortunately, our job, really and truly, is to listen. With the time allotted, you have utilized certainly the maximum amount, and we appreciate your input to the committee. Unfortunately, we're going to have to move on to our next presenter, but thank you so much for taking time today.

Our next presentation today is from the Students Union at Vancouver Community College. Joining us are Christa Peters and Christina Clews. Good morning.

C. Clews: Good morning. My name is Christina Clews. I'm the external affairs coordinator at the Students Union of Vancouver Community College. I'm here to speak to you about the importance of improving the affordability and accessibility of post-secondary education.

Vancouver Community College is a comprehensive college that serves some of the poorest districts in North America. As such, many of the students who attend VCC are students most in need of accessing education in order to significantly improve our quality of life and contribute to the economy and society. Nowhere is this more true than in the case of adult basic education students at VCC. The vast majority of these

students have an annual income below the poverty line. Therefore, our first recommendation is that the necessary funding be allocated in the 2007 budget to eliminate tuition fees being charged for adult basic education.

Basic education has been free in B.C. for many decades, as it is recognized by society as an inherent right and a necessity in trying to achieve a minimum standard of quality of life. Unfortunately, tuition fees are charged for these courses when students have graduated from high school, regardless of whether they graduated with the requisite courses to access post-secondary education.

Additionally, individuals collecting social assistance are currently unable, under B.C. policy, to take ABE courses, and the former training assistance benefits program, or TAB, which provided funds to cover transportation and material costs for ABE students, no longer exists.

Adult basic education is the foundation for students to achieve their goals. So 87 percent of the students now being charged for ABE courses are taking them as a prerequisite in order to attend the post-secondary course or program they want as a career. Often it is the case that students must retake courses because institutions do not recognize high school courses that are more than three years old. These students are often the most vulnerable students with the most to lose from not attending these courses.

Under current government policies many individuals wishing to take or access ABE are being asked to choose between putting food on the table for their families or getting the education they need to better themselves and their families. That is a punishing choice that no person should have to make.

To further illustrate the costs, many of you may be surprised to know that many ABE courses now actually cost more than university courses. A first-year university transfer course in math at Vancouver Community College costs \$256.86 whereas a complete mathematics course at Vancouver Community College costs \$368.22, which is nearly 50 percent more.

Furthermore, while ABE students are paying such exorbitant prices, students at many other institutions, such as Capilano College in North Vancouver, can access out basic education for free. Students at VCC simply do not understand the logic of the government policy that would see students in one of the highest-income communities in B.C. accessing their right to adult basic education for free while students from one of the poorest districts in North America are paying some of the highest fees in the province.

[1205]

B.C. is projecting a \$1.7 billion surplus this year. The cost to completely eliminate fees for adult basic education, by the Ministry of Advanced Education estimates, is just under 1 percent.

We need to encourage and aid British Columbians who require high school-level courses to better their lives. This change is the correct action to take with a price tag that is more than manageable for the govern-

ment. We need to abolish tuition fees for all students studying high school courses.

Our second recommendation is that the government fund a reduction of tuition fees for 2007. As a community college, VCC's mandate is to provide comprehensive programming primarily for members of the community, allowing community members to access high-quality jobs or smoothly transition on to further education at the university level.

As I stated above, VCC serves communities that have a very high rate of poverty, such as the downtown east side. At the level that tuition fees currently stand, VCC has no hope of adequately fulfilling its mandate and role in the community.

While the economy is booming, it is clear from the high level of poverty endured by many in the downtown core that many people in B.C. are not seeing the benefits. As we all know, this uneven distribution of benefits stands a significant chance of hurting B.C.'s economy. It is well-known that post-secondary education contributes to a better quality of life and to the economy. It is further known that we are facing a massive skills shortage and do not have enough students in the system to address it.

Providing accessible education to low-income individuals must be a primary tactic in the strategies to address poverty, homelessness and the skills shortage. A reduction of at least 10 percent in the 2007 budget will be a strong step towards achieving this goal.

Our final recommendation today is that \$12 million in funding be reinvested in non-repayable financial student assistance. In 2001 non-repayable student financial assistance totalled \$80 million in B.C. Today it is approximately \$12 million less. Yet in that time tuition fees have doubled across the province, including at VCC, meaning that students who can still afford to attend are being plunged into a much larger debt.

A reinvestment of \$12 million in 2007 will be a modest first step toward funding the vast unmet needs of students at VCC and across the province.

Our recommendations for the 2007 B.C. budget are more than manageable in the fiscal context of B.C. today. Post-secondary education is recognized as one of the largest priorities of British Columbians. British Columbians want to be assured that their children will be able to attend post-secondary education. British Columbians want to be assured that if they don't currently have the skills and training needed to join in the economic prosperity of B.C., they won't be punished for it but encouraged to get them and get on with their lives.

British Columbians want to be assured there is a long-term plan to ensure that B.C.'s hot economy remains stable. Investing in post-secondary education in 2007 will do much to ensure that British Columbians can rest assured.

Thank you for your time, and we look forward to your questions.

J. Horgan: Thank you, Christina, for an excellent presentation and, in particular, your linkage of poverty, homelessness and the skills shortage. It seems to

me an excellent opportunity for government and policy makers to do something about three things at once. Providing access and reducing barriers to post-secondary education is an appropriate starting point.

Going back to the beginning of your presentation, I wasn't aware that adult basic education came with strings. I was under the impression that adult basic education was free. You advised me that there are some examples where that's not the case. Could you elaborate on those?

C. Clews: Certainly. Adult basic education. If you wish to take a course to upgrade — or a refresher course or a course you haven't taken in high school — and you've graduated completely from high school, you have to pay for the course. If you don't graduate from high school, you have to pay for the course even though you have not taken the course before.

What used to happen is we had the TAB program — the Training Assistance Benefits program — which would cover the cost of books, transportation. The needs were met, and they were funded by the government. That was taken away.

[1210]

There are a fair number of people on social assistance that have not been able to graduate from high school yet. They cannot take an ABE course if they are on social assistance, which means they have to go off of social assistance to take an ABE course.

ABE courses are not funded by the government, which means that those people cannot get student loans or any funds from the government, which usually ends up.... The students end up taking a course when they can afford it, which makes their term in school longer, which plunges them into more debt.

The courses that are offered are all.... As I said, you can take a university course for cheaper than you can take an ABE course.

J. Kwan: Do you have the information...? I know that at VCC, with the increase in tuition, if you will, the enrolment for ABE has also declined fairly significantly. Do you have those corresponding numbers, for our information?

C. Peters: When the tuition fees were put back in place for ABE in 2001 or 2002 we noticed that the enrolment at the college dropped significantly — more than 50 percent, we would suspect. It's starting to build back up again, but we have noticed that the numbers of ABE have been dropping, and that there are not as many spaces as there were before. But I don't have the exact numbers. It is something I could get, if that is of interest.

J. Kwan: I would be interested in getting that information and the year-to-year comparison and available information, and also in telling us what the demographics are, as well, for the people, because I think that paints a picture. As you have identified, many people who go to ABE classes tend to be immigrants, tend to be low-income — perhaps families who

are disadvantaged. One way, of course, to help them re-enter into the workforce is educational opportunities, and it starts with ABE.

C. Peters: I think the hardest problem in terms of getting numbers, though, is that the counting of FTEs has changed in the last few years by the government — changed the way in which colleges and universities count the number of students. Prior to introducing fees it was counted on a credit system, and because there were no fees, there were no credits allocated. So it's difficult in terms of me being able to say to you, you know, there used to be X number of students; now there's Y number of students, just because the counting is so difficult. But I definitely will....

B. Lekstrom (Chair): Well, Christina and Christa, thank you very much. I see no further questions from members of the committee at this time. Thank you for taking time out of your schedules to come and present to our committee here today.

Our next presentation to the committee today is from the B.C. Federation of Families Society. Joining us are Karen Philipchuk and Dawn Steele. Good afternoon.

D. Steele: Good afternoon. Thank you very much for coming out to talk to us and to listen to us. We appreciate the opportunity to be here.

B.C. Family Net is an independent provincial network of families and self-advocates formed over ten years ago to protect and enhance community living. As an all-volunteer society, we promote the well-being of children and youth with special needs, adults with developmental disabilities and their families through successful community inclusion and greater public understanding of their contributions as valued citizens.

Our society was born in a time of great change and provided an important channel for families to come together and help other partners resolve major challenges linked to deinstitutionalization. In recent years we've again faced major challenges with budget cuts and devolution. We have again worked extensively to resolve these with the Minister of Children of Family Development, ministry staff, the new community living authority, CLBC, families and others.

Put more simplistically, we have basically two kinds of community living services: (1) residential supports and services for individuals and (2) services that help families support a loved one at home. Examples are group homes, day programs, respite, therapy for children with special needs and crisis services. Between 2003 and 2005 MCFD's community living budget was cut by \$150 million. This deepened the major funding challenges already facing the sector. We watched services eroded and wait-lists mount as needs continued to expand each year.

[1215]

B.C. Family Net spoke to you last year — Karen was here, and our president, Anita Dadson, who could not be here today — and we're grateful that you heard

us. February's modest budget increases were most welcome, but they have not averted a mounting crisis.

Community Living costs B.C. taxpayers about \$500 million annually. Much goes to agencies who deliver services locally, and some of those agencies supplement this with their own fundraising. But ever since we closed the institutions, families have provided the overwhelming bulk of community living supports in B.C.

Current prevalence rates indicate we have over 90,000 school-age children with special needs. As many as 50,000 adults meet CLBC's narrower eligibility criteria of developmental disability. Of these, CLBC serves just 10,000 adults and 7,000 kids — a small fraction of the actual population that needs support.

Almost one in three school-age children with developmental or behaviour disorders may be unidentified as having special needs in our public schools. They are awaiting assessments or coping unaided. Those who can pay are increasingly in private schools, and others are all too often at home because schools just can't cope with them.

Fewer than one in 12 kids with special needs receives any services from CLBC. About one in 160 is in residential care. Very few families get any support outside of school as they struggle to raise children with special needs. One exception is the autism program, which helps children like mine. Often it's not nearly enough. Thousands of children are not getting special education or early intervention services and supports that will make or break their success in adulthood.

These supports do make a difference. They helped my family through a major crisis six years ago. Our son is now 13 and a poster child for the cost benefits of early intervention. Each year I've had to fight for special ed services, but we now hope that he'll go to college and support himself in adulthood if all continues to go well. We certainly pray that all continues to go well, because he is among the nine out of ten kids with special needs who won't be eligible for any Community Living services once he turns 19 and leaves school, because his IQ is over 70. This is what families call the black hole.

Restructuring was supposed to end this, but it's getting worse, not better — like the Victoria mom who recently went to court when CLBC turned away her adult son, even though all the experts agreed his needs were urgent.

We hear from many others in such dire straits, and things are about to get a whole lot worse. The upsurge in autism cases means a whole wave of such teens are heading straight for the same black hole with no hope of a helping hand.

CLBC can't even serve the young people turning 19 who do meet their eligibility criteria. We met with a CLBC board yesterday and confirmed that over a thousand eligible young people are now waiting for help. They have joined thousands more adults, some of whom have been waiting for many years on CLBC's wait-list, and they will have to wait until someone decides to increase the budget for Community Living.

It's only September, but CLBC has already spent or committed the entire year's budget in many regions. In Vancouver, for example, there is no longer even money left to respond to crisis needs. We're hearing from desperate, outraged parents who have met all the criteria, who have prepared a detailed plan as required under CLBC's new service model, and who are still being denied urgently needed services because there is simply no money.

As many as four out of every five adults who do meet CLBC's strict eligibility criteria get no family supports and no services of any kind from CLBC. Only about one in 20 is currently in a CLBC-funded group home. As wait-lists continue to grow, CLBC is trying to close group homes to cut costs. So even for our most severely challenged adults, families provide most of the needed support, in most cases with no help at all from CLBC.

We expect children to live at home wherever possible, but community living recognizes a shared societal responsibility to support people with developmental disabilities once they reach adulthood rather than having them live with parents or in institutions. Since closing the institutions, however, we failed to fund this vision of community living. We've been constantly restructuring to find ever cheaper, ever more innovative and ever more informal and often riskier alternatives, but CLBC can still only meet a fraction of the need.

[1220]

By default we're forcing families to assume a life-long burden of support for adults and raising the chances of serious harm, death and/or abandonment when they simply can't cope anymore.

We want to stress that wherever we can, most families choose to continue to play a primary role in supporting adult relatives. I think the group who spoke earlier addressed that. For example, the new \$30 million family independence fund in this year's budget will help some families, but it targets such a narrow range of needs, like home renovations, that it won't dent the broader problem. CLBC can't even provide the basics, like respite, day programs and crisis services to support these families, and many are being driven to the brink and beyond.

Meanwhile, the lack of residential capacity to accommodate adults who need 24-hour care or supervision places them and their families in crisis and poses enormous risks. Here's another parent's entirely preventable personal tragedy. As she notes, we don't save money when we shift the burden to costlier health and justice crisis services.

"As a parent of a 20-year-old who has an IQ of 78 and a diagnosis of autism, I have been writing, phoning and e-mailing all who I can about our desperate situation. He has hit his parents, carried weapons, called the police without good reason and is using lots of emergency resources when they are needed elsewhere. We have psychologists, doctors and behaviour consultants all stating that he needs support to live in the community. If they are the experts, why is CLBC not listening? I cannot even begin to tell you how the inaction of all the social services to help has affected our family.

We are prisoners in our own home. People like our son could contribute to society if they received help, and without it, it will cost the taxpayers in jails, victim services, etc."

A looming crisis also faces many aging parents who have devoted a lifetime to supporting disabled sons and daughters and who can no longer manage. As a young parent my first fear on learning that my son was autistic was: what will happen to him when I'm gone? I didn't know the other people were going to say that, but it's true. I know this is the great fear that haunts us all. It's especially chilling in these uncertain times of cuts and constant restructuring, and the past five years of restructuring have placed unbearable stress on many older parents.

Finally, there's the enormous strain on the system itself from drawn-out, sweeping and problem-plagued restructuring. After five years of cuts and turmoil we're facing considerable challenges as CLBC tries to implement its new service model. Families have run out of patience, and urgent intervention is needed to restore trust and stability and to avert a major public crisis of confidence.

Just to wrap up, I want to stress that families care. We're doing what's humanly possible to support community living because no one can ever love our children as much as we do. We've all been pushed past the breaking point and then kept going because we had no choice. We never wanted to be a burden on society, and we're proud to provide the brunt of community living. But even supermoms and superdads have their limits. CLBC must be there for us and our loved ones when we can't do any more, and that can't happen until we start funding it.

We also continue to hear horrifying reports of abuse, neglect and even death in the funded system, but without formal reporting systems, it's hard to quantify how extensive this is. The ongoing transition, huge fiscal challenges and CLBC's shift away from case management, licensed care models and formal monitoring heighten concern about the potential for abuse and neglect. Ultimately, these failures don't save tax dollars either. The cost of broken people and broken homes and the lost contributions of parents and individuals ripple through other institutions, society and our economy.

British Columbians are caring people. On the rare occasions these private tragedies make the news, we see our friends and neighbours react with horror. We know our fellow citizens and your constituents would agree that families deserve better and that our children, youth and adults deserve better. We urge a major funding increase for community living beyond that already committed, and we know B.C. taxpayers will agree that we can afford it — indeed, that we can't afford not to do it.

We've listed some more detailed recommendations in our submission. The top one would be funding to address the existing wait-lists. Meeting with CLBC's board yesterday, they identified that as something like \$58 million needed annually simply to address the backlog. These are not wait-lists in terms of people waiting to get onto services. It means they can't be

served until more money is provided annually, because what's there is already committed annually to existing clients.

[1225]

B. Lekstrom (Chair): Thank you, Dawn and Karen. I'll look to members of the committee if there are any questions regarding your presentation here today.

R. Lee: Just a quick question. Family support on the independence fund. Is that the individualized fund — IF?

D. Steele: No.

R. Lee: If not, then, is IF doing anything?

D. Steele: CLBC hopes to start providing IF, but the problem is that there is no money to provide it. Until they get more money, they can't provide it.

K. Philipchuk: I think they're also still sorting out some of the tax implications. There is no way of eliminating some tax risk completely, we understand. That's been part of the problem, we understand — trying to get the paperwork in order to get it off the ground, and lack of money.

R. Lee: But in the past I believe there was some microboard, and also some individualized funding has been available to some families.

D. Steele: Not specifically individualized funding. The Canada Customs and Revenue Agency has still not ruled that it's not going to be considered taxable income, and that's a big holdback, as Karen mentioned. Primarily, there is no new money to provide individualized funding.

For example, the autism program I referred to that my son benefits from — that was initially set up as a direct funding program. I receive a cheque every so often that goes into a special account that is used to pay his therapy. But that was one specific program that was set up that way. There hasn't been any further progress in terms of real individualized funding that some people have asked for.

J. Kwan: On your recommendations list, I have three separate questions. One is for the adults with an IQ over 70. Do you have any projections of how many people are in that category — people with developmental disabilities who are in need of some independent living support?

The second question deals with the labour shortage, where you mentioned a quality concern and the pay scale issue with staff. I wonder if you can elaborate on that so that we get a fuller understanding of the issues surrounding the pressures from the skilled labour shortage and also retaining and attracting skilled workers in this field.

Lastly, on your question around costs on non-prescription medications that are required over the

long term, ones that used to be covered and are not covered. What are they, so that we actually have a full understanding of the cost implications for families?

D. Steele: I'll cover the first question. I'll let Karen cover the second two.

In terms of projections, the current.... I provided an attached page, the fourth page in our presentation, which has prevalence rates and that sort of thing. They're talking now about one in six children having a behavioral and/or developmental disorder. That spans a huge range, from children with dyslexia right down to children with high-functioning autism.

We know that the developmental disability as narrowly defined by CLBC is about 1 percent of the population, so there is a huge spread between that 1 percent who are actually going to be eligible for adult services and the number.... We know autism rates have skyrocketed, and so have other developmental and behavioral disorders. I'm sorry I can't give you good numbers, but we know that the bulk of the kids coming through the system will not be eligible for services.

[1230]

K. Philipchuk: On the recruitment and retaining of staff. There is a low starting wage, which isn't competitive. That's a problem for agencies, and it's also a problem for families, for example, that have micro-boards and hire their own staffing. Those families have to compete with the scales that agencies are funded to pay, and then agencies are competing with.... Staff will get trained and then move on to where they receive a higher rate — for example, at the school board, which I think was something like \$24 an hour. I don't know if that's current. I don't know what it is with the last collective agreement — maybe in the range of \$14.

You have a turnover of staff. This really impacts the individuals, most of whom really can't deal with change. You don't have consistency of programming. I wouldn't say you don't. I think that everybody is bending over backwards, because they absolutely love what they're doing, but there is just only so much that you can do when you have new staff needing to be trained and starting over again.

The last question was about the.... We have heard from families who have their aging children.... These are aging parents who have their children still at home. Apparently, a few years back there was a subsidy available for the individuals if their doctor prescribed an over-the-counter medication they needed for their lifetime. Apparently, there was a policy change so that now that money isn't available. These individuals are poor. This is a very limited resource, and it's an added hardship.

B. Lekstrom (Chair): Karen, Dawn, I want to thank you again on behalf of the committee for taking the time to come and present your views and ideas on how we can make British Columbia a better place for all. Thank you so much.

K. Philipchuk: I want just a minor correction for the record. We actually weren't able to appear in person to the committee last year, but we did send in a written submission.

B. Lekstrom (Chair): Yes, okay.

Our next presentation today comes to us from the Developmental Disabilities Association. Joining us is Alanna Hendren.

Good afternoon. Welcome.

A. Hendren: Thank you for this opportunity to be here. The Developmental Disabilities Association was founded in 1952 to provide services and supports to individuals with developmental disabilities in their families. Today we support over 1,600 individuals at over 50 sites throughout Vancouver and Richmond in programs such as infant development, child care, pre-school leisure options, respite services, individual care networks, supported living and group homes.

Through our foundation we fundraise in the community to add significantly to our budget and our ability to support people in our communities. Through our trust we operate a business that generates revenue to offset government underfunding and to form the basis for the sustainability of our association.

There have been a number of recent developments that are seriously impeding our ability to support people in our communities. The first is federal day care funding cuts. Stephen Harper's promise to directly fund families to pay for child care expenses has been realized but will be accompanied by the withdrawal of the federal government funds that currently make licensed quality child care available to many families. When this happens — on March 31, 2007 — there is no plan for maintaining or expanding child care services in Vancouver or provincially.

At present our average fees are \$1,007 a month for infants, with a true cost of \$1,440 a month; \$845 for children 18 months to three years, with a true cost of over \$1,000 a month; and \$620 per month for children three to five, with a true cost of about \$700 a month. For children with special needs, the cost increased, depending on the level of support, from about \$1,920 a month to over \$2,880 a month.

Once the federal subsidies are withdrawn, these fees will escalate, and day care will become affordable only for the already well-off. One could argue that it already is. This will additionally contribute to the labour shortage that is already at a crisis point in Vancouver by taking well-educated, trained young mothers and fathers out of the workforce to care for their children at home.

[1235]

The financial viability of day care is very poor at present. Most are subsidized with other income, so we can expect a net decrease in the number of spaces available as families are priced out of the market and agency ability to offset deficits is diminished. One way you can realize that day care is not at all profitable is by looking at the number of corporations that might be involved in day care, which is zero.

Our recommendation is that MCFD develop a comprehensive day care strategy that describes their objectives for the future and corresponding budget commitment. Right now, we have no idea what's going to happen, and reality is going to be upon us April 1.

Community Living B.C. This Crown corporation was created by the government to assume responsibility for services to adults and children with special needs and has now been devolved to the community. It remains a provincial operation even though its stated intent was to bring supports closer to community. I put brackets around that word because I don't really know what it means. Certainly, I think it means something different to CLBC and the government than it does to me.

In 2003 the Developmental Disabilities Association received a unilateral cut of \$1 million, and we were forced to close three group homes in spite of our awareness of the very long wait-list that exists in our community. CLBC is currently conducting a group home review to determine who will be moving out of their group homes as they close expensive beds and provide families with cheaper alternatives. They actually state this in their plan — that they want to offer families choice, as long as they're cheaper alternatives. Their objectives are clearly stated in the CLBC budget and service plan and other CLBC documents.

Our fear is that the service delivery structure that supports people with developmental disabilities in our communities is being eroded to the point that very few services will be left. Using Centre for Disease Control estimates, the prevalence rate of people with IQs less than 70, which is CLBC's target population, is 1.2 per cent. Applied to Vancouver and Richmond, this projects a potential CLBC client base of 6,820 adults with a developmental disability.

Currently approximately 500 of these adults receive some form of residential supports, including group homes. The other 6,000-plus are eligible for services and are aging fast. In the meantime, more children turning 19 are entering the adult system than those people leaving the system through death.

Of these potential clients, 2,046 or so are projected to have IQs in the under-50 range, meaning that they have significantly impaired daily living skills and need substantial support. Many are currently living with family members who are also aging and will not be able to provide care for much longer. Four thousand more have IQs between 55 and 70. They will likely never receive the services they need.

CLBC states that as of March 31, 2006, they funded 52 residential beds in British Columbia. B.C. had a population of 4,292,200 on April 1, 2006. In Vancouver and Richmond, CLBC funds approximately 500 beds for a population that now exceeds 760,000. Provincewide there are over 1.21 beds per thousand citizens. In Vancouver and Richmond there are 0.66 beds per thousand citizens.

Once group home beds are closed in our region, it is highly unlikely that they will be replaced, as property values have escalated and startup costs are very high. This will be an out and out loss of staffed professional support in homes that are increasingly provid-

ing long-term care and intense behavioral support services, as the generic system will not accept our clients.

What I'm saying here is that once our clients become eligible for long-term care in a manner similar to you and me, they're not accepted into long-term care, because long-term care is backlogged, and they figure that people with IQs less than 70 will be taken care of by CLBC. In my opinion, we have discrimination in the health system against people who need long-term care services and who just happen to have a developmental disability.

There is no plan for where these people will live once they are encouraged to leave their group home. There is no plan for a comprehensive array of services that will meet the needs of individuals today and in the near future. This will add another population to the increasing numbers of displaced people in the downtown east side.

[1240]

Our recommendation is that the Ministry of Children and Family Development direct CLBC to prepare a comprehensive plan to meet both their service and budget requirements and provide this information to the public.

Our further recommendation is that MCFD and CLBC use appropriate demographic projections and collect appropriate data to demonstrate that their decisions regarding regional budget allocations are based on equitable levels of services to eligible individuals rather than on the inequitable method they are currently using — one that disadvantages already disadvantaged people.

Recommendation three: lack of CLBC policy. At present CLBC has very few policies, leaving service provision, funding allocation and other important decisions to the staff who are working within this unstructured, arbitrary system.

Some families are quite wealthy, and they are receiving many government-funded services, while many families who have no money receive nothing. Some people who have IQs over 70 are funded, while others are not. Some families receive direct funding, and others do not.

If CLBC does not implement some policies and procedures, then decisions in important areas such as eligibility and financial management will increasingly be made by the courts, as families who are not receiving services challenge the ad hoc decision-making process which is now in place.

Policy regarding adults with IQs over 70 who have autism or Asperger syndrome is particularly critical, as no government department currently has responsibility for supporting them. They are increasingly being incarcerated in federal, provincial and city jails. An adequate plan for their habilitation and integration into the workforce would save money that is now being spent, albeit in the criminal justice system, after victims are needlessly being created.

Our recommendations are: (1) that MCFD and CLBC work with the Ministries of Health and Education to develop a plan with clear responsibilities and accountabilities to the population of people who have autism spectrum and Asperger syndrome; and (2) that

CLBC develop and publish concrete policies in all relevant areas, including health and safety, monitoring, eligibility, user-pay options, funding allocation distribution methods, direct funding, case management or other fixed point of responsibility, and contracting for outcomes.

Lack of CLBC accountability. It has been very difficult for families and agencies to determine where the accountability for the management of CLBC has been placed. The Minister of Children and Family Development has ultimate responsibility, but as a Crown corporation, CLBC reports to the Crown corporations secretariat.

Although CLBC has a conflict resolution process, this does not envision those conflicts which may not be resolved by CLBC and therefore remain outstanding. There is currently no fixed point of responsibility for individual clients, families, agencies or communities to hold CLBC accountable. This has resulted in a continual churn of dissatisfaction that has no apparent opportunity for resolution and will therefore increase and worsen quickly over time.

Our recommendation is that cabinet determine a fixed point of accountability for CLBC with consequences determined for poor or non-performance and make this fixed point of accountability and responsibility well known to the public.

Thank you very much for this opportunity and for taking the time to listen. I'd be happy to answer any of your questions.

B. Lekstrom (Chair): Well, thank you very much, Alanna.

J. Kwan: Two questions. One is on the federal day care funding cut. Could you give us an amount of what that funding loss would be?

A. Hendren: I don't know, because the federal government funds day care through transfer payments, so at present it's been difficult for me to look at the day care budget and tease out what might be a federal contribution and what might be a provincial contribution. But I do believe that the ministry would know what the amount of the federal contribution is. They should be able to determine what kind of negative effect that's going to have on agencies who provide child care.

What we would like to know is: will there be any mitigation strategies implemented by the provincial government, or will there be a need for us to increase fees further? It's just about the sustainability of child care in the short and long term.

J. Kwan: My second question is on the many issues that you've raised around Community Living B.C. and accountability issues around policy and so on. Have you had any opportunities to meet with the minister around these issues?

[1245]

A. Hendren: I've met with several ministers around these issues. I met with Gordon Hogg in advance of the

creation of CLBC and expressed grave concerns on a number of topics. Then I didn't get a chance to meet with Christy Clark but had several meetings with Minister Hagen. I had an opportunity to show Minister Hagen around our association and show him that not only do our services operate on government funds, but they're heavily augmented by our business and by fundraised revenue. We are involved in as many free enterprise activities as we can to support our clients, but it gets to a point where we just can't make enough money, as the government continues to erode our budgets.

J. Kwan: I wonder, as Chair, if you could ask the minister on the date here, please, so that we actually know what that figure is and therefore what the impact might be and get some of the answers, both for the community and also for our consideration as we make recommendations to the minister. Secondly, that this presentation be forwarded to the current minister — the new minister.

I suppose you probably have not had the opportunity with the latest Minister of Children and Family Development, Tom Christensen. Ask him for a direct response on this — for your agency as well. I just think there's a level of accountability here that we should be responsible for, and some of these issues go beyond the scope of budgeting. However, the government should be taking note. I would ask you to do that as our Chair.

A. Hendren: And you'll notice that we're not asking you for extra money. There wasn't one recommendation in there that necessarily would cost anything.

J. Kwan: Fair enough. Thank you for that.

B. Lekstrom (Chair): We will do both of those, Jenny. I've already spoken with staff as I was listening to your presentation.

We have one quick question.

R. Lee: My understanding is that the province will lose about \$445 million in funding from the federal government.

Recently the early childhood and child care agreement... When the ministry is looking into that, there are some assurances that for the coming year the current child care subsidy program for parents will be maintained. Also, they'll try to maintain the child care services during the current school year. So there are no changes.

A. Hendren: That's right. That's in the subsidy, and I did express our appreciation to Minister Hagen and to the government when the subsidy was increased last year for extremely low-income people.

Extremely low-income people aren't going to have a problem with increases in day care — maybe a slight problem but not as big as the people in the working class, essentially, and in the lower middle class.

The president of our society has a daughter who has two children. She and her husband pay \$1,800 a

month, after taxes, for day care now. You have to wonder: how much does somebody have to make to be spending \$1,800 month on child care? That certainly isn't the privilege of the working class. It's not the privilege of the lower middle class.

I often joke now that I didn't really go into this business to provide social services to rich people, but it's almost getting to that point. In that sense, one of our pleas to you is to please consider the plight of the working poor and the middle class.

B. Lekstrom (Chair): Alanna, again, thank you for coming and talking to our committee here today. Take care.

Our next presentation today is brought to us by the Greater Vancouver Alliance for Arts and Culture. Joining us is Heather Redfern, as well as some others: Richard Prokopanko, as well as Adrienne Wong. Good afternoon and welcome.

H. Redfern: It's great to be here. Thank you for listening to us today.

As you said, I'm with the Greater Vancouver Alliance for Arts and Culture. I'm also on the steering committee of a provincial coalition called Arts Future B.C. We represent 933 organizations from across the province, including 423 museums, 126 community arts councils, 123 community presenters, 183 professional arts organizations, 27 educational institutions, 51 arts service organizations, thousands of individual artists and their students and audiences across British Columbia.

The first thing I'd like to do is introduce Adrienne Wong and Richard Prokopanko and to ask the people who have come here this afternoon to support this presentation to please stand up.

[1250]

B. Lekstrom (Chair): All right. You've brought quite a support group.

H. Redfern: Thank you, guys. It's a really wet day out there.

I'd also like to address several questions that were asked in Nanaimo yesterday about the B.C. Arts Council and whether or not it's the best vehicle to distribute provincial investment in the arts.

The use of arts councils such as the B.C. Arts Council to make public investment in the arts has a long history throughout the world. Arts councils exist in North and South America, Asia, Europe, Australia, Africa and at all levels of government. In Canada every province has an arts council, with the first being established in Saskatchewan in 1948.

The primary federal funder of artists and arts organizations is the Canada Council, which was established in 1957. The B.C. Arts Council funds in 224 communities through various operating and project-based programs. The distribution of the funds across the province reflects the distribution of population in British Columbia, with approximately 40 percent

of the funding being distributed outside of the lower mainland.

A well-functioning arts council is a key indicator in determining the health of a democracy. Functional arts councils are at arm's length from government and use a system of peer review to make decisions. This system protects governments from having to take responsibility for artistic output that may be seen to be controversial, and it also prevents political interference in funding decisions.

The B.C. Arts Council ensures that our democracy is encouraging freedom of speech and is not practising censorship or political favouritism. Finally, just to quote the great American singer Paul Robeson: "The artist must take sides. He must elect to fight for freedom or slavery."

I'm going to turn it over to Adrienne now.

A. Wong: Just to give you a little background on me, I'm a member of the artistic producing team for NeWorld Theatre, a recent recipient of the Alcan Award, which Richard will talk about later. I'm also a freelance theatre artist, and I want to talk to you today about how core funding, administered by the B.C. Arts Council, has affected my organization as well as me as an individual artist.

Some background on NeWorld. We are a Vancouver-based theatre company with a focus on creating and producing new and original plays, with an eye on reflecting the diversity of our province. Our work is produced in Vancouver but also tours regionally, nationally and soon internationally.

Core funding from the B.C. Arts Council made it possible for NeWorld to apply for and win the Alcan Award, to engage in an extended and intensive artistic process, to produce a show with a national profile and to engage 18 professional artists for not one but two extended production periods.

Core funding creates a domino effect. The B.C. Arts Council's investment in NeWorld gives us the capacity and resources to seek out partnerships with private sector businesses and supporters. This in turn increases our capacity to engage individual artists for our projects, to seed the creation of new projects, to bring our work to other parts of the province and the nation, and to nurture the development of emerging artists and organizations. All of these activities are crucial to fostering a sustainable and healthy arts and culture sector in our province.

I'm fortunate to work with NeWorld. NeWorld is positioned well to benefit from and capitalize on core funding. We're the lucky ones. There are many other artists and organizations that run and operate without core funding. These artists are not being compensated for the hours spent on producing cultural events. These artists are taking contracts outside of their arts practice to make ends meet, contracts that take them away from their art and the positive effects their practice has on their communities.

This is a waste of a resource. This is a loss to our communities and ultimately a loss to the arts and cul-

ture sector, as artists choose to pursue other careers or an artistic career in other provinces where there are more opportunities. This is not just a brain drain. This is a drain at the heart of our communities.

The B.C. Arts Council is the best way to distribute an increase in funding to the arts and culture sector. Through a thoughtful and thorough process of peer review, jury members familiarize themselves with the artists and projects requesting funds. B.C. Arts staff and officers provide context that includes artistic as well as regional considerations.

[1255]

The core operating funding awarded by the B.C. Arts Council also positions organizations to capitalize on special projects funding through avenues like Arts Now and the renaissance fund. Both of these sources require a fairly sophisticated level of administrative functioning, something that is impossible to achieve without core funding.

We know the benefits that artists and their work have on our community and our economy. We know the positive results that come out of partnerships between arts organizations and businesses. We know the impact for individual artists. The best way to nurture these effects in our province is through a meaningful investment in the arts and culture sector through the B.C. Arts Council.

I'll turn it over to Richard.

R. Prokopanko: My name is Richard Prokopanko. I'm a resident of British Columbia. My family and I live in Vancouver. My wife is from Campbell River, and my daughter is currently going to high school here.

I'm also the director of corporate affairs for Alcan in B.C., but I have to let you know that today I am here as a concerned citizen. My comments are to be taken in that context, not so much as a professional in British Columbia but in fact as a strong supporter of the arts.

Just through way of background, I'd like to let you know that through my last 20 years of work experience I've had the pleasure to work in communities such as Hull, Quebec; Ottawa, Ontario; Winnipeg, Manitoba; and the smaller outlying communities of Smithers, Kitimat, Terrace and Vanderhoof before I settled in Vancouver. The purpose of giving you that background is just to let you know my fond appreciation and respect for small outlying communities.

Before I make my general comments, I'd just like to take a moment as a resident of British Columbia to recognize the excellent work of the government over the last five years. We watched it, both as a family and a business leader, come from last in a lot of areas to first, and we're very impressed with that. We encourage you in your deliberations as you move forward to keep up the good work.

My message here today is really to encourage you to consider the importance and value of strong and vibrant arts and culture elements in our community, whether it be rural or urban areas, big or small. I'll speak to that point not from sheer economics as some-

thing you'd expect a person sitting here in a tie and suit to talk about, but really from a social perspective.

You've all heard about the recent trend sweeping the world, about sustainability. No matter how you define the term in your own mind, from our perspective — from my family's and my colleagues' — it's really to live, work and play in a manner that will leave your neighbourhood in a better place than you received it. This can touch, obviously, on the economic, environmental or social aspects of your community.

I just want to make a few comments about the importance of sustaining a social element of our community. As not only a member of the community but also working for a company that has operations in 52 different countries, we've learned the value of strong and vibrant communities. Environment is important; economics is important. But if you give people the strength to be creative and be culturally inspiring, they will in fact draw the economic welfare and also ensure that the community is environmentally stable.

A couple of examples of how this could happen. You just heard reference earlier to Alcan, who contributed a modest amount of money every year to an Alcan performing arts award. The nature of that award, aside from the arts, is to stimulate creativity. What it is to do is not to fund an existing project, but fund a project that is yet to be performed. It stimulates creativity. We think it's good for communities to have that, and we think it's good for our employees at times to look at creative and innovative ways of doing things.

Similarly, what it does do — particularly in areas such as Kitimat, Terrace, Vanderhoof, Burns Lake, Campbell River — is to really allow companies to stimulate opportunities for their current employees to stay in that area. As we see various investments happening throughout the world, we see — as we heard — a drain of employees going to other communities. We think that with a strong, vibrant community socially and culturally, it will allow us to retain those employees.

You're probably wondering what this has to do with the Finance Committee. Well, we first of all think that industry and community have a role in ensuring that strong social and cultural aspect. We contribute to various plays and functions, just as I mentioned. The community has a role to make buildings like this available, to have certain social and cultural activities.

[1300]

We think there is also a role for government. This is specifically to the point where this government launched a document a couple of years ago that had five key goals. I'll just touch on four of them.

One was education. What arts and culture does is allow young students from different parts of the world to become much more knowledgeable about their surroundings.

Healthy living. We truly believe that people who stay away from such things as TV — not that we have so much concern about TV — and go out to festivals, go out to plays, go out to other performances create a better, healthy way of living.

As you heard from many speakers before, special needs, children at risk and seniors are a huge challenge. We think opportunities to provide social and cultural activities for them are very key.

Finally, job creation. Heather can provide you, and I believe will be providing you, with a brief that will, in great economic detail, tell you how it creates employment and a tax base. What we also believe it does is allow citizens to be comfortable in the community, to stay in the community, and attracts much-needed skilled workers in the future to those communities.

With that, Heather, I'll pass it on to you.

H. Redfern: I'll just conclude with our key recommendation, which is: in order to ensure an adequate investment in sustainable communities throughout British Columbia, we are recommending all-party support for a significantly increased investment in arts and culture through the B.C. Arts Council in the 2007-2009 budgets. The number that I'm working with right now, because I know you had asked yesterday exactly what that number is.... I'm still refining it, but right now what I'm working with is an increase of \$32 million.

B. Lekstrom (Chair): Well, Heather, Adrienne and Richard, thank you so much for your presentation.

For questions, I'll go to John to start.

J. Horgan: With the large contingent, I was hoping for an interpretive dance presentation or at least a song. Oh, there we go. That's great.

As the Energy critic for the official opposition, I wanted to ask Richard some questions about Alcan, but maybe we can do that at another point.

With respect to the recommendation, Heather — that \$32 million to the Arts Council — what would the distribution of that be regionally? Of course, that's incumbent upon the board and all of that. Could you break down, for those of us who live in other parts of the province, how that benefit would manifest itself in strengthening the communities on the Island and in the north, as you've suggested it would?

H. Redfern: Well, for example, only 10 percent of the museums in British Columbia.... There are 420 museums. Only about 43 of them are actually funded by the province through the B.C. Arts Council. Those museums are everywhere. So a significant increase to the museums' budget will clearly mean.... One of our goals we've stated here is that we'd like to see 75 percent of the museums in British Columbia being funded by the Arts Council. That is going to have a huge reach.

Also, the community arts councils. I know you heard from Gina Sufrin yesterday. They're in 128 communities. Those arts councils are everywhere, and we're also requesting an increase to their budget.

The community presenters, which is sometimes your high school, your small theatres or galleries all around the province that are bringing productions up and providing them for audiences in their communities. We're looking at an increase to that budget as well.

There are programs specifically for communities. Community festivals. Tiny little bit of money — just over \$700,000 a year that the B.C. Arts Council can currently put into community festivals. We believe that needs to be quadrupled to actually have the impact it needs to have. Those festivals tend to be in smaller communities.

B. Lekstrom (Chair): I have two other members wishing to ask questions, if I can ask them to be relatively short. We're somewhat behind schedule.

J. Kwan: Just a quick question. In terms of the B.C. Arts Council funding, how do we compare to other jurisdictions?

H. Redfern: It's always dependent on what you include in that number, but we sit around seventh or eighth out of the ten provinces — from the bottom, I mean, like right at the bottom. I think a more telling figure is that for performing arts companies, on average, 7 percent of their funding comes from provincial sources, and that's all provincial sources. That would be gaming, B.C. Arts Council.

The national average for provincial funding is 13 percent. In Quebec it's 26 percent. B.C. is the lowest in the country in terms of percentage of budget that actually comes from the province.

J. Kwan: That's useful. Thank you.

[1305]

D. Hayer: First of all, I want to thank you for bringing so many people with you, not just here but also in Nanaimo and Courtenay. We had the largest delegation, which you have brought. It's a very important issue, because in British Columbia it will affect cultures in every part of the world here. I think we do need to do more in arts and culture.

One of the questions that the Minister of Finance has asked on the budget consultation paper is where we should spend more and where we should spend less. Maybe if you have a chance after this, you can go through the consultation paper. There are four questions there, and if you can provide some input, we'd really appreciate it.

Your presentation was very good. Keep up the good work, especially working partnerships with private sector businesses. It's good to see private sector supporting you too, not just the government.

B. Lekstrom (Chair): Richard, Adrienne and Heather, I want to thank you for coming out to present. I want to thank you for bringing the support group as well. Thank you, all.

Our next presentation today is from the Human Early Learning Partnership, and joining us are Lynell Anderson and Dr. Paul Kershaw.

Good afternoon, and welcome to the committee.

P. Kershaw: Sadly, we didn't think to bring our own contingency.

B. Lekstrom (Chair): I know they will support you. They're just busy right now.

P. Kershaw: Exactly.

On behalf of my colleague Lynell Anderson, I would like to present to you today some information from the early learning and child care research unit at the Human Early Learning Partnership, which is coordinated from the University of British Columbia.

At HELP we receive a generous amount of funding from the provincial government in order to conduct studies about early childhood development and the characteristics of communities that go about promoting favourable developmental trends.

With the assistance of provincial funding and some sage leadership from our director Dr. Clyde Hertzman, we have been selected from the World Health Organization to be the international knowledge hub around research about the social determinants of health in the early years.

With that international support and in that capacity, our objective is to create, apply and promote new interdisciplinary knowledge to help children thrive. I'm coming here before you today to ask you to help us apply some of the research that you've funded to help children thrive here at home, because we cannot do it alone.

The message that I bring forward, based on our research, is pretty straightforward. It says that we as a province need to substantially support and strengthen our system of family policy by investing to create a universally accessible, quality system of child care services that can anchor other family policy and integrate it so that it will be fluid with our elementary school system.

There are at least three reasons why it should matter to you to invest in creating this kind of system here at the standing committee today. Let me just say them upfront.

First, when you look at British Columbia and Canada in the international arena, we are a lagger. We fall behind dramatically. Second, creating the kind of system that I'm going to describe will promote at least four of the five great goals that the government has set for itself. Third, we can afford to do it, and it'll be economically beneficial.

I'd like to develop each of those points in turn. I've given you two handouts, kind of props. I typically use PowerPoint, so I'm feeling a little uncomfortable with just paper.

I'd like to turn your attention to the grey prop. What it shows you is a summary of a tremendous amount of international comparative research, which looks at a broad range of family policy here at home and then compares that to our international competitors and finds that we here in British Columbia do not stack up very well.

With 16 other affluent capitalist economies from which I could get information, we rank fourteenth out of 16. I've tried to be as charitable as possible in putting together the research. In fact, I've attributed to British Columbia a range of policies that the provincial government doesn't even need to fund, like the Canada child tax benefit, the national child benefits supple-

ment, the child care expense deduction, the spousal allowance that helps one-earner families, and so on. I take that kind of federal spending and add it to your provincial child care subsidy system, which we have heard recently will be protected, and the existing amount of operating funding, which we know right now is an issue.

[1310]

Then I'm trying to be even more generous by looking at to what extent our universal health care system supports families with young kids, and Pharmacare and dental care and welfare? Even when I try to be that generous, we still come out looking so darn poorly by international standards.

Our average family benefit package here at home is only a quarter of the most generous country, Austria. It's not even half of other English-speaking countries in the U.K. and in Australia and is even below the United States, which is widely recognized in the research literature for not being a model on family policy.

That is the first point I want to draw your attention to. But I don't want anyone around the standing committee to presume: "Oh, well if you have this broad range of policies and we're ranked pretty low when you look at the broad breadth of it, any kind of investment in family policy will be as good as any other." I'm here to try and draw to your attention that that's not the case.

I'm hoping you turn to the colour template. It's a complicated handout. I'd be pleased to talk in more detail here or in a brief that we'll submit later. What it shows is that the major missing piece of our family benefit package in British Columbia is the absence of a system of child care services.

I draw your attention to the red and white columns. What it's trying to do is show that when families move up the income scale — just at very moderate levels from minimum wage to half-average income, which is about \$22,000 a year; to average income, which is closer to \$45,000 — what happens is that a family's benefit package erodes really darn quickly, well before they get anywhere near average income. It does so because the child care subsidy system is only available at the very lowest end of our income scale.

I then turn your attention to the green and blue columns. What they show is that actually the families that incur the greatest penalty in terms of the cost of raising kids are two-earner families raising toddlers and early elementary school kids.

The last thing I want to draw to your attention is the sort of salmon- and yellow-coloured columns. There they show that one-earner families that have chosen to have a parent at home, which is a major commitment and sacrifice on behalf of the family, one that I do not want to downplay in any way, shape or form.... Nonetheless, the way we have organized our social policy to date in the province, that family decision still received a certain amount of public support.

The value of that support remains debatable. It's something we should consider. Currently it's only about \$50 a month, but you should remember that re-

cently, with the introduction of the new sort of family allowance of \$100 a month from the federal government, that public policy will address precisely the kind of concern that one-earner families who opt for a parent to stay at home are articulating.

Given that one-earner families continue to have a benefit and one that will go up, given new federal policy changes, and that two-earner families are, in fact, struggling the most when it comes to family policy and some of the developmental research I'll alert you to in a couple of minutes, it seems clear to us at the Human Early Learning Partnership, where we have internationally renowned research, that the major missing piece of the family benefit puzzle is a system of child care services.

Trying to fill that gap would contribute to your addressing four of your five goals. Let me paraphrase a couple of them. The one about literacy and becoming the most educated place on the continent and then having the most healthy, physically fit kind of lifestyle.

When you think about trying to pursue those goals, please bear in mind what the developmental research shows: that the human being is tremendously adaptable. But we're even so much more adaptable in the early years. Once we pass through ages about three through seven, the ability for our social environment to actually optimize our development starts to dissipate because we don't remain as malleable. Our brains just can't benefit from some of the socially optimal things we could or could not do. So as you think about creating the most literate, educated, physically fit and so on kind of society, we need to start in the early years.

Then I take you to that other goal, which talks about putting in place the best system of supporting people at risk — children, seniors, people with disabilities and so on. In terms of children at risk, we have a tall order ahead of us. *The British Columbia Atlas of Child Development*, which I conveniently will give you an electronic copy of before we leave today, shows that 24½ percent of children who enter our elementary school system enter vulnerable on at least one domain of development — a quarter of our kids. That means we have a tall order as we're trying to minimize the vulnerabilities that children are facing.

It's a tall order, also, because the way that we have organized our public policy and investments today actually points to a bit of an intergenerational, I dare to put it, inequity — at least a debate we should be having. International evidence shows that per-capita spending on children is ⅓ of per-capita spending on benefits and services for seniors. Yet I told you that developmentally speaking, the human being can most benefit from smart organization of our social environment in those earliest years.

[1315]

The last great goal that I want to draw your attention to is the one about having the most employment in the country. Right now I think the government can feel pleased with how we're doing on that front, but in the media, what we really hear about these days is the shortage of labour.

Often the solution that's touted is that we'll just defer retirement, particularly as baby boomers want to retire. Indeed, that may be part of the solution, but an equally important, if not more important, part of that solution is going to be two-earner families. It has historically been the case that drawing on families with kids for more time in the labour market is a way to actually meet our need for labour.

When we think about it that way, the family benefit package research shows that we have a major issue at hand in British Columbia. If you want to attract a family to go from having one earner to two earners, where the second earner makes about half the average earnings for an individual, her — and I say her in this instance — take-home pay is only half of what the nominal pay would be. She would technically be earning \$11 an hour but really only bringing \$5.13 home. In large part, that's not taxes but child care costs.

That's a major issue if you're concerned about labour supply and how that contributes to economic growth. It's an equally important issue in terms of gender equality, because that second earner is more often than not a woman. Although we are largely men around the table and I'm a white guy here saying it, we need to be concerned about the feminization of poverty, the gender earnings gap, occupational segregation and male violence against women.

My last point: we can afford it. This is not a time of scarcity. Your own figures show that you have a \$1.2 billion surplus this year and one that is forecasted to grow in the future. Conveniently, the cost of going down the road of creating a system of early child care that we can be proud of in this province will actually absorb the vast majority of that \$1.2 billion surplus. So it won't mean making trade-offs, necessarily, amongst existing funding. You can turn to the surplus.

Before people start rolling their eyes, it is an important thing to bear in mind that while I've heard the Minister of Finance say, "Look, we're not necessarily just opening the floodgates on funding right now. We want to be sound fiscal managers by saving and paying down the debt," sound fiscal management is not just about saving. At least, that's not unambiguously positive if it means we forgo important strategic opportunities to invest. The kind of early learning system that I'm talking about is one such strategic opportunity.

I won't stand before you today and say that for every dollar you invest in early learning and child care, you'll reap seven bucks in return, although you can expect that for really vulnerable kids. More conservative estimates put it at a 1-to-2 ratio, so you can expect a 100-percent return. Even if you don't buy the University of Toronto economists who put that research out, people who are critical of universal child care systems can not but concede in their own research that, say, a place like Quebec is getting 40 cents on the dollar back each year just because they're able to collect more tax revenue, because there's more labour supply happening.

That means that the worst-case scenario for you is that if over time you were to ramp up a system of child care that would cost, eventually, \$1.2 billion, the very

next year you would still have about a half-billion-dollar surplus to play with. So don't be convinced by people who say: "We have scarce resources, and we should target to those that are economically in need."

Indeed, we need to be concerned about economic inequality. However, bear in mind that this *British Columbia Atlas of Child Development* makes it clear that the majority of vulnerable kids actually aren't in low-income houses, aren't in low-income neighbourhoods. They're spread throughout the much more populous middle and upper class. That doesn't mean there isn't a social gradient, and I'll be happy to talk about that in a second. In other words, you can't target and actually get at the vulnerable children.

More important than that, investing in child care is not just about early childhood development. Even though I work at the Human Early Learning Partnership, we acknowledge that there are important other reasons, including labour supply and gender equality, and targeted systems just won't promote those issues.

Build yourselves a legacy — one that we can be proud of, one which the entire international arena will turn and applaud when 2010 comes because we've created a system of early learning and care that can be the cornerstone for family policy for families everywhere in the province. Thank you.

B. Lekstrom (Chair): Thank you, Paul and Lynell, for presenting to our committee. We do have a brief moment for questions before we move on to our next presenter.

J. Kwan: Just to get it on record and to be completely clear, do I understand you correctly that you're calling for a national child care program?

P. Kershaw: I'm calling for the British Columbia government to create a system of universally accessible child care here in the province. You don't have the ability to do it across the country, but you do have the ability to do it here.

[1320]

B. Lekstrom (Chair): Just in closing, you've brought something forward that I think is extremely important to all of us as British Columbians and Canadians. You made an interesting comment, and that's the balance that we have to look at as a committee. When you look at the projected surplus, what you've brought forward would fit within the fiscal mandate. We've also heard today about the elimination of MSP premiums, which is about \$1.4 billion.

The challenge we have, not only as a committee but as a government and a society, is that with all of the wants and needs we have in society, the pot is only so big. When investments are made, it certainly has to be sustainable in years where there may not be a projected surplus. Or we can initiate something extremely wonderful next year, only to find three years down the road that we have to claw back because natural resource revenues, for example, have altered in the pricing.

It's a fine balance. I think that virtually every presentation we get is very worthwhile and well thought out, but that is the issue of trade-off when that discussion takes place.

I thank you for coming before the committee today. Thanks, Lynell. Thank you, Paul.

Our next presentation today is from the B.C. Association for Community Living, and joining us is Laney Bryenton.

Good afternoon, and welcome to the committee.

L. Bryenton: Good afternoon. Thanks for taking the time to listen to us. You don't have a brief in front of you because I will be working to put a bit more statistical information into it before the deadline to get it to you. I'm just going to talk at you, hopefully briefly, so you can get off to have your lunch.

As a background for the B.C. Association for Community Living, our federation advocates on behalf of children, youth and adults who have a developmental disability, once called a mental handicap or mental retardation in days past. We are looking for all the ways in which we might help children and adults and their families live a good life in B.C. Our members include the children and youth, the adults, their families, service-providing organizations, professionals, community members who are interested in advocating for the best interests of people with disabilities.

We're here today to applaud the government and recognize the great goal 3. We think it's an important and laudable goal, and we're looking forward to working with this government to make that goal a reality in B.C. However, in order to make that goal a reality, particularly on behalf of the needs of people with developmental disabilities, there need to be pretty significant investments for us to be able to achieve that goal.

For the purposes of today, there are many departments or many ministries that intersect the lives of people with disabilities by the time they're infants all the way up until they're seniors. We want to focus on three areas today. We want to focus on community living supports, on income supports and on education supports.

First, I want to turn to community living supports — that's the Ministry of Children and Family Development — and specifically to CLBC. You've heard some comments earlier today about CLBC, but what we want to say is that we think we worked hard with government to make CLBC a reality. We believe that it was a first step in creating a transformation of services that was desperately needed in this province.

It's got a long way to go. It's got a lot of evolutionary learning and growing to do, but we do believe it is the framework for moving positive social policy forward on behalf of people with developmental disabilities and their families. That being said, though, we are deeply concerned by its lack of funding and the impact that is having on its ability to achieve its initial goals.

[1325]

There are a number of issues, I think, around that piece. CLBC became live with a significantly reduced

budget at a time when community living services were already facing huge wait-lists. We have a burgeoning demographic, and it is not just simply mirroring the demographics of the typical population.

We have huge numbers of kids who are getting diagnosed with autism, we have large increases in FASD, which have real impact on the need for services, and happily, people are healthier, and they're living longer. While we would have expected people to die between 40 and 60, an average considerably younger than the average citizen, this is no longer true today, and so we have this burgeoning population that CLBC is dealing with.

That and the fact that there have been no increases in the costs of providing service — the inflationary costs, the costs of food, gas, rent or whatever — means that the system of support is under a tremendous amount of pressure. So we can't state more emphatically the need for a down payment in trying to get ahead of this crisis that CLBC is facing. Maybe I'll restate that: it isn't a crisis that CLBC is facing; it is a crisis that the people that they are supposed to serve are facing.

Last year and the year before, but in particular last year, this committee recommended in its report that it fund the family enhancement fund. That's going to go ahead, and we appreciate those investments.

It also made a recommendation to government that it investigate the funding for CLBC. I hope that's been done, because what we will find is thousands of people who do not have the supports and services they need — both children and adults. There is simply not enough money in that system even to get ahead of the crises.

In particular, we have a problem with youth transitioning. Children who are leaving the school system no longer have supports during the day as they would have had in school. None of the children's services transfer over into adults, and we have families who are quitting work, leaving their economic participation in the province and staying home to care for their adult children. This takes not only a financial toll but a social and emotional toll on families. I think the comments made by the Federation of Families echoed that quite significantly.

Further, because we continue to fund on a crisis basis, we are not using the resources of this province wisely. We are urging you to invest \$75 million next year in CLBC to try to get ahead strategically on the crisis that it continues to face.

There's one other comment, actually, I'd like to make about that, and that is CLBC is also burdened with the inability to serve people who are outside of its mandate. You will know that there was a lawsuit by a family around the issue of eligibility and IQ. There are too many people who don't fit the criteria, but everyone knows they're people who need support. We also need to address that, and I believe CLBC can do that with appropriate support from government.

I want to turn to inclusive education. Inclusive education is the foundation of good education for all children. All of our research tells us that all children benefit. Typical learners experience better academic and social achievement in inclusive classrooms, and stu-

dents with developmental disabilities enjoy better employment, social and economic outcomes later in life if they have been educated in an inclusive school system. The reality today is that less and less kids are experiencing inclusive education, and in fact, more kids are actually being excluded entirely from the school system.

We've had lots of discussion about the investments in the education system, but the reality is — and we can't argue it because it's hard to argue facts and figures with government, frankly — that more kids are excluded and less kids are having their needs met adequately in the school system.

[1330]

There are two areas we'd really like you to focus on: the specialized teachers and the special supports to teachers — in particular, the school-based therapies. Children in grade school, like elementary school but even worse in high school, have almost no access to speech and language therapy, physiotherapy and occupational therapy. There's been a profound loss of those services over the last number of years, and we really need a re-emphasis in putting those supports back in the classroom.

Secondly, as a recommendation, we believe that you need to invest in professional development in the teachers. If we want best practice in this province, if we want a good, solid education system, we have to invest in our teachers.

The third issue is income supports. People with developmental disabilities live in poverty — true, abject poverty for the most part. In large cities they're far below 50 percent of the low-income cutoff. It is the single number-one thing that people themselves who have a developmental disability say to us as an advocacy organization: "Do something about poverty. We're tired of living in poverty."

Housing is not easily available. It's really expensive, and it's very hard to find when you live on \$786 a month. Further, the medical benefits are woefully inadequate, so we're asking... We know that there is a consideration on the increase to disability benefits. We applaud that direction, and we say: go do it. But increase it to the LICO. Make it a real investment in people who have disabilities.

Further, we're asking you for a 100-percent increase in the medical and dental benefits. The medical and dental benefits don't meet the kind of everyday need that you and I might need, nor do they then extend to the kind of extraordinary costs that someone who has a developmental disability or a disability might experience and need.

Finally, we just want to make a comment about former residents of institutions in B.C. We have a history that we should all be very, very proud of. In this province we have no large institutions for people with developmental disabilities, and this is a remarkable achievement in our country. We are celebrated right across our nation for our forward thinking, to make sure that people get to live a good life in community.

The sad fact is that people were abused in those institutions, and they are in court today trying to fight

that fight. I don't think we ought to be doing that in a country, in a province, as great as this. We can acknowledge that there was systemic abuse, and we can find another way to resolve that than in a court of law. We should not be making people who experienced that kind of abuse relive that through arduous legal processes. We can do better than that in this province.

Finally, I want to thank you. It's the end of your morning, and I know it's long, and there are so many of us. But we're proud of B.C. We like living here. We're excited about the potential of CLBC. We know that there is a strong economy and that the economy is getting better, and we're seeking your support for more investments to ensure that people with developmental disabilities have a good life in B.C.

B. Lekstrom (Chair): Thank you, Laney, for a tremendous presentation to our committee, and thank you for the work that you do on behalf of all of us here in British Columbia.

I'll look to members of the committee — if there are any questions regarding what you've put forward. As well, you indicated you will put a formal, written submission?

L. Bryenton: We'll have a formal submission. We're waiting for some numbers.

B. Lekstrom (Chair): Terrific — thank you.

Well, Laney, you've done such a marvellous job, I see no questions from members of the committee. Thank you so much. Take care.

At this time the committee will stand recessed until 2:05 p.m.

The committee recessed from 1:34 p.m. to 2:11 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 back to order and resume our public consultation hearing here in Vancouver.

Joining us today for our next presentation is First Call B.C. Child and Youth Advocacy Coalition. Joining us to make the presentation is Adrienne Montani and Steve Kerstetter. Good afternoon, and welcome.

A. Montani: Thanks for this opportunity to speak to the committee. I'm Adrienne Montani, the provincial coordinator for First Call B.C. Child and Youth Advocacy Coalition. In case you don't know who we are, we are a broad, non-partisan coalition committed to enhancing both public awareness and understanding of issues affecting children, youth and families. Of course, a key focus for us is encouraging informed public policy decisions that will benefit children and youth and their families.

If you're interested in who our partners are, I believe a brief has been distributed. You'll see our letterhead on the front page with all our partner organizations listed there.

To start with, I'm going to introduce Steve Kerstetter here, a member of our coordinating committee and a researcher, who will speak to you first on the issue of child and family poverty.

S. Kerstetter: Thank you, Adrienne, and thank you to the committee for this opportunity to appear.

We have a number of recommendations to put forward today. We're going to try to do this quickly, so hang on to your hats, and we'll leave as much time as we can at the end for questions from the committee.

Perhaps the most important of our recommendations is a recommendation that the government of British Columbia commit itself to reducing poverty in all its forms over the next several years. B.C. would not be the first province to make such a commitment. Quebec did it a couple of years ago, and Newfoundland did it last year. But we think it would be a very timely and worthwhile venture nonetheless.

You may ask: why B.C. and why now, in terms of an anti-poverty strategy? The short answer to that is that B.C. child poverty rates and the poverty rates for adults under age 65 have climbed to record-high levels in British Columbia in the last couple of years, well above the national average.

If you look at the first graph in your package, it talks about child poverty rates before tax. We give you the details for child poverty since 1989. What you see, for example, is that the national child poverty rate in 2004 was 17.7 percent and the B.C. rate was 23.5 percent — almost one in four children in British Columbia. That strikes us as absolutely ludicrous in a province that's as fortunate as ours.

A few people may argue that things are actually better now — that these figures only go up to 2004, so they're out of date and we're doing a better job and it's not as bad as it seems. In our view, that argument just isn't credible anymore. We've had six consecutive years with child poverty rates that are above the national average. In 2002, 2003 and 2004 B.C. had the worst record for child poverty, bar none.

It's clear to us that poverty is not going to go away on its own, and it's also clear that it's going to take more than general economic growth to make a difference in these figures.

The reasons for the high poverty rates in B.C. are not entirely clear, but it seems clear that part of the reason, anyway, is due to high rates of poverty among recent immigrants to B.C. Adrienne is going to say a few words about that in a second.

In this, what I call a three-and-a-half minute crash course on poverty, we're going to run through the other pages very quickly, and then we'll leave time for questions at the end.

The second page, the child poverty rate after tax, is for people that like the after-tax measures. The trends are exactly the same as they are in the first graph.

[1415]

The next graph deals with depth of poverty, or the dollars below the poverty lines that poor families live at. Just for the information of the committee, if you

want to take a couple of notes, in 2004 the depth of poverty for two-parent families was \$11,700. The depth of poverty for female alone-parent families was \$11,400.

Just to give you one hypothetical example, a single parent with one child living in Vancouver with the average depth of poverty would live on a total income of under \$14,000 a year. That's how poor we're talking about when we're talking about poor families.

Next page describes the median market income of B.C. families with children. Again, for the benefit of the committee members, the figures in 2004 are: for a two-parent family with two earners, it was \$72,000 — that's median market income; for a two-parent family with one earner, it was \$38,500; for a female alone-parent family with one earner, it was \$21,600.

The operative word here is median. These are median incomes, not averages. That means that in the case of a female alone-parent family, fully half of all those with earnings had market incomes lower than \$21,600.

Our recommendations, as you'll see in a second, include a hike in the minimum wage and annual indexing of the minimum wage.

Finally, the next page is a page of graphs that we stole from the National Council of Welfare in Ottawa that tracks B.C. welfare incomes over the years. What the table shows is that welfare incomes — this is income from all sources — peaked in 1994 in British Columbia and the purchasing power has fallen year by year ever since then.

I can't think of a single group in Canada where the purchasing power has gone down for 12 consecutive years — year after year, without exception. So our recommendations include increases in welfare rates for all categories of recipients and annual indexing of welfare rates.

I think that probably does it for me.

A. Montani: We also have, you can see there, recommended that we establish a fully publicly funded child care system in B.C. This probably isn't news to you that this is a demand from parents and the community generally.

We see this very much as part of a poverty reduction strategy and relevant to your deliberations or your input into the budget. We see it as a crucial part of our economy to have parents have access to quality child care for their children and, more than that, a good investment in our children so that they also don't cost us more in the long term.

It really is time to act now on the accumulated knowledge that we have about the importance of the early years. I'm sure most of you have heard that evidence about brain development, etc. It's time that we move on establishing a provincial plan for a child care system and early learning system. It needs to be a high-quality environment for children so they will thrive. It needs to be in a range of settings, whether that's family child care, centre-based, different hours. We need to have qualified early childhood educators working in those settings who can afford to stay in their jobs, so we have to look at their conditions of work and wages.

It has to be affordable for families and accessible for children with special needs, and it has to meet the needs of children zero to 12, so we're talking about preschool children as well as after-school care for school-age children.

That's what I think you've probably heard before from families all over. We certainly hear it from all of our partners in our coalition that the consultation stage is over. We've heard from everyone. It's now time for there to be a commitment from the province.

We realize that the federal-provincial child care and early learning agreements were cancelled by the new Conservative government. We still are looking for the province to make that investment in our kids and to come up with a plan and sustain the commitment that was in that agreement. We'd like to see a sustained commitment to a plan to expand quality child care in this province.

I'd like to read you just a couple remarks from an East Kootenay childhood coalition that wrote to us recently that they have no capital funds to build new child care spaces. Their birthrate is actually on the increase. Their enrolment in their early childhood programs to find qualified staff is the lowest it's ever been at the College of the Rockies. There are increasing levels of child care needs for child with special needs, and their child care centres and family day cares are closing.

There is a crisis in this area for parents and for children. We'd really like that to be part of your budget deliberations or the deliberations of government and your input into that. We know it's a big undertaking to set up a child care program, but it needs to start. We need a plan, and we need to cost it out and make that investment now.

[1420]

Another recommendation in our brief here is around funding for immigrant and refugee services and ESL programs. You may know that B.C. is now the second largest and most popular destination for immigrants to Canada but has the lowest per-capita funding for adult ESL language and settlement services. The trend is, of course, for increased immigration, so what is now an acute problem in the lower mainland is likely to be a generalized problem for the whole province eventually.

Our recommendation first is around making adult ESL language training more available up to minimum level 6. B.C. currently lags behind other provinces in offering free English language training for adults, with English language training for new immigrants and refugees only up to level 3, which takes you to about an upper-beginner, lower-intermediate — certainly not good enough to give people the English they need to establish a good foothold in the marketplace or in the workforce.

We're a child coalition so, of course, this affects their children because it affects their ability to communicate with their children's institutions, like schools, and play their parenting role. But of course, it also affects their financial security. They find themselves disproportionately represented among poor families. Again, that affects their children and their outcomes.

Hence, our recommendation is that we really look at investing those federal funds that come in for settlement, but a lot of them go into fee-paying programs. We need the free programs for adult ESL learners.

The second recommendation in that area is to increase funding for ESL and settlement supports within the public school system. A few stats for you that underline this recommendation. In Vancouver 60 percent of kindergarten children are ESL in the Vancouver school system as of 2005; 56 percent of Vancouver secondary students are ESL. In Richmond 60 percent of all students in the school district are ESL. In Surrey 30 percent of elementary students are ESL. These are 2005 figures.

The secondary dropout rate from a recent UBC study of Vancouver immigrant students was 40 percent. Again, these are large numbers and growing. We really need to make sure that the resources are there, not only for enhanced ESL instruction for children but also for the settlement and support services that they need in the school system so they can succeed and graduate.

Lastly, the recommendation we've made on restoring the employment standards branch permits for young workers aged 12 to 14. You may wonder why this is coming to a Finance committee. It's a small item in the budget and therefore quite doable, given the surplus, etc., but it's one that we really wanted, again, to bring to your attention out of a concern.

If you look at WorkSafe B.C. data and other data on the injury rates for young workers, the move in 2003 to remove employment standards branch oversight and permitting of work permits for children in this age group puts them, in our opinion, at great risk.

The assumption was that parents, in signing a consent letter, would become responsible for their children's welfare in the workplace. A recent CCPA, Canadian Centre for Policy Alternatives, study shows, I think, that for 58 percent of the students they surveyed, the employer had no parent letter on record.

Parents are not in a position to play that role on their own, and they really need support from the employment standards branch to look at the safety of the work site, particularly for these very young and vulnerable workers.

To recap, we have some recommendations there on the last page of your brief. First Call, again, as a coalition devoted to the well-being of children and youth, is committed to assisting government in understanding the effects of provincial budget decisions and policy on children, youth and family. So please feel free to consult with us at any time.

We certainly thank you for your attention today and welcome your questions.

B. Lekstrom (Chair): Well, thank you very much for coming and talking to our committee and presenting your recommendations.

I'll look to members of the committee, if they have any questions regarding what you brought today.

J. Horgan: Thank you very much for your thoughtful presentation. I wouldn't mind spending a few min-

utes with you, Steve, to go over the graphs a bit slower, but I don't know if we'll have time to do that today.

I wanted to go to your recommendations and your cluster, "Realistic and Reasonable Welfare Reforms." What appeals to me in this series of recommendations is: to "introduce a market basket of goods and services as a basis for setting welfare rates." I wonder if you could expand upon that a little bit so the committee can better understand what's intended with that.

S. Kerstetter: For a number of years in British Columbia, SPARC-BC has done calculations on what the cost of living would be for different family types, so they use a nutritious food basket developed by Health Canada. They take housing data on rents in British Columbia and calculation of the costs of all the other necessities of life, like clothing and household supplies; personal care items; transportation; and bare minimum, leisure-type activities.

[1425]

There's a procedure for doing these calculations every year. They add up the costs of the basket of goods and services, and they compare it to the current welfare rates in British Columbia for each of those five family types. Year after year what you see is that the amount of income provided by the social assistance programs and related programs like the federal child benefits, sales tax credits and the like.... The total incomes are well below what the basket of goods and services was.

The recommendation is.... There are many different ways you could set welfare rates, but this strikes us as the most sensible. Have a basket of goods and services. We can argue about what goes in or what goes out of the basket or how much of an item goes in the basket, but it strikes us as a much more rational and a much more humane way to deal with very real problems of very, very poor people.

J. Horgan: Could I conclude, then, that you would agree with other presenters who have said today that a primary impact on good health is poverty and one way to alleviate that is to try and achieve one of the government's goals of increasing fruit and vegetable intake, for example, or healthy eating? One way for those on welfare to achieve that would be to ensure that the basket of goods could be realized with the revenues that they get from income assistance.

S. Kerstetter: Right, and I'm sure you're aware of the annual studies that are also done by the nutritionists of B.C. that show that after you cover these other expenses, there are a lot of people on welfare that just don't have anything left, or they buy the food and there's nothing left for anything else in the month. It forces some very painful choices on some very poor people.

D. Hayer: Thank you very much for providing your presentation. I've got a question. On this list you have a whole bunch of agencies listed. Does every single one of them endorse what you are saying — for the record?

What you have presented, are they endorsing your presentation here?

A. Montani: Yes, because when we put a presentation like this together, it's based on what we call.... We operate around an agreement in our coalition on the four keys to success. That's around commitment to early childhood; reduction of income inequality, particularly around poverty reduction — these are things we have agreed on as a coalition; supports for youth in transitions; and creating safe and caring communities. That's our agenda that we've come together and agreed on. So when we craft our recommendations, they are based on those four keys to success that we've all agreed on.

D. Hayer: Do you sort of let them see what you're going to present, the recommendations that will be provided, and ask them to say if they support it, or do you sort of assume they automatically support it because you discussed it together?

A. Montani: In this case we did not have time to put this out to everybody. It's gone out to them now, but we haven't run it by all.... But these are nothing new in our demands; these are all things we've asked for, for many years and discussed at our coalition table for a long time.

D. Hayer: I talked to some of the organizations before. Some of the issues that they said were different than this, because some of the ones on the list.... That's why I was trying to ask the question. Thank you very much.

A. Montani: Well, we're a very big coalition, and there's lots of room for some disagreement over the how-to's of some of these things, but we agree at the broadest level on the outcomes of reducing poverty and investing in young children.

R. Lee: Thank you for the presentation. You mentioned that there are other jurisdictions — for example, the U.K. and Quebec — that have a poverty reduction strategy. Can you elaborate a little bit on their tactics?

S. Kerstetter: It's a very timely question. I'm glad you asked that. As a matter of fact, it turns out there was a story in the *Toronto Star* this morning about the Irish commitment to reducing poverty and what the results have been in recent years. I can leave a copy of that with the Clerk of the committee.

The UNICEF Innocenti Research Centre in Florence has documented some of the things that have happened in Great Britain in recent years as a result of the country's commitment to reduce child poverty. There's ample information available on the government of Quebec website and on the government of Newfoundland website about things that those provinces have done, or are in the process of doing, to reduce poverty.

I guess it's hard to generalize except to say that fighting poverty.... There's no magic bullet. There's no

single solution. Any sensible anti-poverty strategy involves umpteen different varieties that take account of family status, labour force participation, age, disability status and all these other things that are crucial variables to families in British Columbia and elsewhere.

R. Lee: It's also said that the best welfare is a job. So over the last few years the effect of job increases actually could help some of the problems.

[1430]

S. Kerstetter: I think it helps a bit, but the fact remains that Canada — including British Columbia, of course — is what the OECD people call a low-wage country, with about 25 percent of the labour force in jobs that are considered low-wage jobs. A lot of these people, depending on family size, could have great trouble making ends meet.

That's one reason we were looking at minimum-wage increases, which by themselves don't affect a large number of B.C. workers but tend to push other low-wage jobs up a bit, you know, and make it a little more affordable for those families.

B. Lekstrom (Chair): One final question.

I. Black: Part of our responsibility as a committee, of course, is accumulating all of the extraordinary presentations we have received and will receive in the next couple of weeks. Within that comes the responsibility of making recommendations. It inevitably boils down to choices, because you can never do everything you want to, of course. There are a lot of great ways we could spend money.

You've identified six of them — very important concepts, each one of them. What I don't see here is any sense of the costing of these as to what this might cost the government to act on any one or all of these. Can you give us a sense of the dollars involved here, which would help us as we go forward?

S. Kerstetter: I guess the short answer on that is no. Without being flippant about it, it strikes us that that's a government responsibility to figure out what's the best way to raise the money to do these things.

We're convinced, and we've been convinced for many years....

I. Black: Pardon me. Sorry, I didn't mean how to raise the money, just what the ticket item, the actual cost of each of these would be.

S. Kerstetter: We'd be happy to.... We can probably point you in the right direction on some of these, but we'll need more time and space to get into some of those issues.

A. Montani: Some of them, like the last one — maybe three workers at the employment standards branch that used to be there, that used to do permits, that aren't there anymore. That's a small one.

We've been asking the province, actually, on the child care system to please present a plan, cost it out, look at the needs. There are early childhood planning tables around this province now thanks to investment from the provincial government in Children First and Success by 6 tables. They are ready to tell you and tell us what they need in their communities and cost that out.

Yes, it can't all be done in one year. Nobody expects that. But start rolling out something that says: "Here's the target, and we'd like to get there."

As a little coalition with a couple of people in an office, we don't have the capacity to do that but certainly, with our partnership organizations, are quite prepared to assist government in doing that.

I. Black: Well, we take that in the spirit with which it's intended. Thank you.

B. Lekstrom (Chair): Adrienne and Steve, I want to thank you for taking the time to come and present your paper and recommendations here to our committee today.

Our next presentation is brought to the committee by the Consulting Engineers of British Columbia. Joining us are Francois Morton, Neil Cumming and Glenn Martin.

Good afternoon.

N. Cumming: Good afternoon, and thank you for the opportunity to speak to the committee. My name is Neil Cumming. I'm a past president of the Consulting Engineers of B.C. On my left is Glenn Martin, who is the executive director of CEBC, and on her left is Francois Morton, who is the current vice-president of the Consulting Engineers of B.C.

CEBC is an industry-sponsored organization that represents about 100 of B.C.'s consulting engineering companies. Those member companies employ over 5,000 people in B.C. Our employment these days is growing for obvious reasons, and we represent, in total, about \$500 million in annual revenue in the economy of B.C.

We represent by far the large majority of the engineering capacity in the province that is available to both the public and the private sectors. In addition to that, many of our members are offering engineering services nationally and on the international market.

We're here to talk to you today, hopefully, about something that isn't going to cost the government any more money, but it's something that I think is going to be fairly critical to the economic sustainability of the province and certainly to our profession.

This is a time in our history, right now and for the next few years, where we are enjoying an unprecedented level of economic activity. The driving forces are pretty well known. The nucleus of that activity right now is infrastructure development, and that nucleus is dominated by the transportation sector. The infrastructure development, combined with the current government policies, is providing kind of a unique opportunity — and a stimulus, actually — for the sub-

stantial amount of private sector development that we're seeing in the industrial, the commercial and the residential sectors right now.

[1435]

It's a fact that the numerous large infrastructure and Olympics-related projects that are underway at the moment are creating a great deal of opportunity and busyness for members of our organization. But what a lot of people don't realize is that the stimulus created by that type of economic development has created enough of the background economy that our members could be very busy even without all of the major infrastructure development right now.

From our point of view, things are very good. The future is attractive, and our message today is to discuss with you some of the things we need to do to sustain that economic activity, that economic prosperity beyond the Olympics and well into the next decade.

The citizens of the province right now are facing opportunities for economic prosperity that we haven't faced before. We have an opportunity to carry that well into the next decade. Indeed, we are looking at the government to provide the leadership and the vision and the wherewithal to enable us to capitalize on that opportunity and make sure we do sustain this level of economic activity for quite a number of years.

Our members see that as a critical objective for the government. We need to be setting the groundwork today to be able to continue this prosperity into the next decade.

It's pretty well known to everybody, I think, that there is a substantial upward pressure on construction costs these days, driven by materials and labour shortages. What is not quite so evident in the public eye is the importance of the engineering component in the economic development of the province.

It is a fact that none of the development that we have in our vision, which is happening today.... Nothing is going to happen if our members don't have the engineering capacity to do the design, to do the construction, to do the operations of these facilities.

The engineering profession is very much a control valve on the level of economic activity that is going to happen and how long it can be sustained in this province. Without the engineering component, none of this infrastructure development and none of the private sector or industrial development can happen.

The engineering capacity in the province — the ability of our members to deliver engineering services — is very much on the critical path, and it's going to be one of the controlling factors on the amount and the rate of economic development in the province. To sustain that level of economic development into the next decade and to deliver the infrastructure, the Olympic projects, the industrial and the commercial developments, our members have to have the ability to respond to that demand.

The lifeblood of our profession is people. We cannot increase our capacity by building machinery, by building mills, by building plants. We need people. It's a people-driven organization. It's a people-driven profession.

If we're going to respond to the increasing demand, we need people. That means we need to attract more people into the profession. We need to keep the people that are in the profession there longer. We need to attract people into B.C. from other parts of Canada and from other parts of the world.

There's a fair amount of pressure on the number of people entering the profession right now. It's becoming more and more difficult for us to attract younger members into the consulting business because there are many other opportunities available to them as engineers in the public sector, in the manufacturing sector and in the high-tech sector in other countries. We have to compete with that in the world market.

At the other end of the spectrum many of our engineers are retiring out earlier in their careers, often due to a perception of undue risk to their personal assets. A lot of that risk arises from the current civil liability regime that exists in B.C.

That regime puts a considerable risk factor on engineers practising in the consulting sector. It exposes them to both corporate and personal liabilities that really don't belong to them and that they don't have any ability to control. It is a fact that no other professionals, with the possible exception of architects, face that level of liability and exposure of their personal assets.

[1440]

If the current level of economic activity is to be sustained, if we're going to capture the benefit and capitalize on the opportunity that lies ahead of us, and if we're going to achieve the Premier's vision of the golden decade in B.C., the government must act to ensure that the necessary engineering capacity is there. If our members can't respond, if we can't deliver a lot of this economic development, then the economy will indeed be stifled.

I think one of the most important priorities to move forward to achieve that objective is to move forward with the program of civil liability reform that was begun by the former Attorney General Geoff Plant. In the packet of material I have given you, there is the text of an address I made to a meeting of some 38 MLAs in April. I suspect some of you were there. That information explains the need for civil liability reform, why this is important to the province. It provides some information on what we recommend as being a fair and reasonable approach to reforming our civil liability regime.

We want to recommend to this committee that if the government does not move forward with some form of civil liability regime, it will certainly impact on the ability of our members to attract new engineers and engineers from other localities into the engineering profession in B.C., and that will unquestionably have a suppressing effect on our ability to help sustain this economy.

The final message I want to leave with you is that at a time when we should be doing everything possible to enable younger engineers to enter the profession, at a time when we should be doing everything we can to attract people into the profession, this government and this province are asking those people to put their personal assets on the line to cover the liabilities of every

other consultant on a project, every contractor, every subtrade, every materials supplier, the developer, the owner, the municipal authority. I think you would probably agree with me that if I am a young engineer with several career options ahead of me as I enter the workforce, that's not a very attractive proposition.

As I said back in April to the Premier and to the group of MLAs that we spoke to, we need some help. We need some help from the government to help us bring the people into the profession that we're going to need to answer the demand that will allow us to carry this economy into the next decade.

B. Lekstrom (Chair): Well, thank you very much for presenting here this afternoon. I'll look to members of the committee if they have any questions.

D. Hayer: Thank you very much. I was at your presentation that you made before regarding the liability of civil law, liability reform that you are looking for. I think it's good that you're bringing that to the Select Standing Committee on Finance and talking to the public, because many times on the goal of the public, they don't realize that's a big issue. Until the public realizes the big issue, they sometimes think maybe the government is trying to solve something that's not an issue.

Talking about the construction. Olympics construction is at around \$600,000, but the plant construction and development over the next little while is over \$100 billion. That's a very large amount of construction that's going to be happening in this province.

Have you also looked at maybe the foreign-trained engineers we have? Some of them have their credentials from other parts of the world and, with respect to your organization, a lot of experience. Are you working with your society to make sure you can find a way to recognize their credentials so they can also fit in the skill shortage you're looking at?

N. Cumming: Certainly, that's a very important part of our recruitment strategy. I should make the distinction that our organization is an industry-sponsored organization that represents the business interests of its corporate members. The licensing body is the Association of Professional Engineers and Geoscientists, which is a sister organization. They are the ones that are responsible for registering and reviewing the credentials of other engineers.

We are in close communication with them. Both organizations understand that there is an issue there. It's a delicate balancing act between allowing the foreign-trained engineers into the workforce as fully qualified engineers in the province on the one hand and still maintaining our mandate, which is to protect the public to make sure that our members are properly qualified. It certainly is very much a topic of discussion and activity on the part of both organizations.

D. Hayer: To follow up on that, just one short question. I understand it's a sister organization, but sometimes you need more people to talk about it, not just

that one organization alone. I think that if industry also tried to talk to them, they would listen a bit more. Many times when I talk to people, they say our credentials have been recognized. Then they talk about having Canadian experience. They say you can't get Canadian experience until you get hired. It's like the chicken and the egg.

N. Cumming: That's right. We are in dialogue with them.

D. Hayer: In the sense that you represent industry, if you can work toward it, trying to work with the government — the municipal, federal and provincial governments — and industry, then we can solve these problems much easier than otherwise.

I also understand that safety has to be number one. After safety issues have been dealt with, then the next level is trying to get them some experience so they can get some jobs here.

[1445]

N. Cumming: Right. We are in dialogue with them. The importance of that issue, I think, is recognized.

I will say that another controlling factor on the recruitment of foreign engineers — and I've just been through this with my own company in the last month — is getting them through the immigration process. I realize this is a federal government issue, but it is a painfully slow process. We have just extended an employment offer to a young engineer from the United Kingdom. It has taken us at least eight months to get through the immigration process to the point where we could actually extend to him an employment offer. We have to work both sides of that equation.

D. Hayer: I'm a parliamentary secretary for multiculturalism and immigration. You should also look at the provincial nominee program. We were talking to the federal immigration minister, who can process it anywhere from three to six months versus a long period of time. Some of the applications are gone through as early as a month or so.

N. Cumming: Okay, that's good to know. Thank you.

B. Ralston: I was at the breakfast back in April, and I'm just wondering what progress has been made in terms of your response from the Attorney General or the Attorney General's ministry on tort reform.

G. Martin: I can say some things to that. At that breakfast Neil's presentation attracted the attention of the Premier, who suggested that he speak to an all-party committee of MLAs, which is one of the reasons why we're here today. He also asked Ralph Sultan, who's the MLA for West Vancouver-Capilano, to establish a committee with the Premier, with the Attorney General, to review the factors involved in making some legislative changes to that.

Our coalition is working with the Architectural Institute of B.C., APEGBC and the chartered accountants. We're in the process right now of establishing a position paper endorsed by all four groups that we will give to Ralph Sultan, who will present it to his committee. His target date is to start at the end of September, so we're making some progress there. We continue, through our MLA, an outreach program to bring this issue to the attention of the MLAs across the province through our volunteers and our organization.

N. Cumming: If I could add just quickly — and correct me if I'm wrong — we have attempted on more than one occasion to arrange a meeting with Mr. O'Pal, and so far we have not been successful. If there's somebody on this committee who could help us with that process, we would be very grateful.

F. Morton: It's not for lack of trying.

B. Ralston: The committee that you refer to with Mr. Sultan sounds like a government caucus committee. Now, I'm in the opposition caucus, so if you could keep me advised of what's taking place there.... Ordinarily, through the channels that take place, we don't often hear about what government caucus committees are doing.

G. Martin: We certainly will. We also tried early on in the summer to get a meeting with your leader before she was away sick for the summer. We will try that again, because we definitely want to ask for your support in our endeavours as well. So we'll keep you in mind.

B. Lekstrom (Chair): Well, Glenn, Francois and Neil, I want to thank you very much. You have brought an issue that certainly I don't believe is new to many British Columbians or legislators. It's an important issue, and I thank you for coming before the committee today.

J. Kwan: Mr. Chair, I just wanted to follow up on the request about the meeting with the Attorney General. Perhaps — through you again, Mr. Chair — you can make a request, on behalf of the group, to the Attorney General and ask that he meet with the group so that we can try and do what we can to facilitate that meeting from this end.

G. Martin: That would be great. Thank you very much.

B. Lekstrom (Chair): At this point, that concludes the registered speakers for the session that concludes at roughly 3 p.m. today. Following that, we will go to a session for people who require translation services. This is the first time our committee has endeavoured to accommodate members of the public who need translation services and would like to present in Mandarin, Cantonese or Punjabi. We do offer an open-mike session at the end of each session, and at this point we will move to our open-mike session for this afternoon.

Wishing to speak to us first is Andy Tse. I will call Andy forward.

[1450]

A. Tse: Good afternoon. My name is Andy Tse. I am a parent very concerned about education, and I'm also a critic on education for the local Chinese media. That includes newspapers, radio and TV. I host a monthly talk show on education matters. To give you an honest and personal opinion on our education system, let me say that we have a great system here, but there is room for improvement.

The reason I'm saying this is because my target on education is two things. First of all, the education system has to be effective and efficient, and I'm sad to say that our system is not exactly what I mean by effective and efficient. Effective means we know what to do and know the best way to do it. Efficient means using the minimum number of resources — which includes money, time and manpower — to achieve the optimal goals. Well, we are not doing that so far, as I can see it.

Let me give you a few examples. First of all, out of our graduates every year, only about 20 percent of our kids at grade 12 leaving high school go to university. What about the other 80 percent? Another 20 percent may be going to all sorts of colleges in B.C, still leaving a fair amount — I would say a substantial amount — of students not knowing what to do. That, in my opinion, is far from being effective and efficient.

A previous speaker earlier, a lady, also mentioned ESL. Well, I am also concerned about ESL performance. A lot of money is being spent on education — that is true — but I think the government should explicitly spell out and explain to the general public how our education dollar is going. I have been a school planning council member for two years, since 2002, and I know about various budgets and how the school boards spend money on education. More than 90 percent of the education funds go into teachers' and administrators' salaries, leaving only a very small amount for other uses in the school, including libraries and so on.

Therefore, I would like to put forward two proposals as to how we can make our education system more effective and efficient. The first is that I recommend that every primary elementary school kid should be given a good dictionary supplied by the government. The dictionary that I have in mind is one which has a very good and easy-to-use pronunciation system. Just any ordinary dollar-apiece dictionary is no use.

In order to enable elementary school kids to learn to use a dictionary and use it effectively and efficiently, they need to be supplied with a decent dictionary. The one that I have in mind in particular is produced by Scholastic publishers. It costs less than \$20 apiece. It is, in my opinion, a very, very good dictionary to use — very user-friendly — and contains a lot of words, which is sufficient for elementary school use.

Second, I would recommend that the government should spend a designated amount of money on school libraries, particularly elementary school libraries. Money should not be channelled into general funds but

rather should be specifically labelled as money to buy books for elementary school kids. You cannot replace books with the Internet. On-line material is all right, but you cannot expect every kid to have a laptop or a computer at home that they can use anytime.

[1455]

Libraries with limited supplies of books can only benefit a very small number of kids. In most primary school libraries of which I know, they only stock books one of each kind or, at the most, two or three. That is not enough.

If teachers can recommend good books, each school library should be stocked with at least ten or 12 copies each. One book can only benefit one child at a time. But if teachers can recommend good books — say ten or 12 copies — we can benefit the whole class within a week or two. That is what I mean by spending money effectively and efficiently. That is basically all I want to say.

B. Lekstrom (Chair): Andy, I want to thank you for coming out and listening to the committee and taking an interest in bringing your views forward. As I've said to all of our presenters, we give full consideration to all of the presentations we hear. Certainly, it's unfortunate we can't include in our report every recommendation that's put before us, but I thank you for your input here today.

We do have a little bit of extra time. Traditionally, on an open-mike session we don't have a question period, but I think we do have some extra time here for a few minutes.

Are there any questions of Andy?

J. Kwan: I am interested in your point of view around the latest study that was actually published in the papers around ESL students and the high rate of dropout for ESL students. I just wonder: from your perspective, aside from these recommendations, do you have some other comments related to that?

A. Tse: On the ESL issue, in my opinion, again.... I'm a professional planner, and I insist that everything should be done in an effective and efficient way. I don't want to waste my time; I don't want to waste money.

But how ESL programs are being run in various school board districts here.... I think it's not being done the right way. First of all, the time is too long. Five years in ESL is far too long. You drag the kids out. Once they have been screened that they need to be put into the ESL program, they are dragged from the regular classes and grouped together to attend some ESL courses during school hours during the school year.

That is not benefiting them at all, because they are being displaced from regular classes. After the ESL session they are being put back into what is left in time of the regular classes, so they lose out both ways.

They are not benefiting much from the ESL program. They are not benefiting much in the regular classes as well. Another thing is that if the kids, particularly new migrant kids, are coming in after grade 9 or 10.... Under the new system, grade 10 is already senior secondary. If kids enter our public school at

grade 10, 11 or 12 and if they are still in the ESL program, there's no way these kids can graduate before they turn 19.

That is why a fair number of ESL kids are dropping out. It's because they simply cannot pass the various subjects, particularly English and also social courses, and there's no way these kids can get enough credits to graduate before they turn 19. That is physically not possible. That is why I say the ESL program needs to be overhauled. We need to find more efficient ways to do it.

I'll give you part of my personal experience. I spent four weeks turning a grade 7 kid from Westridge primary school. I totally turned him around. In four weeks' time he became the top public speaker in the public speaking contest in the city of Burnaby. If you don't believe that, check my record. I managed to do that. In four weeks' time I totally turned a kid around.

[1500]

When I first met him, I knew his mom. His mom told me: "Oh, Sean from Westridge Elementary School. Every time he opens his big mouth, all the other kids laugh at him because he's a migrant kid from Taiwan." So I told him: "If you want to improve, you'd better pull your socks up." Fair enough. In four weeks' time — just four weeks — he became the top speaker in the whole of Burnaby. I managed to do that. I've been there; I've done that.

That is what I was talking about — effectiveness and efficiency. If you can use less time and less money, and make your resources more effective, then a lot can be done for our ESL kids. I'm not just talking about the new migrant kids. Some ESL kids are locally born and bred; I've seen enough already. So don't mistake that ESL means only new migrant kids. No, a fair number of our ESL kids are locally born and bred. Yet because of their family background and so on, their command of English is below standard, and these are the kids that we need to help.

I've been a volunteer for the Vancouver school board for the past ten years. I know what I'm talking about. I've seen enough.

B. Lekstrom (Chair): Okay, one more question.

R. Lee: Thank you, Andy, for your presentation. Your talk actually emphasized the intensive ESL program, which is really important. There are also proposals out there for shortening the ESL period, but with intensive intervention. Have you considered this?

A. Tse: It might be possible for certain ESL courses to be run in other than normal school hours — maybe a class before the normal class time or shortly after school. In that way, kids don't have to be dragged out, away from the regular courses, in order to attend ESL classes. That is what I mean by making more effective use of the kids' time and also our resources.

B. Lekstrom (Chair): Andy, again, I want to thank you on behalf of the committee. Your passion for edu-

cation comes through very clearly to us. I thank you for taking the time to come and speak to us.

For our next speaker at the open-mike session I'll call on Paul Keeling. Good afternoon, Paul.

P. Keeling: Good afternoon. My name is Paul Keeling. I'm a member of a group in Vancouver called the Civil Society Development Project. I'm here to speak on behalf of and in defence of our provincial parks. We're concerned about the state that the parks are in, and we're concerned that the government appears to be resorting — pun intended — to a strategy of developing commercially inside provincial park boundaries with lodges and resorts.

We're seeing a real shift in philosophical view from the parks as protected areas to the parks as revenue generators — a kind of paradigm shift from a more conservation-based priority to a more recreation-based priority. This has been sloganized under the marketing strategy "Parks are for people." I think it's kind of an Orwellian expression, because it may very well be that what the people want is for their parks to be in an undeveloped wilderness condition with a maximum degree of natural value.

[1505]

Nothing necessarily follows from saying: "Parks are for people." What we do or what we don't do with our parks is going to be a reflection of our values. Cathedrals and churches are also for people, but most people wouldn't propose putting hot dog vendors or Coke machines inside a cathedral to attract a larger congregation on the grounds that it's just not the thing that goes on in a cathedral. It's not the *raison d'être* of a cathedral. I think it's also kind of a very ironic slogan — "Parks are for people" — because I think the people have been systematically ignored in the formulation of this policy.

In 1996 the government ran something called the Parks Legacy project, which held 140 public meetings and workshops across the province. I think the message was quite clear at that time: please retain and strengthen the Park Act. Please fund the parks adequately. Please do not further commercially develop the parks for revenue generation.

Now, in 2002 the government ignored the findings of the Parks Legacy Panel and convened something called the recreation stewardship panel, which held a scant four public meetings very quickly. In their summary reports the recreation stewardship panel dutifully reported that stakeholders expressed concerns regarding cutbacks to parks programs and services and that there was a strong consensus that government has a fundamental responsibility for conservation and sustainability as well as biodiversity.

After they had their written submission period, they summarized the report: "Conservation was viewed as the paramount priority by virtually everyone." "A majority of respondents raised concerns regarding contracting our recreation service to private providers, with many opposing the concept outright." Those objections were duly noted and then ignored.

The British Columbia Wilderness Tourism Association, an organization which regards wilderness with, certainly, economic eyeglasses on, responded to the recreation stewardship panel's report with great concerns about the park lodge direction that they seemed to be going in. They wrote in their response to the government: "People come to B.C. because of the back-country's reputation. These are the SuperNatural qualities — especially as protected in its parks — that are the marketing 'hook' that allows our wilderness tourism industry to attract and hold our market share in the world's largest industry — tourism."

They went on to explicitly state their objection to the idea of developing intensive tourism facilities inside the park boundaries and in the back country.

Because I agree that parks are for people, I believe that the parks should be adequately funded so that we don't have to sell them out and do what the Wilderness Tourism Association called spending the principal rather than making money off the interest. They regarded wilderness as the principal on which you make money off the interest.

That's my main message. I wanted to just simply state for the record that as a citizen, I and my group have concerns about the direction that's going and that the parks are not being regarded as a public good with taxpayer funding adequate for the right kind of conservation. I think the British Columbia people have made it very clear that they regard parks as one end of a landscape spectrum, which is to be a protected, inviolate area with conservation as its primary *raison d'être*. Eighty-seven percent of the land can be logged, mined, paved, drained, dammed and plowed. I think basic principles of balance and fairness would dictate that our parks should be funded and left as conservation sanctuaries.

[1510]

I was here earlier and heard the Truck Logging Association — I have their report here — and some of the requests they made. One of their requests was to allocate resources to educate school children about natural resource industries that provide people with the things we need and that the B.C. curriculum should reflect the importance of this sector.

In providing some balance, I would like to ask that funds be allocated to educate our young people about conservation, biodiversity, ecological integrity and so forth, and that some of the conservation programs and interpretive programs of our parks be restored and brought back. I understand that the only two North American jurisdictions that don't have these interpretive programs are Mississippi and British Columbia. That's my response to the need to educate our children.

Another one that the truck logging people mentioned was to quantify the true cost of ecosystem-based management. I would like to see a study that might quantify the true benefits of ecotourism and wilderness conservation to the overall economy of B.C. The Wilderness Tourism Association and a lot of the ecotourism groups seem to think that the pristineness of our wilderness areas is a key component and is contribut-

ing a lot more to the economy than is being factored into these policy discussions. The Wilderness Tourism Association didn't think that the government was using the right numbers.

That's all I have to say. I don't want to take any more of your time, because I know it's been a long day.

B. Lekstrom (Chair): Thank you, Paul, for coming out and taking the time out of your day to give us your views on the issue. Certainly, you're passionate about the issue of parks and your view on them, and we appreciate your coming before the committee.

We are going to move on. We have a presentation by the Canadian Bar Association, the poverty law section. Joining us today are Jess Hadley and Pat MacDonald.

This is just prior to moving into our translated portion. We do have a group that was able to make it here today, so we will certainly hear from you. Then we'll move into the translation portion of our meeting, which we are going to attempt to try here today.

Good afternoon, and welcome.

J. Hadley: We really appreciate the chance to speak today. We were here this morning, hoping to be heard on the overflow list, and we're glad we made it. I hope you're not too tired after what I'm sure has been a very long day of submissions. We're going to try not to take more time than we need to.

I'm Jess Hadley, and this is Pat MacDonald. We're both members of CBA, the Canadian Bar Association poverty law section. That's a group of a wide range of lawyers practising in a variety of areas of law, all of whom are very concerned with poverty law issues and concerned with ensuring that poverty law is an area of law that is not neglected.

We're here to talk about legal aid funding for poverty law. The message that we have for you today is that we ask the committee to recommend that the minister reinstate funding for poverty law legal aid. You may know that in 2001-2002 there were significant cuts to the budget for legal aid, and the gist of our message is that we would ask that those cuts be totally reversed.

Just to give you a bit of background, poverty law is law dealing with people's basic needs — people's ability to meet their need for housing, food and clothing for themselves and their families. It's law that deals with, by definition, marginalized people — people who are facing physical and mental health problems and people who are already members of disenfranchised groups, such as aboriginal people or single mothers. It's just a group of people who are very much in need of assistance in dealing with their legal problems. In B.C. there are people who do not have access to very much at all in the way of legal aid funding.

Some examples of types of problems that people face in the area of poverty law are loss of employment, loss of income security such as disability benefits or welfare, spiralling debt and bankruptcy, tenancy problems, difficulty getting housing, and even homelessness. These are all issues that connect with a wide variety of other legal problems. It's not an isolated area.

Basically, if you have problems in the area of poverty law, it's likely you're having great difficulties with many areas of your life. It's very important that you get help addressing those problems, or it's likely that more problems are going to be created. It's going to create expense for everyone and more difficulty for you.

[1515]

As I mentioned at the outset, in 2001 or 2002 the government decided to change the budget for legal aid significantly and in fact cut funding by 40 percent. As you can imagine, that had quite an impact on how the Legal Services Society, which is the organization that administers legal aid, allocated its funding. It decided, in order to meet the requirement that it had to provide basic services for people with criminal law problems and very serious family law problems, to cut poverty law representation totally.

So right now there is no poverty law representation available for people in B.C., and people are limited to a very short amount of phone advice on a telephone hot-line. There's no face-to-face advice at all, and the advice is very strictly limited to, I believe, three hours. It's really inadequate for most types of legal problems. I don't know if you've ever had legal issues in your own life, but three hours of a lawyer's time isn't enough to accomplish very much.

Why is it such a big problem that poverty law issues are not funded for legal aid at all? It's a problem, first of all, because it's not the right thing to do to leave these people without representation. The people who need poverty law services are those who are economically disadvantaged, and leaving them without representation leaves them at the mercy of landlords or employers or collection agencies, loan sharks, exploitive spouses. In fact, often even the government will raise legal issues with people, and they don't know how to respond.

Restoring funding for legal aid will give these low-income citizens the ability to know their rights and assert their rights, often in cases where their rights are being infringed.

Poverty law services are important, as well, because the people who need to take advantage of them are the poorest in Canada, and they fall well below the poverty line. Even those who are well below the poverty line don't qualify for legal aid. It's just people who are incredibly vulnerable who do need poverty law help.

We've prepared a couple of examples, which Pat's going to share with you. Hopefully, this will make it of a little bit of interest for you — three case examples showing how poverty law issues can arise in someone's life and how legal help might help them. For example, it contrasts what might have happened before, when there was funding for poverty law representation, and what might happen now that there isn't representation available.

P. MacDonald: You may already have a copy of our presentation. These examples are in there anyway, so I will be brief.

For example, if you have a single mom that's working as a waitress and earning minimum wage and supplementing that with tips, and she has an altercation or

something that happens with a client — for example, one of her customers — and the customer maybe does a dine-and-dash or there's some other altercation.... If the employer, the manager of the restaurant, gets angry and decides to fire her because they've decided they've got to have someone that's a scapegoat, what you would be then looking at is the interesting situation that.... Let's say the customer had done a dine-and-dash. Contrast that to what happened before the cuts. Before the cuts, if the person who did the dine-and-dash was caught by the police, he would have gotten legal aid. The person who was fired also would have gotten legal aid, and they would have been able to have representation in a possible wrongful dismissal suit.

Now because of the cuts, the person who did the dine-and-dash still gets legal aid. The single mom who was fired and probably wrongfully dismissed doesn't get legal aid. At most, she'll get as just described: a brochure, up to three hours of advice on the telephone. Depending upon her circumstances.... If she has to go to small claims court, it's simply not adequate. Does she have the time? Does she have the resources, not only mental but also the financial resources, to go ahead with a lawsuit? That's a situation that happens every day out there, as you know.

There are two more situations outlined in there. One is regarding a woman who has problems with her insurance. That one's important, but the other one that cuts more to my heart and what I think is really so important for you to hear from, from me, is: what happens if someone has a problem with their B.C. Benefits — either their regular welfare benefits or their disability benefits? It does happen. There are many people that are denied benefits. Sometimes it will be the right decision, and often it will be the wrong decision.

[1520]

I myself have represented a number of people who have been denied benefits, sometimes because they've been accused of fraud. It's shocking that both times I got involved, the suit never made it to the courts. It was settled because we were able to show that in fact the ministry had made a number of significant errors. Without our help, those people would have lost their homes.

These people were on welfare, but you're allowed to own your own home on welfare. Once they accused them of welfare fraud, they put liens on their homes for, in one case, ten years of welfare payments. They said the person had been fraudulent, collecting benefits for ten years. If we hadn't become involved and the government had taken them to court, which they were fully intending to do, that lien would have meant that the person would have lost their home.

In one case it was a woman with one child who was an older teenager, but in the other case it was a man that had three children who were quite young. He was a single parent. The consequences.... Not only were these people faced with potentially losing their benefits, for which they can't work.... Both of these people had significant health concerns. One had leukemia, and the other woman had some issues with her heart. They

couldn't work. They would have lost all their benefits, and subsequently they would have lost their home — not because they did anything wrong, as was proved once I got involved, but because there was no one there to help them. Both of those cases are real cases that have happened in B.C., and they happen every day, unfortunately.

You know, I talk about the dine-and-dash. We have a legal aid system where the person.... I'm not saying that a person who commits a criminal act shouldn't get legal aid; they should. But why are those consequences of potentially going to jail or having a fine somehow deemed more important than someone who might lose their house, their job or their access to either welfare or disability benefits that they need to feed and clothe themselves?

What we're talking about, we think, are services that are essential. It's not just legal aid. Legal aid is not a frivolity. It's not something frivolous that people don't need. It's something that's important, and you only know it's important when you're the one who gets served with that writ of summons and has to somehow answer and you don't have a clue how to do it.

I'm not going to belabour the point. I really wanted to just talk to you instead of read to you, because I have been there. I know what it's like for these people who are trying desperately to get some legal aid. There's really nothing for them except the three hours and the brochures. It's just simply inadequate.

We wanted to give you some recommendations. We were here this morning, and I am sure you have a list of recommendations as long as this gym, maybe, a couple of times over. We know it's expensive. We know you have a number of very difficult decisions to make in terms of which recommendations you want to do. But I think it's really important to know that if we have access to justice, we will have a better province. We did have a pretty good legal aid system prior to the cuts. There are a number of papers that are out there that talk about how you could do things differently. Legal Services has that information.

It is possible to provide representation for people who need it, particularly the most vulnerable people in B.C. They're the ones that aren't going to get by, no matter what. They are going to fall through the cracks, and they're going to cost us money down the line anyway. Either they're going to be in the hospitals, the jails, or they're going to die, and all of that is wrong.

We've asked you to restore funding to pre-2002 levels because, frankly, we have to put something in there for a recommendation that looks pretty. That's difficult, and we know that that's not going to be an easy solution for your government to do. But it's the right thing to do.

That's a minimum of services. That's just representation. It gives some place for people to go. It gives face-to-face contact and then representation if you need it — and only in the most dire circumstances, which was the old civil law test. I think we should bring that back. It was a good thing. It was something that we could be proud of, and it's a good legacy for B.C. and for all B.C. people.

As well, one thing that legal aid doesn't cover is eligibility for the working poor. I mainly work with welfare and disability people, but the working poor are also being left out. They don't have any way that they can access justice, because they can't afford a lawyer.

Lastly, we wanted to recommend that B.C. take a leading role in the dialogue between the provincial and federal governments. The federal government does provide funding in the CHST, the Canada Health and Social Transfer tax, and that's supposed to be earmarked for civil law legal aid. It has never been earmarked for civil law legal aid in this province. It should be.

[1525]

As you know, the federal government just gives you a lump transfer, and it doesn't earmark which funds go where, except for criminal law legal aid — again, putting this higher standard on criminal law legal aid. It seems that if you go to jail, you get a lawyer; if you're going to lose your house and your livelihood, you don't.

There is money that is supposed to be earmarked for these kinds of problems. I think it would be wonderful if B.C. were to take a leading role and look at how we can have a just society in B.C. and how the federal government can play a role in that.

Finally, it's just so important not only to restore the funding but to establish some representation services. We do have some legal aid services — for example, the brochures and so on — but it's the representation that is key. When you need a lawyer, there's no place to send these people.

Lawyers are doing their part. There have been a number of initiatives, which I'm sure the hon. Mr. Oppal knows about. In Canada there's been pro bono. They're volunteer lawyers doing a number of different things. There are the Salvation Army clinics. There are the UBC clinics. There are the UVic clinics. They're all pretty limited. It's great that these people are doing things, but there is still a gap. There are still people, and a significant amount, who aren't getting their needs met.

We know you've got priorities, but we sure want to see something done around legal aid, poverty law legal aid, representation and funding.

Thank you.

B. Lekstrom (Chair): All right. Thank you, Pat. Thank you, Jess.

Maybe if I could just begin. You mentioned in the access to the legal aid issue, to eat and run — that case that you're talking about. Now, you indicated that the person who perpetrated the offence would have access to it. The individual working there — I'm assuming both low-income, one possibly.... Is the idea that the person who did the offence on social assistance or...? Just so I'm clear in my mind — if we're going to have a discussion as to what we do as a committee possibly — can you explain that in a little more depth to me?

P. MacDonald: Right now legal aid has certain areas that they will cover and areas that they won't. They'll cover any criminal matter where there's a pos-

sibility that you'll go to jail. So in the example I gave you, there was a possibility for this person to go to jail because, in the written material, it was a second offence.

I believe the other one... There's one more, but I actually can't think of it; it's quite minor. If you have the possibility of going to jail, you automatically get legal aid representation, whereas in family law there is some very limited family law service. There usually has to be violence involved, and there has to be some risk of the children being removed from the jurisdiction. Other family law matters won't get any representation.

Finally, for everything else there's nothing. Everything else means anything in civil court. So that would be contracts, wrongful dismissal, residential tenancy, anything with government actors like CPP, old age pension, workers compensation, EI, welfare benefits and disability benefits. You don't get any legal aid for that except for the brochure and up to three hours of advice on the telephone line.

B. Lekstrom (Chair): All right. Thank you for that.

B. Ralston: Just thinking back to 2002-2003. As you're probably aware, the then Attorney General Geoff Plant, in a very unusual step unprecedented in B.C. history, was censured by members of the Law Society for the action that he took in cutting services to legal aid.

I guess my question, given that background.... Ordinarily the Canadian Bar Association has access to speak to the Attorney General or officials of the Attorney General's ministry. What success have you had in speaking with the Attorney General or his officials on this issue with the view to changing the present allocation in the budget?

P. MacDonald: First of all, we're the Canadian Bar Association poverty section. We don't represent the whole organization of lawyers; we represent one particular cross-section of those lawyers. So this is the poverty section. Our mandate is very much narrower than what the Canadian Bar Association's would be generally.

The provincial CBA does have ongoing meetings with the Attorney General, and those have continued, and they have raised these things. I have been at one of those meetings. It is very difficult to backtrack on something that was so major. I understand that. It's very difficult to put something together when it's been dismantled.

[1530]

Jess and I were just talking. We actually think that there was pretty good value for those services. We think it was about eight million bucks just to have legal aid, and that was throughout all the province. That was covering something dramatic; 20,000 people had representation, and another 40,000 to 60,000 people had summary advice. They were providing good value. Eight million dollars is not a lot.

I'd have to get back to you on that figure, because we're trying to remember it. At the time, it was emblazoned on the insides of our eyeballs, but that was four years ago.

I know that the Canadian Bar Association has also had a number of chats with our federal counterpart. There is, as well, a lawsuit that has been started by the Canadian Bar Association, which is to, hopefully, have a constitutional right to legal aid recognized by the courts.

That's how the criminal rights to legal aid were recognized, originally — through the courts. Nobody wants to go through the courts. That's litigation. It's messy; it's long. I believe they're headed to the Court of Appeal on that issue. I don't know for sure. That's at the federal level.

There are a number of issues that have been tried. There's been ongoing dialogue with both provincial and federal Attorneys General for quite some time.

J. Kwan: The issue around legal aid is very important, as you have identified. Essentially, since the funding cuts, those that are deemed to be administrative law have all been eliminated in terms of their representation.

Do you have any sense, since that time, of how many people are being turned away in terms of the request for assistance for legal representation in the area of administrative law? That's question one.

Second question. In the area of family law, I have situations where people have come in — not necessarily constituents, even — where they had applied for legal aid support. The restructured system is such that — because custody is an issue — the limited amount of legal aid that they were able to access can get them through stage 1 but not through the second or third hearings. In some cases, this actually involved violence as well.

At that time I remember, as the MLA, raising these issues in the House to the then Attorney General to no avail. I'm wondering whether or not that system has been changed. If so, do you have a sense of the representation that's being offered to those people who need legal representation on the family law side?

P. MacDonald: I would think that would be a very difficult issue to determine exactly. The reason is because.... I remember talking to Brian Higgins, who is the lawyer at LSLAP, which is the UBC clinic that provides legal advice, summary advice and some representation. It's all law students. They don't provide coverage for administrative matters, so they never get calls for administrative matters.

I also had a discussion with LSS people about exactly how we're going to determine how many people are being left behind, that there's a gap and that they're falling through the cracks. They are collecting some statistics. Certainly, they would have all their intake and what happened with the persons, depending upon how they kept their statistics — whether or not they needed representation, and it just wasn't available. It all depends upon what questions are being asked and what stats are being kept.

I think the clearest answer that I can provide you today is to look at the number of issues that were funded under the old system. I mentioned that tens of

thousands of people were helped each year. I believe it was 20,000 to 25,000 that got poverty and family law and then another 40,000 to 60,000 — I'm not sure of those numbers; I'd be happy to get them to you — persons that were helped every year on summary advice.

Now, the summary advice is continuing, but that 20,000 to 25,000 representation is gone. I think that's an indication, at least, of the ability of our province to provide representation five years ago.

J. Kwan: What about the question around family law?

P. MacDonald: That includes that. The 20,000 to 25,000 includes family and poverty law. I can't remember the breakdown.

B. Lekstrom (Chair): Well, Pat and Jess, I see no further questions from members of the committee. I want to thank you for being able to make it here today. We had some openings, and I believe you were on the overflow originally, so it was very nice that we were able to accommodate getting you in and that you could find time in your schedule. I want to thank you for the presentation you've put forward.

A Voice: Thanks for having us.

A Voice: Thanks to your assistants that helped us get in.

B. Lekstrom (Chair): All right. They are great.

We are now into the translation portion of our meeting. We have no registered presenters at this point. Our next registered presenter is at 4 p.m., so the committee will stand recessed until 4 p.m.

The committee recessed from 3:35 p.m. to 4:13 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): At this time we will reconvene the Select Standing Committee on Finance and Government Services and move on to our next presenter this afternoon at our Vancouver hearings: Mr. Garth Evans. Good afternoon, Garth, and welcome to the committee.

G. Evans: Thank you very much, and good afternoon to everybody.

Before starting I was talking to Jenny, and she asked me which one of my hats I was going to be wearing during this presentation. I suppose I'll be wearing them all. I'm a lawyer by profession, a businessman and also a city councillor in the city of Burnaby.

First of all, I think it's incumbent upon me to say how refreshing it is to have a business-oriented government as opposed to the previous government. I am very pleased with the stimulation the Liberal government has brought to the economy — the fiscal good

sense and management. I was sorry at some of the things that had to be done in the first term in the way of cuts to balance the budget, but in the second term you're obviously going to reinstate a lot of those programs.

I particularly wanted to compliment Carole Taylor on her sound fiscal management and also on her ability to negotiate effectively with organized labour, because labour peace is essential to economic prosperity.

I'd also like to say how much I support the Gateway program, because it is my personal belief — and I think I speak for a majority of the residents of Burnaby, even though Mayor Corrigan speaks otherwise — that this is an essential project and that we cannot have prosperity unless we build the infrastructure necessary to support it. If you have sat on the other side of the Port Mann Bridge waiting to cross pretty much any-time of the day or evening and waited for an hour or more, as I have, then you would understand why this construction is absolutely essential and must be done. I compliment the government on its will to carry this project through.

[1615]

There are some specific issues I want to deal with. First of all, it's stuck in my throat for many years, and that of all other lawyers I know, that we get charged sales tax on our legal fees. We're the only profession that pays sales tax. It's inequitable, unfair to us and unfair to our clients, and I beseech you to abolish this unfair taxation — unless, of course, you want to tax all professions, like chartered accountants, dentists, doctors and I don't know who else. It's not fair that we're singled out.

I know that the original justification for it was that the money would go to legal aid, but it hasn't gone to legal aid. It goes into general revenue. I want to register a strong protest, and that's personal. Obviously, the citizens of Burnaby don't care too much about that, but I do.

I'm a very longtime proponent of low-income housing. Quite a lot of my legal practice involves that, but more than that, it's a personal belief. We are not doing enough for poor people, especially poor families.

Frankly, I have been disappointed in this government's failure to continue the supply programs for the development and construction of low-income family housing. It's staying under the radar. People don't notice, but it's accumulating.

If poor families, low-income families, don't have a proper place to live, their children grow up in an impoverished environment and are much more likely to develop social problems, criminal problems, drug-related problems and so forth. One thing we need to do for these children is provide them a proper home. I am disappointed that the government has so far not seen fit to produce a supply program, so I'd like to register that.

I understand that this is expensive, and it's long-term expensive because the subsidy goes over a period of 30 years. Perhaps in the first term of the Liberal government we couldn't afford to do this sort of thing, but we can now. We have a surplus, and we should spend

part of it on family low-income housing. Of course, I'd like to have a substantial part of that in the city of Burnaby, but we'll see about that after we can get the funds allocated.

Another point I'd like to make is that... I know that in the first term, the government did a lot to reduce the amount of red tape and government regulations and useless forms that people have to fill out, but I think there's a lot more that can be done. I would ask that that be made a priority too. I still get lots of complaints from my business friends and clients about how much useless bureaucracy there is and how many extra forms and reports they have to fill out. I would like that looked at too.

I don't have a whole lot more to say, but I'll return to my original theme. I want to make it clear that even though I have brought to your attention certain areas where I'd like to see the government do better, overall I'm very happy with what this government has done. I'm very happy with the pro-business environment they've created, the fiscal management structure and the orderly administration they've brought to government.

I do not want to go back to the ten dismal NDP no-growth years, when there was a lack of optimism. Businessmen were afraid to do anything, not willing to take any risks. The feeling was that they had no chance of accomplishing anything.

Maybe I'll mention one other thing. I have an involvement in the mining industry. You have put into place some very good programs for encouraging exploration work, and it's paid off. There has been a terrific amount of exploration work in the province. British Columbia's reputation is being enhanced and has improved a great deal in the world. People are now willing to invest money in mining exploration in British Columbia.

Don't change that. Please leave the programs in place. The super depreciation program and others which have been put in place as an incentive need to stay there, because we need to establish a longer-term, stable regime and a pro-business attitude in the mining industry.

I think that's all I have to say. I don't suppose that questions are asked here, but if anybody wants to ask me any, I could say a few more things. Thank you very much.

[1620]

B. Lekstrom (Chair): Thank you, Garth, for taking time out of your busy schedule, I'm sure, to come and present to our committee here today. I will look to members of the committee to see if they have any questions.

D. Hayer: First of all, let me say thank you very much for talking about the Gateway project, the Port Mann Bridge twinning. This morning I left my office, and it took me about one hour and 15 minutes just to get on the bridge. I was talking to the taxi driver, and he said this is almost a regular thing since the summer holidays are over for the schools and universities. So thank you for supporting it. Most of the people in my riding in Surrey... When I talk about it, we almost have a unanimous vote, other than a few people.

The second thing, when you're talking about mining. It's good you're bringing it up, because a lot of

time people think about mining only outside. We were in Courtenay yesterday, and we had a presentation about mining. It was really good. I mean, it does bring a lot of natural resources for health care, housing and social programs.

The PST — we had an earlier presentation on that too.

Social housing. Any idea how much money we should set aside or that we need to set aside for housing, in your mind? When we're looking at the budget, we're also looking at the budget point of view. Any idea where we can take some money off of some programs and move it to this program? Any suggestions on that?

Also, if you have a chance, we have a four-page budget consultation paper. It has four questions. If you get a chance, maybe provide some input on that too. We would really appreciate that. You can e-mail it in.

G. Evans: We need to set aside a lot of money for family social housing. I can't give you a number. I mean, maybe \$100 million.

I know there's been talk of a rent supplement program. This is, in my opinion, a mistake. This is money that would be paid to each poor family in cash, and the idea is that it goes to pay part of their rent, but I don't think that's the way it works. A much better approach is to produce the housing and manage it. What you do then is make sure that the money is going to provide housing.

Where to take the money from? Of course, I would not bother with a rent supplement program. I'd use the funds that were going to go to that for a supply program, for a family low-income housing supply program. I don't know whether money can be switched from any other part of the budget or not. I was actually thinking when I made the comment that this would be new money that would come from the surplus that I read the other day is going to be double what was projected in the budget.

D. Hayer: The challenge with the surplus is that as the commodity prices go up and down, sometimes the surplus can disappear. You don't want to put annual expenses using the surplus and all of a sudden end up being in a big deficit.

G. Evans: Yes, agreed. I talked to Minister Taylor about this, and she explained to me — and I agree with her — that she needs to be very careful about this surplus because it could evaporate very quickly. She needs to have it for use if the economy makes a downturn. But I think we could spend some of that money on family social housing.

J. Kwan: I certainly do acknowledge that the economy is performing well, and a lot of it has something to do with the commodity prices, as you know. With the mineral sector you're involved in, you would know that, to be sure.

There are other areas in which the province is very challenged, though, and you named one of them. The

housing sector is one of them, and for all intents and purposes the province since 2001 has not had a supply program in building up affordable housing. To that end, our wait-list for affordable housing — as you well know, I think, Garth — has gone from 10,000 to 14,000, and homelessness has more than doubled in the Greater Vancouver area, including the city of Burnaby.

The question around housing units — maybe I can go to that as opposed to a global figure. How many units of affordable housing do you think the government should be investing each year in terms of building new supply in the affordable housing, social housing realm?

[1625]

G. Evans: I guess if you're talking about a wish list, I'd like to see 2,000 units a year. Obviously, we probably would start at perhaps 500 a year or maybe 1,000. We've got to work up to this.

I was going to say one thing. Since 2001 some housing units have been added, but they've been housing for the hard-to-house and people who are in extreme need, and also the seniors assisted living. As far as I know, there has been no family supply program and no what I call unassisted seniors supply program. I feel this is a failing, and I would like to see it redressed — as, obviously, would you.

J. Kwan: Yes, to my understanding there have been a few units added, and primarily those have been units that were allocated and on the ground in 2001 — so ones that they'll sell, as you know. In that sector it takes a couple of years for those projects to be completed, so that had actually added to some of that stock, but certainly not necessarily new projects initiated under the Liberal government. Therefore, we have a housing crisis, quite frankly — an affordable-housing crisis — in British Columbia.

That's good, actually, to get some of those numbers on the table so that we get a fuller sense of what we're talking about. Prior to 2001, on average we were building about a thousand units of housing per year under that awful government that you mentioned.

I'd like to just ask you this question, though. Other community members had come before us and raised issues centred around legal aid, in fact. Under the Liberal government, as you know, legal aid has been cut very significantly — to the point where administrative law coverage and provision is not being provided for and to the point where, I think for the first time ever in the province, the former Attorney General was actually censured by his own colleagues.

I'm just wondering, given that you're a lawyer, whether or not you have a point of view around legal aid and whether or not the government should be focused on providing some resources for access to fair legal representation in the provision of legal aid.

G. Evans: Well, I'd like to say, respecting the censure of the former Attorney General, I didn't think it was a fair vote, because you had to be there to vote. An awful lot of lawyers were very busy and unable to

spend the five or six hours that the meeting took, which should have been done.... They should have had a proxy vote. Then I don't believe that the minister would have been censured. I did go and speak strenuously against the censure motion and voted against it.

I'm not too knowledgeable about legal aid, Jenny. I do understand that there have been some cuts in legal aid, and I personally would like to see them restored.

I should say that although obviously I'm a strong supporter of the government, it's not without reservations. That's why I've come here today — to say both that I support them on their pro-business economic policy and that I would like them now to do a better job respecting some areas of social policy. And I believe they will. I expect them to.

J. Kwan: Yes, on legal aid, the cut was about 40 per cent, and it is significant in terms of the impact for the people who are in greatest need, I would say, for legal representation. I'll just set that aside for one moment.

On the business side — and I know you have some involvement with overseas initiatives and interests, certainly, in that area — British Columbia actually does not have a permanent trade office in Asia, even though we want to be on the map in the Asia-Pacific area. We want to say to investors overseas — particularly in Hong Kong, in China, in Asia — that we want them to come and invest in British Columbia and also look for business and trade opportunities that would be mutually beneficial to both economies.

To that end, do you have an opinion as to whether or not the province should be investing in establishing permanent trade offices — at least one, if not more — in Hong Kong, China?

G. Evans: In Hong Kong and in China — is that what you mean?

J. Kwan: Hong Kong and/or China.

G. Evans: I haven't given a lot of thought to that, but I think it would be beneficial to have a trade office somewhere in China. I suppose Shanghai is the best location.

I mean, you're right. We're trying to do more and more business with China, and it would be of assistance to our business people to help them make the necessary contacts both to do business in China and to do business with Chinese companies in British Columbia.

J. Kwan: Yes, I was just recently in China and meeting with the Canadian Chamber of Commerce, for example, on the ground over in Hong Kong. They advised that that's what we should be doing — that British Columbia should be having a permanent trade office there. As it stands right now, in spite of all the talk, there is virtually no B.C. presence overseas. So thank you for that.

[1630]

G. Evans: You're right. I have some business interests in China, and I travel there quite often. I would

mention one thing. Last time I was in Shanghai, I toured the demonstration project that our Forests Ministry has established there to encourage the Chinese to use softwood lumber in construction. We seemed to have made a substantial investment there. I expect it's a long-term investment. We're trying to encourage the Chinese to change their building methods so that they use more of our lumber.

J. Kwan: Right. I'll leave it at that.

G. Evans: No, go ahead.

B. Lekstrom (Chair): We do have other questions.

G. Evans: Oh, okay.

B. Lekstrom (Chair): There have been a couple of comments today, certainly when we talk about legal aid and people expressing their views, saying: "We think it should be looked at again."

Again, the issue of the former Attorney General Mr. Geoff Plant has come up. It's interesting. I mean, I don't want this committee or the public to leave with the feeling — that's why I'm putting this on the record — that we had a gentleman who served as Attorney General of our province, who was fully responsible for a change the government made. It was a government decision. I've worked with him for a number of years — a man full of integrity who did his best and moved our province ahead. I have a great deal of respect for him.

So the issue we are to deal with as a committee is to hear the ideas from the public. Certainly, if one of those ideas — and we have heard it — is to try and see what we can do to restore some further legal aid funding.... That's one thing.

The issue of our former Attorney General, who again I have a great deal of respect for, plays very little into that discussion through this year.

G. Evans: Since that has come up again, I would like to say that Geoff Plant is a personal friend of mine. I think he's a fantastic lawyer and person, a man of very high integrity who I have a great deal of respect for.

As I said earlier, I thought it was a real travesty that this censuring of him at the Law Society annual general meeting, which I felt was done in a way that was unfair to him because only those people who could sit around for half a day voted.... The vast majority of lawyers, who were busy in their offices, didn't vote or couldn't vote. The vote should have been done by proxy, and then there would not have been a censure. I'm confident.

B. Lekstrom (Chair): We're going to move on. We have two other members wishing to ask questions.

R. Lee: In terms of the sister-city initiative, we understand that the Asia-Pacific Trade Council has recommended to establish some representatives in Asia. I also understand that the process has been going on right now to hire those representatives to represent

B.C.'s interests in those areas. My question is on the sister-city thing. Do you think that a sister city can have an impact on establishing closer links with the Asia-Pacific?

G. Evans: Yes, obviously I do think that. Vancouver has a sister city in Guangzhou. Burnaby doesn't have a sister city in China yet. I would like them to have one. As you're aware, I've spent quite a bit of time in discussions and negotiations with the city of Wenzhou, and I do hope to establish that sister-city relationship. I think it would benefit them and us. I might say that they're interested and we're interested in three areas: cultural exchange, education, and business and development. Actually, Wenzhou's most important interest is in education.

R. Lee: My other question is on housing. We know that low-income housing requires a lot of cooperation between the city, the province and probably the federal government, especially on zoning.

That also leads to another question on regulation. Our government has reduced probably one-third of the regulations in those areas. But one-third is probably not enough, according to you. What specific regulations would you like to see eliminated?

G. Evans: I'll answer the first one first. I don't know. I haven't identified specific regulations that I think can be eliminated. What I am relaying more than anything is comments I hear repeatedly from businessmen. Yes, the government has done well. They've eliminated one-third of the regulations, but there's still too many. There's too much red tape, too many forms, too many reports. Just generally, I'd like the government to look at making more reductions and simplifications in what they're doing.

[1635]

On the housing issue, you are absolutely right. It has to be a cooperative effort between the city and the province. Although I am at loggerheads with Mayor Corrigan on this issue, he says repeatedly, "This is a provincial problem, and I'm not going to bail him out," and I say repeatedly: "We have to cooperate with the province to get something done."

I want to build a homeless shelter. I want very badly to build it in Burnaby. I have got the support of B.C. Housing for this. They have promised me the funding both for construction and for operation if the city will provide the land and the necessary zoning, and so far I have run into a roadblock. But I am trying to get over it, trying to get around it. I am trying to put Corrigan in a position where he will be forced to acquiesce, and I think I may win this one.

But it's bigger than that. Also, in other housing areas — family social housing, seniors housing.... You know, this is an area that I've worked in — as Jenny well knows; I've worked with Jenny on many projects — in my law practice and also in societies I'm involved in personally.

Many cities have cooperated and worked with the province to make these projects work. The city of

Vancouver has done a laudable job. Cameron Gray, their director of housing, has been extremely creative in what he's done. The city of North Vancouver has done an excellent job. The city of Burnaby sits on its hands and does nothing. They say: "You guys do something. You the province do something. You developers do something. We don't see that we have any obligation." They're wrong.

Having said that, if there's no provincial program to develop and subsidize the operation of family low-income housing, it doesn't matter what the city does. There's no possibility. What I'd like to see is a supply program, and a substantial one, and I will work from the other end and try and push the city of Burnaby to participate by donating land, and zoning densities and other encouragements. This is something that I personally feel is extremely important. I'm going to work at it in every way I can.

H. Bloy: I must say it's a real pleasure to hear positive words coming out of the city of Burnaby. It's been a long time since that's happened. If it wasn't for 281 votes, there might have been a lot more positive things coming out of Burnaby.

I just wanted to say, on the Gateway project, that I appreciate your support. From the people I talked to and the phone calls that I get.... That's unusual. People are phoning, supporting the Gateway and telling me, usually when they're sitting in traffic, that they want to see it go through, and I look forward to it going through.

Some of the questions that have been talked about on housing.... I guess the biggest thing is partnerships and a willingness to work with people. The cities you've mentioned and anything else that's been done in this area have always been done with a partnership. That's what's required, whereas now the comments coming out of Burnaby city hall are: "We're not going to take this stuff from Vancouver. Just move them to New Westminster." There are the halfway houses that have moved to Surrey because they won't zone them properly and allow them to effectively operate. So you have a big challenge ahead of you to get that cooperation, a partnership, so that you get what benefits the people you represent and the people Richard and I represent so that they can get their fair share of what's available.

G. Evans: On the Gateway I certainly agree with what Dave said earlier — that it's a serious problem. We have to do something about it. The last time I was sitting on the other side of the bridge waiting to get

across — I think I sat there for an hour — I thought: I wish I had Derek Corrigan and his BCA council in the car so that they could understand what it is that people are so upset about.

[1640]

I understand that it'll have an impact on Burnaby. There will be a traffic impact. I think, however, this is a minor sacrifice that we have to make for the economic benefit of the lower mainland and the province. I am a strong 100-percent supporter of the Gateway program. As I said earlier, we have to build the infrastructure if we want to have continued economic prosperity, which I obviously want. It's a high priority for me.

B. Lekstrom (Chair): Garth, I want to thank you for taking time out of your busy schedule to come and present to our committee today. You touched on something earlier. I think it's clear to our committee that regardless of an individual's political stripe, when they come before the committee, they're bringing ideas on what they think will make our province an even better place. It has been reflected by all the presentations we've received. Again, I thank you for taking time to come today.

G. Evans: Thank you very much for listening to me.

B. Lekstrom (Chair): At this time the committee has no further presentations scheduled. We will recess until 5 p.m. and return to the table.

The committee recessed from 4:41 p.m. to 5:04 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): At this time we will reconvene the Select Standing Committee on Finance and Government Services — our consultation here in Vancouver. We have no presenters before us at this point. It is just after 5 p.m. We had brought forward a translation service for people that were interested in presenting to the committee. As it turns out, we have heard a great number of presenters today and have concluded with all of the presenters.

At this time I will adjourn our meeting and, again, thank all of the presenters that took time out of their schedules to come and present to us here in Vancouver. Thank you, and good night.

The committee adjourned at 5:04 p.m.

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