



Second Session, 38th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

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

Surrey

Wednesday, September 27, 2006

Issue No. 30

BLAIR LEKSTROM, MLA, CHAIR

ISSN 1499-416X

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

Surrey
Wednesday, September 27, 2006

Chair: * Blair Lekstrom (Peace River South L)

Deputy Chair: * Bruce Ralston (Surrey-Whalley NDP)

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)
Bob Simpson (Cariboo North NDP)

**denotes member present*

Clerk: Kate Ryan-Lloyd

Committee Staff: Dorothy Jones (Committees Assistant)
Jacqueline Quesnel (Committees Assistant)

Witnesses: Paul Adams (B.C. Wildlife Federation)
Lyn Anglin (President, Geoscience B.C. Society)
Roxanne Black (Autism Society of B.C.)
Caroline Bonesky (Executive Director, Fraserside Community Services Society)
Glenn Chapman (President, Simon Fraser University Faculty Association)
Raymond Currie (Canadian Bankers Association)
Doris Darvasi (President, REAL Women of B.C.)
Harold Daykin (Prevention Public Policy Group)
Vimmy Dharmi (Citizens Roundtable for the Arts)
Margo Dunnet (Simon Fraser Student Society)
Sandra Garossino (Citizens Roundtable for the Arts)
Sharon Gregson (Coalition of Child Care Advocates of B.C.)
Paul Griffin (Canadian Bankers Association)
Sherrold Haddad
Lisa Helmer (B.C. Wildlife Federation)
Peter Holt (Executive Director, Surrey Board of Trade)
Ray Hudson (Surrey Board of Trade)
Wilf Hurd (Simon Fraser University)
Debbie Jay (Fraser Valley Real Estate Board)
Jaspreet Kalsi (Citizens Roundtable for the Arts)
Kathy Keenan (LMH Family Council)
Seth Klein (Canadian Centre for Policy Alternatives — B.C. Office)
Rick Lau
Marc Lee (Canadian Centre for Policy Alternatives — B.C. Office)
Jeremy McCall (Outdoor Recreation Council of B.C.)
Dr. Margaret MacDiarmid (President, B.C. Medical Association)
Graham MacLachlan (Canadian Bankers Association)
Ian MacPherson (Fraser Heights Community Association)

Brenda Martin (Prevention Public Policy Group)
Kelvin Neufeld (Fraser Valley Real Estate Board)
Dave Park (Vancouver Board of Trade)
Chris Petter (President, Confederation of University Faculty
Associations of British Columbia)
David Poole (Canadian Bankers Association)
Jennifer Ralph (Autism Society of B.C.)
Bev Ramey (President, Federation of B.C. Naturalists)
Joan Reekie
Vanessa Richards (Citizens Roundtable for the Arts)
Al Sello (Vancouver Board of Trade)
Dave Stevenson (St. Leonard's Youth and Family Services Society)
Monika Verma Laul (SEEDS — Self-Employment and Entrepreneur
Development Society)

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MINUTES

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Wednesday, September 27, 2006
9:00 a.m.
Salish Room, Guildford Inn & Suites
15808 104th Avenue, Surrey

Present: Blair Lekstrom, MLA (Chair); Bruce Ralston, MLA (Deputy Chair); Iain Black, MLA; Harry Bloy, MLA; Randy Hawes, MLA; Dave S. Hayer, MLA; John Horgan, MLA; Richard T. Lee, MLA

Unavoidably Absent: Jenny Wai Ching Kwan, 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) B.C. Wildlife Federation | Paul Adams |
| | Lisa Helmer |
| 2) Surrey Board of Trade | Peter Holt |
| | Ray Hudson |
| 3) Canadian Centre for Policy Alternatives -
BC Office | Marc Lee |
| | Seth Klein |
| 4) British Columbia Medical Association | Dr. Margaret MacDiarmid |
| 5) Canadian Bankers Association | Paul Griffin |
| | Graham MacLachlan |
| | Raymond Currie |
| | David Poole |
| 6) Federation of BC Naturalists | Bev Ramey |
| 7) Fraserside Community Services Society | Caroline Bonesky |
| 8) Citizens Roundtable for the Arts | Sandra Garossino |
| | Jaspreet Kalsi |
| | Vanessa Richards |
| | Vimmy Dharmi |
| | Kathy Keenan |
| 9) Langley Memorial Hospital Family Council | |
| 10) Joan Reekie | |
| 11) Vancouver Board of Trade | Al Sello |
| | Dave Park |
| 12) St. Leonard's Youth and Family Services | Dave Stevenson |
| 13) Simon Fraser University Faculty Association | Glenn Chapman |
| Confederation of University Faculty Associations
of BC | Chris Petter |
| 14) REAL Women of BC | Doris Darvasi |
| 15) Simon Fraser Student Society | Margo Dunnet |
| 16) Fraser Valley Real Estate Board | Kelvin Neufeld |
| | Debbie Jay |

4. The Committee recessed from 1:20 p.m. to 2:21 p.m.

17) Autism Society of British Columbia

Roxanne Black
Jennifer Ralph
Lyn Anglin

18) Geoscience BC

19) Sherrold Haddad

20) Self-Employment and Entrepreneur Development
Society (SEEDS)

Monika Verma Laul

5. The Committee recessed from 3:16 p.m. to 3:45 p.m.

21) Coalition of Child Care Advocates of BC

22) Fraser Heights Community Association

23) Rick Lau

24) Simon Fraser University

25) Outdoor Recreation Council of British Columbia

Sharon Gregson
Ian MacPherson

Wilf Hurd
Jeremy McCall

6. The Committee recessed from 4:57 p.m. to 4:59 p.m.

26) Prevention Public Policy Group

Brenda Martin
Harold Daykin

7. The Committee adjourned at 5:09 p.m. to the call of the Chair.

Blair Lekstrom, MLA
Chair

Kate Ryan-Lloyd
Clerk Assistant and
Committee Clerk

WEDNESDAY, SEPTEMBER 27, 2006

The committee met at 9:09 a.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): Good morning, everyone. I would like to welcome everybody here today. This is, I believe, our seventh in a series of 14 public hearings touring the province to listen to British Columbians.

My name is Blair Lekstrom. I'm the MLA for Peace River South, and I have the privilege of being the Chair of the Select Standing Committee on Finance and Government Services.

Once the Minister of Finance presents her pre-budget consultation paper by the 15th of September, we are mandated by law each year to then take that document and go out and talk to British Columbians as well as receive written submissions over the Internet or via mail on British Columbians' priorities on where they would like to see the future spending; future downsizing, if that's what people are wishing to talk about; and really, their priorities to make British Columbia a better place.

We will, by the 15th of November, by statute, present a report to the Legislative Assembly of British Columbia, at which time the Minister of Finance will utilize that as one tool in her box to develop next year's budget.

[0910]

Our consultation methods, as I pointed out, are through the public consultation hearings that we're holding around the province as well as the ability to go on line and put a written submission in through the Internet, answer the questionnaire that is on the prebudget paper. As well, this year the Minister of Finance has mailed out the prebudget paper to every household in British Columbia to gain input if people so wish.

Today our meeting format is that the presenters have 15 minutes to present — ten minutes to present to the committee, and then we try and hold five minutes at the end of that 15-minute period for a dialogue between the members and the presenters for any questions, for clarification that they may have.

Just before beginning and calling our first presenter, I'm going to ask members to introduce themselves.

J. Horgan: My name is John Horgan. I'm the member of the Legislature from Malahat-Juan de Fuca, which is just outside of Victoria and heading towards Duncan on Vancouver Island.

D. Hayer: Good morning. My name is Dave Hayer. I'm the MLA for Surrey-Tynehead. I just want to welcome you to Surrey-Tynehead. You are specifically in the Surrey-Tynehead constituency.

Welcome to Surrey to all the committee members. It's the second-largest city in British Columbia. We should be larger than Vancouver in about the next ten years or so.

B. Ralston (Deputy Chair): Bruce Ralston. I'm the MLA for Surrey-Whalley. Again, welcome to Surrey. I'm also the vice-Chair of the committee.

R. Lee: Good morning. I'm Richard Lee, MLA for Burnaby North.

B. Lekstrom (Chair): Also joining us are a couple of other members who I've had calls from this morning. Apparently, there was an accident on one of the roads, and they're tied up and caught in that. They'll join us as quickly as possible.

Also joining us, to my left, is our Committee Clerk, Kate Ryan-Lloyd. As well, at the table as you walked in, we have Jacqueline Quesnel and Dorothy Jones, who are at the information desk.

All of our meetings are recorded and transcribed by Hansard Services. We are also live on the Internet for people that wish to tune in and listen to the presentations. With us we have Wendy Collisson and Rob Froese.

Having just joined us, Iain, if you'd introduce yourself, we'll begin now.

I. Black: Good morning. My name is Iain Black. I'm from the riding of Port Moody-Westwood.

B. Lekstrom (Chair): With that, I will call our first presenters this morning, who are with the B.C. Wildlife Federation. Joining us are Paul Adams and Lisa Helmer.

Good morning, and welcome to the committee.

Presentations

P. Adams: Good morning, committee. Paul Adams, acting executive director, B.C. Wildlife Federation.

L. Helmer: And Lisa Helmer, with the wetland education program, with the B.C. Wildlife Federation.

P. Adams: We appreciate this opportunity to present to the committee today. Thank you for considering our recommendations. We've been strong believers in and contributors to the committee over the past years. Thank you for the dedication to the process.

B.C. Wildlife Federation membership consists of 30,000 conservation-minded resident hunters and anglers and 130 clubs situated in all areas of British Columbia. We benefit from the conservation enthusiasm and fish and wildlife expertise of our membership.

The B.C. Wildlife Federation supports community programs, including the Becoming an Outdoors Woman program, Fishing Forever, wetland education, Wilderness Watch, B.C. Conservation Foundation, the *Outdoor Edge* magazine and the conservation and outdoor recreation education program. In addition, the BCWF committees provide expert public policy input at provincial, regional and federal levels on wildlife management, tidal and freshwater fisheries, land use, firearms and first nations treaty negotiations.

Each year anglers and hunters contribute \$19 million in licence fees to the Ministry of Environment and contribute over \$600 million in economic activities. Additionally, the conservation work performed by the outdoors community is difficult to quantify, but it certainly provides a significant benefit to government and the general population.

In general terms, we would urge the government to continue to pursue the achievement of a balanced provincial budget; to pursue regulatory reform, with a redoubled emphasis on regulatory simplicity and efficiency; to encourage citizen participation in public cost containment through appropriate user-pay initiatives; to limit taxation rates as much as possible and tax no more than absolutely necessary to maintain our customary expectations of social services; and to enhance the provincial economy through improved employment and business prospects for all British Columbians.

We commend this government for making difficult choices in order to arrive at our current financial situation, and we look forward to even better financial strength in 2007-2008. It should be recognized, however, that some very worthwhile expenditures have been forgone in order to achieve this economic success.

[0915]

Funding suggestions in our report are very modest, but the public benefit would be fantastic. The BCWF aims for a maximum public bang for a minimum buck. We work very closely with various ministries of government, and we believe that, overall, the government operates in an efficient manner. However, the Minister of Environment's environmental stewardship division is in need of a significant investment in structural change in order to become both productive and efficient in its business.

We have taken the liberty of including our brief to the ministry as an appendix in our report. We are hopeful that this committee will be able to influence its implementation.

Apparently, only \$3 million of the \$9 million collected from hunting licences is allocated back into game species management. We would respectfully request that these moneys be doubled to a \$6 million figure.

Especially troubling is the lack of funding being dedicated to fish and wildlife inventory work. Rather than physical counts and accurate population numbers, the Ministry of Environment uses computer models to make estimates and determinations of harvests. This is unacceptable. Only \$400,000 was dedicated to wildlife inventories in the last budget, and this number needs to be increased dramatically to establish accurate inventories for appropriate management.

Our members work hard in their local areas to determine populations of various game species, waterfowl, fish and non-game species. Currently there are not enough ministry resources available to utilize and process this information constructively. This becomes a drain on the volunteer work being performed, as the individuals on the ground don't recognize the benefit of their efforts.

Water has been a concern for the past number of years. Drought conditions in various portions of the province are a concern to us. If projections are correct and this trend continues, we believe we will see intensified conflicts between fish, wildlife and human needs. Many end users of water have begun to recognize the need to conserve water, but currently no incentives have been put in place in order to continue this trend.

We commend the government for introducing legislation to regulate groundwater extraction. However, it is unfortunate that this legislation has a phase-in period and a grandfathering clause for existing wells. We would suggest that the phase-in period be eliminated and that the water removed from aquifers be charged at the same rate as surface water, which is 68 cents per 1,000 cubic metres. We would also suggest that these moneys be dedicated to assist communities in beefing up their water conservation programs.

We also believe that the agricultural land reserve is necessary and that it supports both agriculture and the province's biodiversity. We believe it is time to undertake a comprehensive agricultural strategy plan that will include producers, consumers and other land users to ensure the future of agriculture in the province.

In 2004 we complimented this government on its conclusion of the land and resource management plans. This is an undeniable achievement. However, we also warn that investment is needed to continue to ensure that the process does not break down. We would urge this committee to ensure that the LRMP process receives the necessary funding and support to conclude the planning process and that it be monitored into the future.

We continue our support of regulatory reform and simplification. We can also recognize the benefit of self-regulation to some extent. We are, however, concerned that enforcement is underfunded and, in some areas, underqualified.

Several ministries are setting up their own enforcement branches. However, the risk is high that staffing for these enforcement positions will be drawn directly from the existing conservation officer service. Additional officers should be hired for various ministries' enforcement branches, but the COS should be stabilized and not used as a hiring pool for these branches.

Invasive species are another major concern for the 600,000 anglers and hunters in the province. Spiny-ray fish such as perch have been introduced into our waterways and are causing havoc on native species. The ministry and the Freshwater Fisheries Society are currently working on a strategy, but unless this plan is adequately funded, the long-term loss to recreational, harvest, industry and first nations will equate to billions of dollars in lost revenues, not to mention the impact on ceremonial and social rights.

The B.C. Wildlife Federation is committed to balanced conservation, community values and public participation. We look forward to continuing our working relationships with the Ministry of Environment and other ministries to formulate good public policy. We look forward to answering any questions that members

of the Standing Committee on Finance and Government Services may have.

B. Lekstrom (Chair): Thank you very much, Paul and Lisa, for coming before our committee here today to present. I'll look to members of the committee.

[0920]

J. Horgan: Thank you to the presenters for their documentation. I look forward to reading it in some detail in the days ahead.

I'm wondering: will I find in here any comments on your organization's views on climate change and the role the provincial government should take in that debate? If not, do you have any comments you could make now?

P. Adams: You won't find any specific comments in regards to climate change or the province's role within that, other than the direct effects we're currently seeing — for example, on water usage and the fact that we have experienced drought for a number of years and that it's likely predicted to continue on.

It's difficult for us to make speculative comments on what will happen with the climate, but as issues occur and come up — issues like droughts and water usage — we'll certainly make comments on those issues.

D. Hayer: A very good presentation. Do you have a total cost for all the funding requests you have made in here?

P. Adams: There isn't a breakdown in a line-by-line dollar figure. It was felt that the expertise of the panel would, hopefully, be the best route to determine end-dollar figures. The main figure utilized is the revenue that is produced from angling and hunting licences, and we certainly would like to see some of that money reinvested back into the fish and wildlife of the province.

B. Lekstrom (Chair): Are there any further questions?

Again, Paul and Lisa, with no further questions, I want to thank you, before closing, for the time you've taken to put this presentation together on behalf of your organization and for being here today to present to our committee.

Our next presenters to our committee this morning are from the Surrey Board of Trade, and joining us are Peter Holt and Ray Hudson.

Good morning. Welcome.

P. Holt: Good morning. My name is Peter Holt. I'm the executive director of the Surrey Board of Trade, and I thank you for inviting us today. We welcome this opportunity to present to you.

On my left is Ray Hudson. He's our communications manager at the Surrey Board of Trade, and he's also in charge of a number of advocacy programs.

The presentation will be partly by me, and you'll see Ray take over seamlessly, hopefully, as we go through. We've tried to do it in point form. You will be receiving, at a later date, our recent submission.

As a member of the B.C. Chamber of Commerce, I would generally support their submission, which you may have or will be getting. We've certainly got a copy of it. But you will note that we have a somewhat different emphasis in a number of areas.

With regard to debt reduction and infrastructure investment, the Surrey Board of Trade agrees with the premise that the B.C. Chamber of Commerce has — that the government must consider directing surpluses, along with all unused reserves, in such a way as to avoid increasing operational budgets. Investment in infrastructure is considered by the board and seen as equivalent to debt reduction and indeed may produce greater benefits to the province in the long term.

Health care. This is clearly the gorilla in the room, particularly when anyone mentions anything more progressive than the current delivery in the Canada Health Act. The Surrey Board of Trade acknowledges progress that has been made by the current government, particularly with respect to salaries and contracts. Nevertheless, urgent action is needed to review alternative medicines and methods of delivery.

In particular, a number of processes in the provision of health care are better served, we believe, by private providers. Such providers can provide better efficiencies and often better quality than government-provided facilities that are saddled, often, with archaic management models and are subject to inflexible work practices. We believe that this is particularly true of testing laboratories.

We further request that the government revisit some of the earlier cuts made to alternative therapies in the realm of preventative and restorative modalities. These should be in addition to some of the pharmaceutical options offered. Obviously, some of these options need to be validated, and this isn't a carte blanche to let everybody go out and start their own clinic.

We need to be looking at other progressive models of health care delivery that are not necessarily a single-tier system. Such a model does not need to be a U.S.-style for-profit but, rather, one that encompasses greater flexibility of services and a significant reduction in the bureaucratic overhead.

I'm now going to hand over to Ray, who's going to take you through the next one on education.

[0925]

R. Hudson: Yes. I'm not going to re-create the entire story of education in front of you. I have a few specific issues that I'd like to deal with directly.

We've seen an increase of fees, and I think probably rightfully so, because it's allowed for the increase in choice and provision of educational services. At the same time, we've seen arising out of it an incredible problem of debt facing the students who are attending schools. With respect to one of the submissions that the B.C. chamber has made, they are asking that credit be made more easily available to students who want to pursue their education.

At the same time, we would like to find a way to manage debt better, because there is nothing more de-

bilitating than a student coming out of their education facing an enormous wall of debt, the likes of which our generation never saw. It really does get in the way of them pursuing their careers.

We would like to perhaps suggest that you look at a way of forgiveness of certain percentages of their education debt in the achievement of certain levels of education. That's not necessarily university. That could be trades training. It could be anything where fees are required that forgiveness of a certain amount of debt be put forward. This certainly would stimulate completion and in our view would represent a terrific return on investment. After all, ladies and gentlemen, education is our investment. It's not a cost, and too often we look at it as a cost. Nor should we be penalizing our young people — the next generation — in obtaining those skills that we need to support us.

We also have an issue with people who have changed course in mid-career. Some of you have done that. I've certainly done that. We've had to re-educate ourselves and acquire new skills. We would like to endorse any measures that would have some funding capability. We're not going to say just dollars, but some methods of allowing people greater ease in switching horses when they need to. Often we see people struggling to reconnect into the workforce, sometimes not successfully. We see many of them who are establishing businesses and do quite well at the Board of Trade. We see people who really do need some help, so we would like to commend to you that as markets and labour demands change and different skills are required, the government look at a way of assisting those people who are in the mid-life switchover because their previous skills are no longer required — that they be expedited.

In that regard too, we would like to speak to the idea of a co-op tax credit. We need these skills that are there. We need to bring them into our businesses and make them work. One of the things that we often talk about as the backbone of our great business system is small business. Small business must be assisted as best it can to bring people in to learn the trades, to learn the skills necessary in business, and we want to lessen the paper burden. Therefore, we recommend that the government introduce co-op tax credits to small business employers equal to 50 percent of wages paid to qualified co-op students at a level that constitutes small business. Qualified co-op students would have to apply for that.

Now back to Peter for the fiscal review.

P. Holt: It's not my quote, but you must have heard it before: the key to a strong fiscal policy is a competitive tax regime. We believe that the government must take action to place the province on a competitive position with similar jurisdictions, specifically Alberta and Ontario. We believe it is critical to review the levels of taxation, whether it be personal or corporate, to ensure that the province's fiscal policy is nurturing rather than punitive. We do believe some progress has been made there, and we commend the government for that. Nevertheless, we think much progress still needs to be made.

On specific issues, addressing capital tax in British Columbia, capital tax is a particularly onerous form of taxation. It plays a direct role in hampering investments in both the local and the international scale.

We have some background here. I'm going to move forward because I know we're getting short on time.

Other tax initiatives: PST on legal fees. It is quite simply, and it's easy to record this.... Well, it's absolutely wrong. The tax should be abolished for all British Columbians — period.

With regard to the B.C. national competitive disadvantage for film production, the current administration of the PST as it relates to film production puts the industry at a distinct disadvantage to competing jurisdictions. Again, currently the province applies PST to the industry as a service rather than as manufacturing, as is done by the federal government and in the province of Ontario. As such, we call on the government to recognize film production as a manufacturing process.

[0930]

Provincial sales tax. You'll find there is a slight difference here between ourselves and the B.C. chamber. We're somewhat more aggressive about this. We look to remain competitive with Alberta, specifically, on the overall tax burden. One of the significant discrepancies, and a very visible one, remains the PST. Lowering sales tax puts disposable income in the hands of individuals, and that is then put into the local economy through the purchase of goods and services.

The chamber recommended half a percent. The Surrey Board of Trade recommends that we reduce the GST by 1 percent a year until the PST rate reaches at least 4 percent. We realize there is a cost involved with this, and the good news is that you can find out the cost relatively simply. You can just double what the B.C. chamber said, and I think it's about the same.

I'm going to hand over to Ray again, and Ray is going to go through some of these impacts on crime.

R. Hudson: One of the major costs of doing business in this province — as a province, as a lifestyle together, combined — is the issue of crime. Tied together with that are drug abuse, homelessness, mental illness and all of that. I'm not going to get into great elaborations, because it's far too complex, but there is a general correlation to that.

We see some issues facing us that we'd better move on. We don't have options. We have the world coming to us. We are developing a reputation that, quite frankly, is dropping down to the level of Rio de Janeiro. I love Rio de Janeiro, but the streets are not pretty places, and our streets are getting to a similar kind of level.

They're inexorably linked — this issue of homelessness, mental illness and crime — with drug abuse. Not necessarily mental illness and drug abuse together, but those two are in the same sort of category.

One of the things we really want to encourage the government to do is find better ways of treating these people so that they don't have to be on the street, so that we can take them in, give them places to live and give them that little bit of dignity — and also, when they need hospitalization, that it's available to them.

Some years ago there was a reduction of services at Riverview. We are strongly recommending that that be revisited so there is a place for people to go when they need to be in a place like that.

We have also taken the stand very strongly at the provincial and Canadian levels with respect to aggressiveness on crime. For those people who are afflicted by it themselves, we need to help them. For those people who are doing the afflicting, we need to be really strong with them. We need to get more aggressive on repeat offenders, drug dealers and so on. Our whole reputation stands or falls on this.

We are coming up to the Olympics. We have to do something about it. It is not an option. What we're doing at this point is not enough. If we don't move on it, the costs are going to continue to skyrocket. That is going to hurt our businesses, our international reputation and our lifestyle at home.

P. Holt: Okay, the last paragraph, you'll be pleased to know. Our paper is much softer; it's sort of more considered. We have a style of doing things here.

This is on investing in our future, and it's to do with infrastructure. We are very pleased with the considerable effort that the current government has made with regard to the Gateway program. I would like to underscore to this committee the critical nature of this project to both B.C. and to Canada as a whole.

This criticality, in our opinion, is clearly not understood by those north of the Fraser River, and it's a continuous education that we undertake to explain to them what the situation is down here south of the Fraser. The project serves the province and Canada as a whole, but it also serves 850,000 residents of the lower mainland in that South Fraser region.

We find that we must always seek to remind the province and the government in front of us that there's no "v" in lower mainland, and the lower mainland community stretches all the way from Squamish to Hope. We need to really embrace that vision if we're going to progress much further with our transportation and many of the other policies that affect over 50 per cent of this province's population.

We'd also like to direct the province to look at the future growth of the South Fraser region, ensure that the infrastructure is constructed so that the South Fraser region has a comparable investment in infrastructure to other lower mainland communities — many of whom had their infrastructure charges many, many years ago.

I'd like to point out a few opportunities that we believe are worthy of the investment. This would fit into the categories where debt reduction in one sense is taking money straight out, but investment in infrastructure is also putting in an asset. Over time the return on that investment can be far greater than even paying down debt, which we also think is important. That is to utilize some of the already existing corridors and facilities that are here. We have rail corridors, for instance, south of the Fraser, such as the old Interurban line running all the way from New Westminster to

Chilliwack. For a mere fraction of some of the large infrastructure projects in transportation that are done elsewhere in the province, this line could be resurrected.

[0935]

It could also — keying in with the previous speaker here, actually — be done using clean power sources. The line, therefore, could be integrated into moving more people with far less pollution in the region, and it's one of those investments we really think has been overlooked. We would ask governments of all flavours and sizes and colours to look at this sort of thing before necessarily throwing money at, shall we say, SkyTrain-type things.

This in no way — absolutely no way — affects our support for the Gateway program as a whole. This is complementary to that program.

We will prepare a recent report, with which you'll have the opportunity to do whatever you feel appropriate. It will go through, and it will actually be not only these points; there'll be some other points in it.

I thank you for your attention. I hope we haven't gone overtime too much.

B. Lekstrom (Chair): No, you've done very well. Peter and Ray, thank you for your presentation. We do have time for one question.

D. Hayer: Thank you very much, Peter and Ray. You made a very good presentation jointly.

Yesterday we were in Williams Lake, and one of the mill owners, Tolko, talked about the Pacific gateway, especially towards bridges and ports. They thought it was very important to have a Gateway program going through, especially in the lower mainland, because it helps them.

My question is.... You identified additional spending the government should do. Is there any possibility that you can add up the total cost of all those expenditures and then say where the money should come from?

We talk about the surplus. Surpluses could be here one year, one year not there, because of a change in commodity prices. Every time the natural gas price decreases by a dollar, you're going to take a hit of \$300 million. If it changes by \$3, that's going to be a \$900 million hit — almost a billion dollars, right?

Any idea you can show of where we can spend maybe a little bit less to cover the expenditures you have identified? Also, total costs of extra expenditures, if possible.

P. Holt: Yeah, I'll give you one straight away, actually. If you take the transit options that have been offered south of the Fraser, some of them have \$300 million or \$120 million price tags, and we could do things equivalently by using current corridors for \$50 million. Those figures are available.

D. Hayer: Like what?

P. Holt: That's the railways. A good example would be the railway. If you take the TransLink, what they

want to do from the King George Highway, there's a \$120 million-plus tag on that to do it, plus all the disruption that goes with it. To take the railway from Scott Road station to Cloverdale is a \$50 million tag. Those prices are out there with reports and everything else.

What I'm saying is that we're not being too smart. We are business people, Dave. We do understand that money doesn't grow on trees, and when I find the tree, I'm not going to tell you where it is.

You know, not being funny, we don't need a lecture on "money has to come from somewhere." We do know that. What we're saying is that it's a priority issue, and that's the role of government — to seek out those priorities and to decide what's there. We've already said that in terms of debt reduction, we commend you for the thought. We think it's not necessarily a bad idea, but you must always realize that business gets where it is by investment, and investment in the correct thing that gives you a return on investment. End of speech.

B. Lekstrom (Chair): Peter and Ray, I want to thank you for taking time to come and present to our committee today. It's a big job to get a lot of information in that 15-minute time period, and you've done very well.

P. Holt: Sorry to blot your question.

B. Lekstrom (Chair): No, that's fine. Take care.

Our next presentation this morning is from the Canadian Centre for Policy Alternatives, B.C. office, and joining us are Seth Klein and Marc Lee.

Good morning.

S. Klein: Good morning, Mr. Chair and members of the committee. It's our pleasure to have the chance to appear before this committee again.

Rather than address the full scope of budget issues and all the major line items in the budget, which I'm sure you all know we do in our annual *B.C. Solutions Budget*, in this brief we want to narrow our focus and highlight one of the most pressing issues facing the province at this time, which is poverty, and pick up where one of your previous speakers just left off.

How economic gains are shared now stands out as one of the overarching challenges our province and policy-makers face. As it was just alluded to, in this coming budget, the provincial government must tackle poverty and homelessness boldly and comprehensively if we are to see substantial improvements before the province hosts the 2010 Winter Olympics.

[0940]

In this brief we outline a multi-pronged approach to fighting poverty. B.C. is a rich province and has the financial resources to make this strategy a reality. There is no compelling reason why large projected surpluses should be directed towards debt reduction or further tax cuts.

Obviously, we're presenting to you today an 11-page brief, and we're not going to be able to walk you through all of that. The first major section simply outlines the extent of the problem. By any measure of pov-

erty or homelessness, B.C.'s record is currently one of the worst in the country.

Yet the experience in other jurisdictions — in some Scandinavian countries and, more recently, Ireland — demonstrates that these outcomes are not inevitable. Policy choices matter, and they can make a dramatic difference.

The main section of our brief outlines our anti-poverty strategy. Let me turn directly to solutions. There are solutions, but they require the political will to be bold. Action must span a number of policy areas. It's, of course, about income supports and disability benefits, but it's also about minimum wages; child care; education and training; community health care, including mental health and addiction services; and affordable housing.

What's needed is an overarching, comprehensive anti-poverty strategy, a plan with clear targets and time lines, performance measures and dedicated resources. The measures of success have to be about poverty reduction, as opposed to caseload reduction, which is the measure of success we've seen for the last few years. A senior minister should have the responsibility for coordinating the different elements of the strategy and reporting back to cabinet in the Legislature and being accountable back to the public.

This is the approach that the government of Newfoundland has just taken in the last year, which has gained the attention of social justice activists across the country. I recommend it to you.

What are the main elements of this strategy? First of all, with respect to welfare rates and eligibility, as you've probably heard from others in your tour so far, current benefit rates are far too low. They leave people thousands of dollars below the poverty line, and the rising cost of living has steadily eaten away at what are already dismally low benefit levels.

For people without disabilities, benefit rates today are, in straight dollars, less than they were 12 years ago. Factor in inflation, and real welfare rates are between 20 and 26 percent lower today than they were in the mid-1990s. Even people with disabilities, who received a \$70-a-month increase last year, now get less, after inflation, than they did in the year 2000 and 12½ percent less than they did in the mid-'90s.

Current rates force people to stay in unsafe housing or leave them unable to secure housing at all. According to the dietitians of B.C., people cannot afford to eat a nutritious diet at current rates. Thus they are effectively unable to meet the Premier's goals regarding healthy living, a reality with implications for both current and future health budgets. Often, at current rates, women feel that they have no choice but to stay in or return to abusive relationships or resort to survival sex.

Beyond the issue of benefit rates, an important part of this story has to do with the restrictive eligibility requirements, which we have found to be systematically discouraging and denying people in need of help. The process of seeking assistance is excluding many of the very people most in need of help. The application system is now so complicated that many people cannot

get assistance unless they have the help of an advocate. There is clear evidence of the connections between the current welfare regime and the rise in homelessness.

Given all of this, what we recommend, first of all, is that welfare rates be increased by 50 percent. This represents a budget increase of approximately \$500 million at current caseloads. Rates should then be indexed to inflation and adjusted annually. In its spring budget the Newfoundland government just did this. They are now the first province in Canada to do so, and B.C. should follow their lead.

Then we need measures to restore access to benefits. That would include eliminating the two-year independence test and the three-week wait, which have caused undue hardship. We recognize that some of what we have called for in terms of restoring access would increase caseloads somewhat, so we would recommend that an additional \$200 million be allocated to the income assistance budget for that purpose.

Next comes minimum wages. This isn't a budget item, but it's obviously key to the strategy. We recommend that the government increase the minimum wage to \$10 per hour and eliminate the so-called training wage of \$6. At \$10, a single person working full time, full year, would then have an annual income just above the poverty line.

[0945]

The next item is education and training. The linkages there are self-evident. Meaningful long-term training and education have to be offered so that low-income people have access to stable, well-paying jobs that actually get them out of poverty. That requires rescinding the rules that currently prevent people on social assistance from being post-secondary students.

The next element is child care. The connection between high-quality child care programs and poverty is clear, both for children and parents, but mainly for mothers. In this brief, as in our solutions budget last February, we've called for the implementation of a full and comprehensive early learning and child care program in B.C. It's unfortunate that the federal Conservatives seem to be leaving this field, but that can't be an excuse for inaction, and the Quebec government has shown that a province can go it alone.

The operating cost of a fully implemented, full plan would be about \$1.5 billion. Obviously, that can't happen right away. The capital costs have to come in to build the spaces. It has to be phased in over a few years, but we recommend immediately that next year's budget increase the budget by \$500 million and begin the process of the capital expenditures to build those spaces. We think we could get there in the space of three years.

The next element is affordable housing. The provincial government needs to expand the stock of affordable housing, and we believe it should aim to create 2,000 new units of social housing per year. That would be a capital cost of approximately \$200 million per year.

The final pieces of the puzzle here are a major expansion of community health care services in the areas of mental health and addictions, restored funding for women's centres and for poverty and family law legal

aid and increased funding for the Ministry of Children and Family Development.

All told, this costs a lot of money. As far as whether we can afford it, I'll hand it over to our senior economist, Marc Lee.

M. Lee: Thanks, Seth, and thank you to members of the committee.

We've put forward an anti-poverty package totaling \$2.3 billion in annual operating expenditures and an increase of capital expenditures of \$800 million, just for next year. The question in your minds is clearly: "Can we afford it?" I think the simple answer is yes.

In getting there, I would like to point out a major problem we've had in budgeting in B.C. — and, quite frankly, federally — over the past few years. That is that the Ministry of Finance has been systematically underestimating our budget position when budgets have been tabled. Over the past four years surpluses have been understated or, conversely, deficits overstated by a total of \$8 billion — so about \$2 billion per year, on average. You can see this in the most recent fiscal year that closed with a record \$3.1 billion surplus following the previous year's record surplus, at the time, of \$2.6 billion.

The information that we have in the first quarterly report, while better than what was tabled at budget time, is still very conservative in terms of its estimates of revenues. If you turn to the last page of the brief that we've submitted to you, we've put forward the numbers that are in the first quarterly report, and then we've looked at what a more realistic revenue situation would be.

There are a few ways of getting at how you can estimate revenues into the future. One way is to keep them as a percentage of GDP. In this case I've taken the actual revenue close of 2005-2006, and I've increased them by 5 percent per year, which is, in fact, conservative in historical terms in terms of annual rates of revenue growth. In doing that, we find that based on status quo expenditures, the current fiscal year, rather than having a surplus of about \$1.8 billion, is likely to close with a surplus in excess of \$3 billion. Moving forward to 2007-2008, that surplus will swell to over \$4 billion.

When we put that in context — the \$2.3 billion increase we are seeking — we should note that this is money that taxpayers are already paying or scheduled to pay and that it would take up just over half of the available surplus, thereby leaving in excess of \$2 billion available for other priorities. As Seth mentioned, we haven't spoken to those other priorities because we wanted to focus really clearly on the issue of poverty in B.C.

We think that these understatements, these conservative budget projections, are not only important in terms of what they can do on the ground in things like fighting poverty, but they're important to the way we do budgeting in B.C. They're very important to the work that this committee does in your ability to have a conversation with the public about what our priorities should be.

[0950]

By understating the available revenues, we are pulling away from the type of democratic debate that

we should have. I would really like to underline that for the committee in terms of your recommendations moving forward.

To sum up, there's no excuse for poverty in a province as wealthy as British Columbia. There's nothing inevitable about our high poverty rates, about growing inequality or about rising homelessness. Other jurisdictions demonstrate quite clearly that progress can be made in not just reducing the amount of poverty in the short term. What we need to be thinking about is eradicating poverty over the course of a generation. We should not live in a society where people live in severe deprivation.

Thank you very much. We welcome your questions.

B. Lekstrom (Chair): Well, thank you, Seth, and thank you, Marc, for your presentation. We will begin questions with Bruce.

B. Ralston (Deputy Chair): Thanks very much for a stimulating presentation. Can you give, in the time that you have, a little bit better sense of the scope and the breadth of the government of Newfoundland and Labrador's anti-poverty strategy?

S. Klein: What's remarkable about it, first of all.... I mentioned that B.C. has some of the worst poverty rates in the country. In fact, the other is Newfoundland. Whichever measure you use, one or the other of the provinces has the worst record. Yet to be frank, the response from the B.C. government to this information tends to be: "The stats are a little old. Everything's getting better."

The Conservative government of Newfoundland, with the same information, has chosen to respond very differently. They say: "We accept this, and it's unacceptable." They have set out a ten-year schedule. Much the same way that, for example, the federal Liberal government had a schedule for eliminating the deficit, they have set time lines and targets. They accept it as not just the responsibility of the ministry responsible for welfare but one of the overarching goals of government across ministries — in much the same way that our Premier has his five goals.

You download their anti-poverty strategy right off the home page of the Newfoundland government. They have signalled that this is how they seek to be judged in the coming years.

Now, they've just launched it this year. It's early days yet, but you look at it and you say.... Incidentally, even anti-poverty groups in Newfoundland, who don't tend to vote Conservative and who I have spoken to about this, are impressed. They're impressed with the consultation that's gone into it. They're impressed with what the government has stated it will be accountable for.

The main difference is around how you measure success.

B. Lekstrom (Chair): I have two other members wishing to ask questions. We are quickly running out of time, so if we can, we'll try and get as quickly as we can to the question and the answer.

J. Horgan: By contrast to other presentations we've had, and we can go right to the Surrey Board of Trade this morning — lots of good ideas, the same passion and commitment to the issues that you bring — you've taken the time and energy to cost those out. I appreciate that very much, and I know the committee will as well.

I'd like to talk a bit about your revenue calculations, Marc. Could you expand on why you settled on 5 percent?

M. Lee: I should have mentioned that in my presentation. Generally speaking, you expect the growth rate of revenues to increase in pace with the nominal GDP growth.

If you go back, say, to the early 1990s, that's historically grown anywhere from 5 to 9 percent per year. So we've taken a low estimate of 5 percent per year. It could actually be more. In fact, in our solutions budgets, we have tabled estimates that have been more accurate than those that have been tabled by the provincial government, and even then they have been somewhat understated. Prior to the last budget we estimated that the surplus would ring in at about \$2.9 billion. It closed at \$3.1 billion. Still, we were much closer than the government's own estimates.

S. Klein: If I may on this.... We adopt the same methodology with our federal alternative budget. Across the political spectrum many have noted that our federal alternative budget has been much more accurate using this methodology than what the Finance Ministry has produced.

I want to underscore this as, I think, a key recommendation out of this committee. In much the same way as your federal counterpart committee has demanded change from the federal government, this lowballing of revenues is undermining your work. You're taking the time to get input, and yet the de facto overriding policy is debt reduction. That should be a concern to you.

[0955]

I. Black: I thank the gentlemen for the presentation. It was really well thought out, and it covers a lot of areas that are crucial toward society, irrespective of where we stand on the economic cycle. But it is the economic cycle concern that I want to bring up with you and want to get some feedback on.

What you've done is modelled out an expenditure proposal, when in our current point in history we have record low levels of unemployment — unmeasurable, frankly, in some areas of the province. We've got interest rates at 45-year lows, which means the corresponding cost of servicing the debt right now and the percentage of our budget that that takes, which is \$2 billion a year right now, is at a historic low. It can only go up from here.

What concerns me about your presentation is that you're proposing, by your own measurement, a substantial expansion to the committed annual revenues of a government, and have done so at a time when it can

only go down from here. The squeeze will happen. When the pendulum starts to swing the other way, the availability of those funds won't be there. Ultimately, the question still has to be answered: where's the money going to come from?

You've only modelled out two years. What you're proposing is a ten- and 20-year strategy. I haven't heard about the underlying shift in our priorities that will be necessary to feed this animal if we were to actually create it, and that concerns me greatly.

S. Klein: Well, first of all, from a fiscal point of view the key measure that continues to matter is the debt-to-GDP ratio. While we didn't include it in the table, it's important for you to know that even under this model, where we fully spend the surplus or invest it, I would argue — as our previous speakers did — your debt-to-GDP ratio will go down.

In the mid- to longer term, I guess the point that we elaborate on a little bit in the written brief is that there's a false economy to failure to take the bold action we're calling for. Conversely, there are budget savings from our ability to tackle these issues. There are different ways that we pay for poverty — in health care, in crime, in addictions and in all kinds of other losses, many of which are direct to the treasury.

In the case of homelessness, there are clearly studies that show that it costs more in direct government services for the homeless than it would to house them. So there are some upfront capital expenditures that need to be made here, but there may well be a fiscal virtue to doing so down the road.

B. Lekstrom (Chair): All right. Well, as with most presenters, I'm sure more than 15 minutes would be more than nice, but we are on a tight schedule. Seth and Marc, I want to thank you for taking time out of your schedule to come and present your paper here today.

Our next presentation this morning is from the British Columbia Medical Association, and joining us to present is Dr. Margaret MacDiarmid. Good morning. Welcome to the committee.

M. MacDiarmid: Good morning, and thank you very much for allowing us to speak this morning. My name is Margaret MacDiarmid, and I'm the president of the British Columbia Medical Association. I'm here representing the over 8,000 practising physicians in the province today.

I am a family doctor in a small town called Trail. I have been there for almost 18 years. While living there I've also been a patient in the system, and I've had family members as patients in the B.C. health care system, so I have a variety of perspectives.

Now, you're aware that ten minutes is really not enough time to discuss all of the challenges in the health care system today. I would love to spend the day with you, but I know you have other priorities, so I'm really going to focus on three issues today, which are wait-lists, long-term care and medical student debt.

I'm delighted that today is the first time in many years that the BCMA can present to this committee

while we're not in physician compensation negotiations. Those are out of the way for the next six years. What I can talk with you about today is what's best for British Columbians — thinking about it from a patient and a taxpayer point of view.

B.C.'s health care system requires an investment of over 40 percent of the provincial budget. I am calling that an investment — not a monster, as was in the paper last week. The Premier has said a vibrant health care system is a critical part of B.C.'s economy. It's a major employer in our province, and it encourages investment in research and development. Most importantly, it provides access to health care for everyone in this province.

[1000]

The demands on our system are increasing. The most formidable challenge facing our health care system is to ensure its long-term sustainability in the face of our growing and aging population, the explosion in technology, and pharmaceuticals. We still have to maintain access to quality care.

Wait-lists will continue to be a barometer by which we judge the performance of our health care system. Let me assure you that the public and the media are not going to allow us to forget this any time soon. A wait-list is a symptom of a capacity problem somewhere in the system.

In June of 2006 the BCMA released our report *Waiting Too Long*, which I think we've brought copies of for you today. My comments are largely based on that report.

The BCMA is asking that health care infrastructure be made a top priority for the budget of 2007. Our system needs greater capacity in virtually all areas. We need emergency rooms, operating rooms, acute care beds and long-term care beds. That's to keep up with the population growth in aging in this province.

There simply was not enough investment in health infrastructure in the 1990s, and today we're paying the price. B.C. has about two acute care beds per 1,000 people. The ratio is less than the province had ten years ago.

I recognize that technological advancements have reduced the length of stay for many procedures, but we do not have enough beds right now. Too often, hospitals are filled to capacity and actually running at 105 or 110 percent of their alleged capacity. There are people who are in hospital who should be receiving long-term care, but there are no beds for them to go to.

Elective surgeries end up being cancelled frequently around the province every day. Emergency departments are full and go on bypass.

The BCMA is calling on the province to maintain enough capacity in our hospitals so that regular occupancy does not exceed 85 percent. We also recommend a 25-percent increase in the number of ORs in the province over the next couple of years.

The BCMA is also asking that we seriously examine how we set budgets and fund our hospitals. Global budgets are not necessarily the best way of rewarding efficiency. In fact, they're not. The models around the world are different. They're activity-based funding. So you base the funding of the hospital on what they're

going to do for patients in the future. It can be blended funding, but it's a different way of doing things than the way we do it here. It does lead to efficiency in the health care system.

Lastly on wait-lists, we're asking for B.C. to implement maximum allowable wait times. There are two federal milestones to assist us in this regard. In 2004 the first ministers signed a ten-year agreement specifically to reduce wait times. B.C.'s share of that funding is about \$600 million over the next six years.

Secondly, last December the Health ministers across Canada released ten clinical benchmarks that outlined the appropriate wait for medical procedures. It's a good start, but we're recommending wait-time benchmarks for all diagnostic, therapeutic and surgical services by the end of this year. That way, B.C. residents will know what the maximum time they might have to wait will be for a procedure or a referral.

I'd now like to turn to long-term care. How our system is going to look over the next ten to 15 years will largely be determined by how we look after the elderly and people with chronic health conditions. By 2011 we're going to have more than 100,000 seniors in B.C. over 85. No matter how well they've taken care of themselves, I can practically guarantee you that they'll have one, two or many chronic conditions that will require care — high blood pressure, diabetes, congestive heart failure.

As we go forward, we should help people to stay in their homes and with their families as long as it's appropriate and safe for them to do so. But this can't replace the need for residential care when it's beyond someone's ability to live independently, whether assisted or not. A hospital bed or a stretcher in an emergency department is not residential care. Unfortunately, that is often where my patients end up.

B.C. needs to build more residential and assisted-living capacity supported by a strong primary care system. It's this capacity that will take the greatest pressure off of emergency departments and hospital wards. Without bricks-and-mortar capacity that we can see and touch, we are just tinkering around the edges of this problem.

[1005]

It's ironic that at the time that we need to build this infrastructure, we find ourselves in the midst of a construction boom as B.C.'s economy grows. It's good for the province, but it means that health care is competing for workers and resources from other projects and industries.

It's really unfortunate that during the 1990s there simply was not enough investment in acute and long-term care infrastructure in B.C. Today not only do we have to build new facilities, but we also have to significantly upgrade or even tear down existing facilities.

There is hope. It takes ten or 12 years to train a surgeon, and we really can't change that, but we can build acute and long-term care facilities in far less time than that now. We literally have got no more time for delays. The demographics tell us that. The current wait times for patients tell us that.

In May of 2001 the BCMA stated that our capacity required 10,000 new long-term care beds by 2015. I recognize that government has funded additional con-

struction of many initiatives in long-term care over the past number of years. But we do need more. I have a simple message: we need to step on the accelerator if we're going to be ready for what's coming.

The last topic I'm going to address is medical student debt and its impact on our future physicians. Medical school takes four years, and after graduating, medical students need another two to maybe six or seven years of training before they can go out and practise on their own. It's not at all uncommon for medical students today to have a debt of \$100,000 or even \$150,000 when they finish medical school and go into their residency. The way the loans are designed, they have to start paying their loan and their interest right then, long before they're actually realizing the income they will as physicians.

We're asking that both federal and provincial governments defer interest charges and payments on these loans until the students are finished their training. They'll still have to pay off their loans, but they don't have to start until they've actually completed all of their training. It seems simple, but it would have a significant impact for residents and students. We need to fix it now.

You may ask: why should we care about this? What really made me care about this were conversations with medical students who told me they were making career choices based on their debt. "I'd like to be a family doctor," they said to me, "but I'm afraid that I can't generate enough income to pay off the debt that I'm facing." "I'd like to set up an office, but I don't think I can actually get a loan to do that and be a full-service family doctor unless.... It's not manageable with my current debt." We already have a shortage of family physicians, and the last thing we would want to do is aggravate that because of this problem.

The other thing we're hearing is that the average income of the family of the medical student today has gone up from previously. We think that's wrong. We think that every socioeconomic group should have equal access to medical education and that we shouldn't be selecting students or having them self-select based on family income. In Quebec, Saskatchewan and Newfoundland they already do defer interest charges until the students are finished their full training, and we're just asking for B.C. to do the same.

In conclusion, I want to say to you: the doctors of B.C. do acknowledge the significant challenges faced by government while it sets its priorities for the provincial budget. There are always far more requests than there are taxpayer dollars, and we recognize that. But health care is, and will continue to be, the largest part of the provincial budget. It's because that's what people say is the most important to them. When we ask British Columbians, "What are you most concerned about?" it's wait-lists and not enough physicians, and we need to address that. I see, and you should see, health care as an investment in our seniors, our children and the most vulnerable in our society.

It's with a comment on seniors that I'll conclude today. You don't know what the health care system really means until you or a family member, such as a parent or a spouse, needs care. It's something B.C.'s

physicians see every single day. How we manage the system in the coming years will reflect on how we are, in fact, repaying our seniors for making British Columbia the great place it is to live today.

Thank you very much, and I would be happy to try to answer questions.

B. Lekstrom (Chair): Thank you very much, Doctor, for your presentation here this morning.

H. Bloy: Thank you, Margaret. I did call you when this book came out, but you never returned my call. I left a message at your office, and it was regarding foreign-trained doctors, but that's not my question today.

My question is on global funding. You said that global funding is not working. What do you think of the British plan where they've taken the emergency patients and made a commitment to move them through in two or four hours? All the hospitals in Britain are not globally funded; they're only funded by the number of patients they put through in that area. In fact, some hospitals have closed because they become so efficient. Do you see that model working here?

[1010]

M. MacDiarmid: In our paper that you have in front of you, we talk about activity-based funding, which is more what they use in Britain. It's such a sharp contrast with what we have here. Here the hospital has a set budget for the year, and a patient is actually a problem for them; a patient is a cost centre for them. In Britain a patient is an opportunity. A patient is someone you want to take care of, and you'll be rewarded if you do take care of them.

It's not a panacea any more than anything else is in health care, but I believe we should shift to, at the very least, a blend of our current global funding with a foundation of funding and then activity-based funding on top of it.

I do apologize for not calling back, because I normally always return my calls. I'll have to look into it.

D. Hayer: You touched on spending more money on the facilities, which is a capital expense, so which is probably more likely a one-time expense, but with that also comes operating expenses, which are annual expenses. Right now we seem to be spending around 44 cents of each dollar on health care. Do you see it going up much higher over the next ten to 15 years — the Minister of Health has said it might go up to 71 cents out of each dollar, or 71 percent — or do you think there's some other way of spending money so that total expenses can stay the same? Maybe find efficiencies within the system? Seniors populations will go from 12 percent now to 25 percent over the 12 to 15 years.

M. MacDiarmid: If I was in charge, which isn't likely to happen anytime soon, I would not want to see 70 percent of the tax dollars going to health. I totally would not want to see that. If we shift to something

like activity-based funding, having built the infrastructure, we can actually find efficiencies in our system.

We have another paper that we commissioned by an economist this year, which we didn't bring copies of, and it's called *The Economic Cost of Wait Times in Canada*. It clearly shows that when people wait on waiting lists of various kinds, it actually ends up costing money. If you're waiting for heart bypass surgery.... My patient is coming in to see me in the office requiring medication changes, possibly taking up a hospital bed and costing the system money.

We have a number of different examples of how that works. When someone falls and fractures their hip, they come into hospital, and there's no OR time. They wait for several days before they can have that hip fixed. That does happen. Meanwhile, their health deteriorates, and they will end up having more complications, and they will be in hospital longer, and the chances of them having to go to a convalescent home or a long-term care facility go up with every day they wait.

If we could invest that money — and I do think it will be an additional investment — in the infrastructure, it will pay off down the line. It really will.

B. Lekstrom (Chair): Well, Doctor, there is a full list of people wishing to ask questions. Unfortunately, we just don't have the time, I know, but I want to thank you.

The paper you mentioned that you have in your office — if it's possible that you could get that to us through the Clerk's office, I'll ensure that members of the committee have the opportunity to read that and go through it.

M. MacDiarmid: I'd be delighted to forward it. It's a really thought-provoking and different way of looking at wait times.

B. Lekstrom (Chair): Again, thank you for taking the time out of what I'm sure is a very busy schedule for you.

Our next presentation this morning is from the Canadian Bankers Association, western region, and joining us is Paul Griffin. We also have David Poole, Graham MacLachlan and Raymond Currie.

Good morning, gentlemen. Welcome to the committee.

P. Griffin: Thank you very much for seeing us. I know, just looking at your agenda today, it looks like you've got a long day, so we're going to try to stay to time here.

I'll just introduce myself. It's Paul Griffin, Canadian Bankers Association. We're one of the oldest industry associations in Canada. We represent the chartered banks. Immediately to my right is Graham MacLachlan, who's the regional president of RBC Financial; Ray Currie with the Bank of Montreal; and David Poole with Scotiabank.

I believe the Clerk's department is handing out two pieces of information to you. One is our actual formal submission. We won't be referring directly to that, but we're handing it out to you. If you want to catch up on your sleep some time, you might want to read that. I

know it's difficult. You must get a lot of material. What we're going to do is use this little slide deck here to sort of guide us through the next eight to nine minutes.

[1015]

I'd like to talk today about two general concepts with respect to our industry. First, just to talk a little bit about the industry itself. Make no mistake about it: the banking industry is an industry — and a very important one to the B.C. economy. Then we're going to talk a little bit and make our case for what B.C. can do to help make it more competitive in terms of attracting more investment and financial services here in British Columbia.

Talking about the banking industry, I just wanted to let you to know that banks are major players in the economy. We paid about \$230 million in taxes last year. We pay more taxes than any other industry. Part of that.... We'll get into a little more detail later on what the reasons are, but we definitely do pay our fair share.

We're major players in terms of lending. We are major lenders in small business. We hold the lion's share of the small business market, the mortgage market. We provide most of the credit in the province, and we'd be pleased to provide any more details on that.

The other thing that I think a lot of people don't realize is that we're widely held. Banks are basically owned by British Columbians. The Canada Pension Plan — almost 20 percent of its equity holdings are in bank shares. The Business Investment Management Corp. has about 18 percent of its holdings in financial services. So every British Columbian has a stake, through the Canada Pension Plan or through their individual holdings in Canada's banks. Canadians own the banks. They're not owned by individuals. They have to be widely held, under Canadian law.

I want to turn to slide 4. This is an interesting one, because it shows the role of the financial services sector in the gross domestic product in the province. You can see that banks are an important factor here in British Columbia — and deposit-taking institutions. This includes credit unions. Relative to other provinces, we're almost 3 percent of the gross domestic product here.

If you compare that to some other sectors, it would be more, for example, than forestry and logging. It'd be more than high technology and communications. It would be more than pulp and paper. It's more than mining. It's very comparable to petroleum. So we're a major player in the GDP.

If you look back, in terms of our employees, we've got 27,000 employees in British Columbia. That's a big number. When you look at, for example, what's happening in mining, with 0.6 percent of the workers, and forestry with 1 percent, we have a higher proportion of workers.

In terms of spinoff, slide 6 is an interesting stat from the Ministry of Labour here in British Columbia. The banking industry is second only to oil and gas in terms of the spinoff effect it has on jobs. And we should mention that these jobs, when you think about it, are high-end, quality jobs: legal, accounting jobs, high-technology support systems, these sorts of things. We're not talking about low-paying jobs; we're talking

about clean, environmentally friendly, desirable jobs for the economy.

We're good corporate citizens, and slide 7 speaks to that. In terms of our donations, banks are always cited by a number of independent organizations across Canada as major corporate citizens and givers in terms of charitable donations. In British Columbia last year, for example, almost \$10 million was donated. That's pure charity. This does not include the millions and millions of dollars that banks contribute in terms of their marketing campaigns and signature sponsorship events that we're all familiar with and to charitable foundations and causes that the banks take part in.

I'd say — quite reasonably, I think — that at least half of all the bank employees in this province are involved in some way for a charitable cause, in terms of being involved in chambers of commerce and various activities such as that. I think we'd compare favourably with any other industry in the province in that regard.

That's who we are. I think we're an important industry. It's clear that we're a desirable industry. The types of jobs we create are high-end jobs. We're moving more and more away from the transaction-based kind of service that might have been familiar 20 years ago, into higher-end, well-paid jobs providing financial advice, investment guidance, these sorts of things. It's the type of jobs I think B.C. wants.

[1020]

Now we want to talk a little bit about what we can do to change that. The British Columbia government has done a lot of good things, and I think its movement, in terms of reducing much of the taxation burden on corporations and individuals, has gone a long way in terms of improving the economy. It should be cited for that and congratulated for that.

If you look at slide 8, there's an important statistic here. We all know that British Columbia has been doing very well in recent years. We've been growing. It's almost a boom economy, I guess one could say. We've been trailing Alberta somewhat but actually not that far behind Alberta in terms of gross domestic product if you look at it on an annualized basis. On the second point here, if you look at what's happening with deposit-taking institutions as a percentage of gross domestic product, in Alberta deposit-taking institutions have grown by 32 percent in the last five years. Here in B.C. we've actually shrunk by 1 percent.

What's happening? The fact is that we're losing jobs and investment to Alberta in the financial services sector. That's a fact. There are a number of different stats in our main submission which point to this in terms of job creation.

Here's another example. In terms of job creation in our sector — and this includes credit unions and Alberta Treasury Branches and these sorts of things in Alberta — jobs have grown by 5.35 percent in the sector from 2000 to 2005 in Alberta. They've grown by 1.72 percent in B.C. We are growing, we are contributing, we are expanding, but it's not nearly as fast as is happening in Alberta. We think Alberta is leading the way, obviously, but we think B.C. can be more competitive, particularly in the area of capital tax.

Slide 10 refers to the fact that the B.C. government eliminated the general corporations capital tax a number of years ago. At that time the minister of the day cited the fact that this would help contribute to the B.C. economy, that it would help the economy to grow, and in fact, we think it really has. At the time, a decision was made that capital taxes would not be eliminated in financial institutions, partly for the fact that the government was under severe financial constraints of the day, but I think there was a desire to.

Certainly, in terms of today, we believe that if the government would be able to consider capital tax cuts, it would provide a stimulus in an area that is very desirable for this province. We've always focused on the resource sector — on mining, on forestry. We should be focusing, perhaps as much as we possibly can, on other areas — diversifying our economy.

One point I'd just like to make about that, which I didn't make earlier. An interesting fact is that banks are probably the second-biggest IT business in British Columbia. Some of our member banks have major IT resource centres right here in Vancouver that develop software for systems around the world — hundreds and hundreds of employees, software developers and engineers.

If you think for a moment about what you do in terms of high technology.... What services do you use in a high-technology firm? Probably it's banking. Probably every one of us is using high technology most in terms of our financial dealings. Banks are major players in that area. When decisions are made to set up those types of high-end technology jobs, one of the factors that plays a very important role in that is capital taxes.

On slide 13 we look at just where B.C. is with respect to other jurisdictions. You can say that in B.C. we're paying 1-percent capital tax on businesses or corporations with asset values of a billion dollars and less and 3 percent for FIs worth a billion dollars and more.

Look at Alberta. It's at zero percent. Ontario is at 0.6 percent for the first \$400 million — and it's phasing out its capital taxes — 0.9 percent on over \$400 million and, as I said, going down to zero percent. Quebec is at 1.5 percent, and they're also phasing out to about a half-percent by 2009. The federal government has eliminated capital taxes, realizing as part of its own research and studies that it's actually a disincentive to investment and job creation.

In summary, we just wanted to point out that — and again, there's so much to say and so little time to say it — we do believe that we're a very important industry in the province. Investment decisions are being made on a daily basis both within British Columbia and externally by major national and international corporations about investing in this province. When they look at B.C. and see that we have a high corporate capital tax rate — but, in addition, the fact that we're one of the few jurisdictions in the western world now that still has a capital tax.... It does play a significant role in terms of investment decisions.

[1025]

If B.C. wants to make itself more competitive in terms of attracting this type of a job and this type of investment to British Columbia, we seriously recommend that it look at capital taxes.

That's the essence of our presentation today. We'd be pleased to answer any questions you might have.

B. Lekstrom (Chair): Thank you very much, Paul. I think you pointed out some things. It's very difficult to get the full picture in the short time, but you've done a great job there.

I'll look to members of the committee for questions.

R. Lee: Thank you for the presentation. It was very detailed.

My question is on.... Say, two years ago we changed the international finance regulations in B.C. Do you think that change helped banking in B.C.?

P. Griffin: I've talked with the president of the International Financial Centre, and he is also concerned about the capital tax. They've made a presentation to the government in terms of a written submission. I'm not sure if they're making a presentation to this committee.

When international banks look at establishing operations here in Vancouver, they're taken aback by the fact that we want to tax their investment. It's not something they see in any other western, developed jurisdiction. They can't understand why we'd want to tax jobs — jobs and investment. That's essentially what capital taxes are: annualized tax that occurs in good years and bad years. It doesn't matter what kind of year you've had; you're going to pay that. It's like the bricks and mortar that you have to buy to plant your people in the city.

The International Financial Centre is having problems in terms of attracting international banks. I know we look at Montreal, where they've eliminated the capital tax. There are something like 240 entities under the International Financial Centre umbrella. I don't know how many we have, but it's not anything near that. It could be, because we sit on the Pacific Rim.

I'll let the International Financial Centre make their case, but they are charged capital taxes as well. If any of our major banks want to set up a subsidiary under the umbrella of the International Financial Centre, they'd be taxed at 1 percent or 3 percent, depending on the size of their institution — double tax, because it would be a subsidiary, and subsidiaries don't get any tax credit. They get taxed first as a parent corporation, and then as a subsidiary.

B. Ralston (Deputy Chair): Given what you've said, are you saying that this tax skews investment decisions by your member organizations? If it were to be eliminated, what changes in investment decisions would be made by your organizations that would directly contribute to increased employment in British Columbia?

P. Griffin: I think I'll let my member speak to that. As an association I can't, obviously, speak of individual investment decisions. They're made regularly, but....

G. MacLachlan: I'll maybe start off and speak on behalf of RBC. With the strong economy here in B.C., we're certainly looking at additional investment into

British Columbia. We're looking at hiring more people in front-line relationship sales positions, as well as opening more new branches here in B.C. I believe the elimination of the capital tax would allow us to accelerate that kind of investment, and possibly increase the investment over the next three to four years.

P. Griffin: Could I just add one point to that? I did mention it in the submission.

When a decision is made to plant a job either here in B.C. or in Alberta, one of the factors that goes into calculating capital tax is employee wages paid. So if you have an option of creating, let's say, a wealth management team in Kamloops or in Red Deer — a small group of, let's say, senior managers — and they're paid a lot of money, where are you going to put them? It adds to your capital tax if you put them in Kamloops, but no capital tax if you put them in Red Deer.

B. Lekstrom (Chair): I would suggest Dawson Creek would be a wonderful place to look.

R. Hawes: My question was actually kind of similar to Richard's. You had mentioned that Montreal has 264 under their IFC umbrella. I think you said....

P. Griffin: Don't hold me to that number. I think there are about 240 or so.

R. Hawes: For British Columbia, do you have any idea how many different...? How much relaxation is there here? How many entities would we...? Do you have any idea? I'm kind of surprised by....

P. Griffin: How many do we have now? I'd really want to defer to the IFC. I'm not sure of its membership. I don't know if Robert Fairweather is appearing before you. I think the number is quite small, actually, but we could certainly get that and give it to you, Mr. Hawes.

R. Hawes: How do they select which different entity is going to get some kind of a capital tax reduction?
[1030]

P. Griffin: Again, I'm not totally familiar with the arrangement that the International Financial Centre has structured. It's different than mine. It's not actually a member of the Bankers Association, so I'm not really familiar with that.

It's a separate entity set up by the federal government in cooperation with provincial governments quite a number of years ago. I'm not sure exactly.... I do know that the capital tax is an issue for them.

B. Lekstrom (Chair): Gentlemen, I do want to thank you. The schedules that you run, I'm sure, are extremely busy, so for you to be able to take the time today to come to present to our committee is very much appreciated. It's certainly interesting that over the number of years I've studied the banking institutions stuff, no longer do we deal with it on a national basis,

but it's a global environment that we compete in. Thank you very much for taking the time.

Our next presentation this morning is brought to us by the Federation of B.C. Naturalists, and joining us is Bev Ramey.

Good morning, and welcome to the committee.

B. Ramey: Hello. Thank you, Chair Lekstrom and members of the committee, for this opportunity to present. I'm pleased to be here for the Federation of B.C. Naturalists to speak for additional funding for the Ministry of Environment.

The handout that's coming around.... To some of you who were on the committee last year, it might look slightly familiar, but the newsletter that you're receiving is our current one. The newsletter itself is different. For those who aren't familiar with my organization, if you open up the back page of the newsletter, there's a list there of all our member natural history clubs throughout B.C.

We're located in many cities and towns of B.C. There are 48 of our clubs throughout B.C., and we have been an umbrella organization for 37 years. We're involved with education, field trips. We have the Young Naturalists Club; recently we've given birth to this. There are about 12 Young Naturalists clubs throughout B.C. These tend to be younger kids from about 12 and under. We're also involved with conservation work.

My presentation today is really focusing on the need for additional funding for B.C. parks. I wanted to say we appreciate the little bit of extra money that was put into the budget in the last two years. This has been a really good step in the right direction, but we'd like to see more to come.

Instead of giving you a lot of words, in this handout here I've concentrated on photos. If you turn to the second page of this one, this is to get you in the B.C. parks mood, because I know it's a little bit hard, in the basement of this hotel, to think about B.C. parks — right?

I showed this picture to a friend of mine, and they said, "Is that in Nepal?" because of the glaciers and, also, the Asian character of many of the high school students in the photo. Well, in actual fact, this is one of your B.C. parks, and the makeup of that high school population is the reality of today for B.C.'s urban centres.

Now, Dawson Creek is probably a little bit different than that. I looked at the biographies of you all, and you are all family people with two, three or four kids, so I know you can relate to this.

In my organization, we tend to be older people — like, 30 and upwards. I wanted to stress the difference in people who are in their 50s and 60s in B.C., and they've grown up in a rural environment, so they're used to fairly rough terrain. For the youth today, it's very different. They're in urban environments. They're used to blacktop-pavement playing fields — okay?

My husband and I accompany high school students as volunteers. These students are motivated to get their Duke of Ed Award, so they're going out on one-night, two-night and three-night hikes. This trip was in Garibaldi Park. It's really interesting. They do a write-up at

the end of their report, and you can see how they experienced the environment.

[1035]

I'm going to read you a quote from one of the students on this trip. But on page 3 — it's titled "Garibaldi Provincial Park — Opal Cone Trail" — you'll see in the top picture "A" that the trail is snaking down that steep bank. It's the same trail in photograph "B." The man there is one of our parents accompanying the students as well. Off to the right of him, you'll see a student with a backpack on. We were going beyond to Mamquam Lake, so our students had backpacks on, on this trail, which tends to make him a little bit top-heavy. Picture "C" is of the students going back up this same... Okay.

This is a very popular area. It's out of Squamish. Many people can hike to Elfin Lakes Diamond Head just as a day trip. Many people stay over night there, and then go on the next day to Opal Cone, so there are a lot of people using this trail. Here's a student's description:

"The first part of the trail was deceitfully similar to the beginning of the trail to Elfin Lakes. Then in the last part of the trail to Ring Creek, it was suddenly difficult. The trail was so small that it could only fit one person width-wise on the trail. It was a small trail that seemed not to be particularly stable nor well-worked. The scary thing was that it was sheer cliff of dirt and stone — nothing to hang onto above or below if we fell.

"My nerves got a bit wracked, so when we went across the face of the cliff, I hiked with both arms clinging to whatever rock possible on the side of the mountain. Unfortunately, when we were three-quarters of the way down this portion of the trail, there were people coming the other way. Thankfully, out of courtesy, the other hiker went backwards for us — poor guy — and everyone reached Ring Creek safely."

Turning to page 3, the bottom photo there shows you a picture of the Elfin Lakes campground. It looks very idyllic with all of the tents there. Those tents are actually in the overflow camping area. Most of the tents are on pads located in the trees. This Labour Day weekend there were about 60 tents in the campground, so figure 120-plus people.

The photo at the top you might think is of some happy-looking students, but in actual fact, they're waiting in the line for the outhouse. The roof above the middle student's head is the one outhouse in that campground, so figure 120 people and one outhouse. What message is that giving to encourage young people to use our back country or to tourists? There were German tourists and all kinds of people. It's very accessible to get here. It's just not good enough, and more money is needed.

I mention on the front page, also, the concept of improving visitor information. Right now all the information is on the website, which isn't that friendly. We need a person in each region to answer phone questions. Also, we need more publicity on our parks.

For example, this summer I was — I guess in truth you'd call it central B.C. — in the Prince George area, which I'm fairly familiar with, but I'd always thought of it as very flat. Just an hour to the east of Prince George is Grizzly Den Provincial Park and Raven Lake. It's well-signed, and it's one of the parks that has had

some additional funding put into the trails there. Other than Prince George people and maybe people further north, who even knows that park is there? It's the front ranges of the Rocky Mountains. We need more publicity on the parks.

We were really pleased just this past summer that the Ministry of Environment was able to put 12 youth as park interpreters into B.C. parks. This was through the youth conservation corps program, and we hope there could be even more next summer. That was a wonderful program.

I could go on about different parks. Each has its own little additional need. I'll mention one other example: Cape Scott at the north end of Vancouver Island. That's one that has good trail facilities, good directional arrows along the road, and it's a gravel road. But it's a good gravel road because it's being graded, because there is active logging.

But the last five kilometres of the road beyond the active logging is not maintained. Any tourist coming suddenly has all of these potholes, which is pretty scary if you're not used to that. So there needs to be some coordination — I don't know if it's between Ministry of Forests, Transportation and Parks — about access to the parks.

[1040]

I'll stop there and just conclude by saying that I think money into the Ministry of Environment is money well-spent. We're not talking about big amounts relative to your overall provincial budget, and the benefits of a healthier population, getting youth back involved with the outdoors and for tourism.... It's money well-spent.

B. Lekstrom (Chair): Thank you very much, Bev.

B. Ralston (Deputy Chair): The Minister of Environment has announced that one of the ways that funding for B.C. Parks might be increased would be to accept and build hotels or other resorts within the park boundaries. I'm wondering: has your organization taken a position on that as a proposal?

B. Ramey: Yes, my organization has. We are supporting improvements to the facilities in the parks — the trails, the signage, the food caches — and better information on the parks, but not resort-type buildings within the parks. We think that there are, generally, commercial operators located outside the parks. We would prefer that such resorts be located outside.

To add one more thing, for the aging population, what we see is many older people, retired people in the front country, in B.C. park campgrounds, in their camper trucks, in their motorhomes. They are actually pretty comfortable in the campgrounds.

J. Horgan: Thank you, Bev, very much for a very restful and informative presentation. We've had a lot of data over the past little while, so it was very refreshing to look at some invigorating photographs for a change.

I was going to follow along on Bruce Ralston's question with respect to the fixed-roof accommodation. I appreciate your answer on that. Perhaps, then, I'd put a question to you. As it is our mandate, where would you suggest we find the revenues to achieve the results

that you're looking for? Do you have any suggestions on that?

B. Ramey: It's a tough question, but one thing that came to my mind when I was thinking about this was that the Ministry of Tourism, I believe it was, two years ago put up signs on many of our well-travelled highways. They've got a metal post, and they're about yea big. They're about beautiful B.C. or something like that.

Depending on where you're driving, it has a little catchphrase. I think it's "Rivers and ranchlands" or that kind of thing.

B. Lekstrom (Chair): "Great Northern Route."

B. Ramey: I think that was a waste of money, because most tourists want more information than that. That's one suggestion.

R. Hawes: I was going to ask, along with the same question about the fixed-roof accommodation.... I've read your paper here, your position on opposing fixed-roof accommodation. Some of the parks, though....

You're probably aware that within the ministry, parks are zoned much like a city map. There are areas within some of the parks that have high human activity. Some are more remote, and some are environmentally protected, etc.

In many of these parks that the lodges are proposed for, there's already a high degree of human activity, where there's already infrastructure. Campgrounds, for example, often have a lot of infrastructure in them.

I guess I'd point to Manning Park. I would wonder. I don't see the ecological damage with that lodge in Manning Park. What I personally see, because I do go there from time to time, is a place that seniors and others who don't have motorhomes or campers, who in fact don't like camping...

B. Ramey: You're absolutely right.

R. Hawes: ...can enjoy the park or could perhaps have a nice lunch or something while they enjoy the park. I don't see why we would want to deprive them of that opportunity.

B. Ramey: Some of our members who strongly oppose lodges in camps use Manning Park quite a bit.

From your example, it's the commercial aspect. What I've seen, through this same high school.... We use Manning Park at the high school each winter for a ski trip, and it's great because the kids are in the cabins in groups of eight, with a parent. They cook, and they use the ski hill. It's wonderful.

Because the bottom line of Manning Park Resort, I'm afraid to say, is to make money, they have now told the school.... The school's gone there for 20 or 30 years, and they used to book Wednesday and Thursday nights — so Wednesday, Thursday, Friday. The school can not have that booking. They have to go Monday,

Tuesday and Wednesday, because there are other clientele who want to book Thursday night.

[1045]

In addition, now — the head teacher's just got this — any school group of more than 40 students has to provide their own bus to get from the lodge to the ski hill. It makes me furious because the poor teaching staff.... How are they going to afford to get a bus up there? The kids come on the bus, it drops them at the ski hill and then goes away, and then the bus comes back the third day. To have a bus and driver sitting at Manning Park Lodge for three days, to take them to and from the ski hill — that's because their bottom line is to make money, and it's not to encourage youth to use the parks.

D. Hayer: Thank you very much, Bev. Good presentation and very good pictures here. I was just looking at.... I think the Ministry of Tourism the day before yesterday announced an additional \$1 million for recreation sites and trails. I was just looking at the press release. How much money are you looking for in total?

B. Ramey: I'm not the expert on that, but I'm sure the staff in the Ministry of Environment and Minister Penner would have the information on that. I'm sorry.

D. Hayer: No problem.

B. Ramey: I know it's very small, though, relative to the health or education budgets. We joke about it being a rounding error.

B. Lekstrom (Chair): Bev, I want to thank you for coming and presenting here this morning.

Our next presentation today is from the Fraserside Community Services Society, and joining us is Caroline Bonesky. Good morning, Caroline. Welcome to the committee.

C. Bonesky: Thank you. I want to thank the members of the committee for the opportunity to present. I am the executive director of Fraserside Community Services. Fraserside is a non-profit, multiservice agency that's been providing services for 34 years now in the lower mainland, mainly in New Westminster, Burnaby and the Tri-Cities. We're mainly an adult-focused organization, covering a wide range of services for adults with developmental disabilities, mental health, addictions. We provide a range of housing, both emergency shelters for family, for mental health and apartment living for people with mental health issues.

Over the past number of years we've certainly seen a significant change in the quality of life for the poor, the working poor and the homeless in British Columbia. The booming economy combined with changes in income assistance regulations have left more and more individuals just actually spending all of their time trying to survive.

We used to see that the majority of the people using our shelters were singles, tending to be males and fe-

males probably between the ages of about 24 and 44 or 50. Now it's way more common to see families, working-poor families, senior citizens, physically ill and the working poor. So we're seeing a significant shift in who's actually using the shelters.

The children are increasingly joining the ranks of the people using our shelters. Currently the statistics are that about one in five are living in poverty. We see these children moving through many different housing situations. What happens in that instability is they end up usually in high stress with poor nutrition, changing schools quite often. They're basically ill-equipped when they become adults to overcome the disadvantages. They, in turn, end up on income assistance, and another generation of poverty is created.

These children unfortunately also add significantly to the cost of health care and education in our province.

New Westminster alone is an example. We have one worker who is trying to find housing for about 30 to 40 individuals and families every month. We've made good connections with landlords. We're making inroads there. We're often not successful. People want to live in B.C. Housing. It's a five-year wait-list for that. For people with physical challenges, there just aren't any apartments available.

The economic impact, again, is felt. I mean, the studies have confirmed over and over that if you deal with the preventable health issues stemming from a lack of adequate shelter, they are basically equal to the cost of providing housing and services. So we're not putting it over here; we're putting it over there. It's not actually going to cost any more money. It's just a matter of how you do that — right? It's about spending differently.

[1050]

The current income assistance rates are just really bad. You know, currently for a single it covers about 41 percent of your daily living costs. We're just talking about getting some food on the table and a shelter, maybe a bus pass to find some work. It covers 41 percent of those costs. If you're a childless couple, it's about 45. It gets a little bit better if you're a single parent — about 57. So you have about half what you need to actually live. If you've got a couple with children, you're getting about 58 percent. They're really low.

I mean, everybody knows what the market's like in the lower mainland. Here's \$325 — go and find a place to live. It's just crazy, so people end up in the cycle. They're spending all of their time finding places to live, getting kicked out and trying to live with room-mates. It doesn't work. They don't have any time to find a job, to volunteer or to contribute to the economy or the community in any way. We end up with this kind of legislated poverty, which is just costing us all over the place, in terms of actual, real dollars in our system.

The other issue, which I know you've heard before, and you'll probably hear again, is the whole issue of people with developmental disabilities — the wait-lists for children. They're not getting speech and language, so they're coming into schools. They're actually aging out on the wait-lists: they turn five, they turn six, and

they're no longer eligible. They didn't get the service, so they're at a disadvantage.

Then in the school, you have the whole issue of special needs. You need more money in education, and here we go around and around. Many parents have looked after their children at home their whole life. They haven't asked for any money. They haven't asked for assistance. They can't get in. Their parents are dying, the kids are now 50, and there's nowhere for them to go.

Our system has to take them in. They are entitled to live in dignity. What happens? We have an emergency crisis response that costs a lot of money. We have all of these systems that are institutionalized in some ways, and they're costing us more money than we actually need, if we look at it in a different way.

The budget consultation's asking that big question — right? What are you going to put money into, and what are you going to take money away from? I looked at the list. I'm a taxpayer. I have a child who's 11, and I have a child who's 12. We need a high school in New Westminster. I mean, I'm certainly aware of the competing demands. I could list them all, and I could prioritize them.

One of the choices, though, is that strengthening the economy is going to strengthen our standard of living. We're not seeing that. We're not seeing that in New Westminster. We're not seeing that in our schools or our health care. I'm proposing that we need a different way. We need to think differently about how we spend our money.

Rather than maintaining the status quo, keep spending money, build more hospitals, look at education.... It's been estimated that in 20 years — I believe it is, or 15 — 100 percent of our provincial revenue is going to go to those two ministries. I mean, that's crazy. I'm a taxpayer. We're going to need roads and sewers. We're going to need what we need in our province, but we can't sustain that.

I believe that there's equity that's untouched in our province. I think citizens are concerned about these issues — non-profits are; cooperatives are. Businesses need to attract people to work here. They need to have a standard of living that people want to come here. I think there's a compassion and an interest, but what happens is that the institutional responses have alienated people. People go: "It's so big. I can't do anything about it. It's the government's problem." Then they vote, based on whichever way they think the government's going to solve the problem.

We need to actually engage the citizenry in the sustainable solutions. I'm going to humbly, because I'm not an economics person, propose an example. Let's say there is a \$900 million surplus at the end of the year. You take 5 percent of it, and you target it to the long-term solutions that are front-end loaded — the prevention end. You do something like issue bonds. Citizens have the right to the opportunity to invest their money, which they're investing anyway, in mutual funds or ethical funds, or whatever, in targeted bonds for health, seniors, child care — whatever it is

that they're concerned about and they want solutions to.

You could put it under an RRSP, so they'd get that. If the interest rate is a lower return on the dollar, maybe a tax credit could be issued so that it's not a huge burden to actually invest in the province of B.C. and the solutions.

Your sandwich generations are probably going to look at issues for their seniors. Grandparents want child care for their kids. Families want solutions if they have family members with mental health or disabilities. They're investing, anyway. It's not like people aren't doing things with their RRSPs and their mutual funds, and they're looking.

Then you take that pot of money that's been created. Maybe you can leverage it. Maybe you can get municipal, federal, whatever money, and make it a bit bigger. Then you start to say: okay, we're going to target this money. We're going to target it at sustainable solutions.

[1055]

Non-profits have financial resources. They could potentially buy bonds again and invest. Then maybe on the other side, we can use that money. Non-profits could access it to finance.

Right now in the economy.... We're trying to build 19 units of social housing. It's really difficult to make the numbers work when you know you're going to get \$325 for rent. We're not far out. We're not out by millions. We're out by hundreds of thousands. Get a no-interest loan. However you do the economics of it.... You can do the same thing for support employment. You can do the same thing for child care.

There's tons of equity in land sitting under co-ops. The mortgages are paid off. Co-op members don't own the co-op. The co-op as a whole owns it. Maybe they can leverage the equity in the land in this kind of financing and build some more non-profit housing.

I think there are solutions out there. It's a different way of looking at it. I'm not going to say: "Don't spend it on parks, or don't spend it here, don't spend it there." But I think we have to think about it differently.

I would just ask you to consider these thoughts in your deliberations. I think I had a better ending, but I've forgotten what it is. I got a little carried away there. I'm not sure about the time, so that would be my presentation.

B. Lekstrom (Chair): All right. I thought you did a terrific job, Caroline. I will look to members to see if they have any questions.

I. Black: Caroline, thank you for that presentation. I want to commend you on a variety of things, not the least of which is your citizenship. You've brought energy, enthusiasm, obvious care and concern for your fellow individuals, but you've also brought proposed solutions that are unique. They're out-of-box thinking, and they weren't just saying "give us more money," which is the very common — and understandable, in many cases — pitch that we hear.

My question to you is this. The notion that you put forward with respect to a bond issue and those types of things is very creative and, frankly, financially doable, but the question is this: how common is that kind of thinking amongst your colleagues and contemporaries in the non-profit sector in which you work, and what kind of feedback have you had from them in some of the cup-of-coffee conversations around these types of concepts that you've seen?

C. Bonesky: Well, I'm a member of the United Services Community Co-op, which is a group of non-profits that are looking at business solutions. Certainly, in that group there's been a lot of talk about different ways of doing things. Over the period of the last number of years, we do have equity and we are part of the solution. I think sometimes we're viewed as the drain. You know, these people do all these wonderful things, and then you give it to social services and they just suck it away and do whatever with it. But we don't. We actually contribute.

I think if you look at best practice, it's about every citizen contributing. There are families right now.... I know of an example in Kamloops where they've formed a co-op. The family members have purchased property so there's housing for their family members with developmental disabilities when they die. Those people have come together. They've had the financial resources to do it, so they were able to do this.

That's not uncommon. People are doing this stuff — supported enterprise around creating jobs for people.

Is it 90 percent of the people that think like me? I doubt that. Could I go into a room and get 30 percent or 40 percent? Absolutely. But you're always going to have the people who believe it's the government's responsibility to care for everybody, and I'm not going to shift those people. But a lot of us are parents, and a lot of us have aging parents. A lot of us want to see things done differently.

I don't know that I'm really outside the box. I guess I'm outside the box, but I think I might still be in the arena or whatever.

R. Lee: This is a very innovative idea. Use of bonds — you are actually spreading your investment into the future. The future government has to repay the bond instead of paying it now. I guess the future generation has the burden. Is that it?

C. Bonesky: Now, I don't know. You need to get, like, Art Phillips in the room or somebody that could actually explain all of this to me. But my understanding is that if you raise the money, then you could invest it. There's part about.... Are you spending the investment or are you spending the interest? I know it's complicated, but I think there is a way that government is going to make money on the money, as well as, potentially, people making money at it.

I might be a little out there, but I know that there is some way. Bankers can do anything.

I. Black: You just missed him.

C. Bonesky: Yeah, I should have been in front of him right now.

I don't know the technical parts of it, and I don't propose to know that, but I think there's a way.

B. Lekstrom (Chair): Caroline, I want to thank you on behalf of the committee for taking time to come and present. All the ideas and all the presentations are given full consideration, and we appreciate the effort you've put in to make it here today.

[1100]

Our next presentation this morning is from the Citizens Roundtable for the Arts, and joining us are Jaspreet Kalsi, Sandra Garossino, Vanessa Richards and Vimmy Dharmi. Good morning, and welcome to the committee.

S. Garossino: Good morning. I'm Sandra Garossino, and I'm with the Citizens Roundtable for the Arts, which is a group of citizens from the fields of business, industry, science and technology, new media, philanthropy and public service. We have united to seek powerful and effective delivery of cultural service as a matter of public interest. My business practice is in the area of technology and new media. There will be a fuller written presentation for you coming later.

I listened to the submissions of the people who have come before. It's very important that all British Columbians unite to help and to do what we can to meet the needs of our province. I want to talk about how the arts and culture sector can help do that by contributing to government revenue.

I'm going to go very briefly, and I invite you to read the written submission about the over 800 new media companies totalling over 16,000 employees in B.C., with estimated combined revenues of \$2 billion. These companies, of which I am a part, rely on the non-profit arts and culture sector for talent and creativity — people who move back and forth between the private and public sectors and private enterprise and the non-profit sector.

Today we would like to draw your attention to the vital issue of diversity, which we're not meeting in the current funding protocol of the B.C. Arts Council. Funding levels, although there have been recent increases, have really basically kept us to real-dollar values since about the mid-1980s, and demographically, we're very different from where we were then.

I'm going to ask Vanessa Richards to address you. Also with us today we have Jaspreet Kalsi and Vimmy Dharmi from the Surrey Youth Arts Council.

I wonder if there are members of the audience who have come to show their support for the arts community — if they could raise their hands?

[Applause.]

B. Lekstrom (Chair): All right.

S. Garossino: So, Vanessa, over to you.

V. Richards: Great. Thank you for the opportunity to speak to you this morning.

I am a first-generation Canadian, born and raised in Vancouver. My understanding and perspective on diversity is a direct result of our nation's historical support of multiculturalism.

The principle of multiculturalism and diversity is not to divide people but to bring us together. The arts are among our most powerful tools to overcome language and cultural barriers, so we can connect with each other. However, if we look at the performers and the audience in most of the productions currently funded, it is apparent that we have far to go to be fully inclusive of our entire British Columbia family. When too many of us are missing, the government is serving a niche market.

The demographic reality of the 1980s when current levels of public investment were established has completely changed today. We can no longer operate on a one-size-fits-all approach, where we expect everybody to love the same kind of arts, the same kind of ballet, the same kind of visual art. British Columbians come from all walks of life, from all backgrounds and certainly from all tastes. But we all pay taxes, and this must be represented in our investment in our arts and structures for arts investment.

The arts should excite us, thrill us, challenge us, console us. To do that, they have to connect to our lived culture — our living, breathing artists and our living, breathing contributors to culture and creativity in our region. They have to include all of us.

[1105]

It's not going to be solved with the redistribution of existing resources, because they're small. British Columbia is already far below Canadian and international standards. The pie must get bigger.

That may be enough to bring home artists who have left this region or certainly be enough to sustain the artists who are living here. I left British Columbia to seek creative and professional opportunities elsewhere, and for 12 years I lived in London, England. For eight of those years I was fully funded. I had more than 24 project grants. I had sustained funding, and in total more than \$500,000 came through my arts company's accounts.

This wasn't just my fee, but this was project grants that went towards carnival arts, interdisciplinary arts, music and education, a lot of youth arts funding, and fees for dozens upon dozens of artists that I was able to generate as a Vancouverite living in London. My experience there was also to be in constant dialogue with our funding body or with their funding bodies, the arts council of England and London arts council. They were always talking to artists and cultural industries and enablers about policy: "What do we need? Where are we at now?"

In my experience, this environment promoted entrepreneurialism and creative and innovative public-private partnerships, which you've yet to develop in B.C. There are international examples of best practices that we can learn from and that can guide us toward our shared responsibility for cultural sustainability.

We are in competition with the U.K., U.S., Ontario and Quebec for gifted professionals, and these gifted

professionals are very often people of diversity that we're not seeing represented in our current funding system. When we lose our best and brightest artists of diversities to centres like London, New York and Toronto, they're going to contribute to the vitality and the economics of those places, making them international successes. Very simply, to match their achievements, we must invest in our artists and cultural sustainability.

As an analogy, as we look at diversity in arts funding, we can look at our celebrated cuisine of British Columbia. We're very proud of our very many international cuisines. In a fully connected community our cultural life could look very much like a giant food fair: some country music and cowboy poetry, some bhangra, some Chinese folk opera, ballet, Mardi Gras, some Emily Carr, some Bill Reid, and some things we haven't even imagined — something that is yet to be discovered through a process of being together and in a shared co-creation, something for all of us.

In closing, I want to give you a small example of the capacity for diversity in arts and cultural funding to be very potent. I had the opportunity in 2001 for the Queen's Golden Jubilee celebrations in London to be one of the section directors for the Commonwealth parade. That parade was designed by Motiroti, one of the most celebrated arts companies in the United Kingdom. It's a South Asian arts company. We decided we wanted to represent the Commonwealth in ways that were non-stereotypical.

It was the last parade on the last day of the event — a million people on the streets of London and an international television audience of millions. My colleague called me, crying, because when her eight-year-old daughter watched the parade on television, all of a sudden, when this parade came by after a day of all kinds of celebrations, her daughter suddenly got interested. She went into her bedroom, she picked up her Union Jack flag that she'd been given in school, and she said: "Mommy, we're part of this country, too — right?"

Her mother cried because she didn't know that her eight-year-old daughter didn't feel like a British citizen. This is a child of Ghanaian descent. It was the first time that this child had been able to express to her mother that, actually, there had been alienation and that now she felt represented by something as simple as a powerful representation of the Commonwealth.

Gentlemen and ladies of the audience, I thank you for your time, and I just want to remind us that we are the children our ancestors dreamed for. This is the promised land, and diversity is our strength, and it's our shared future. We are not just a bundle of physical needs for shelter, education and food. We have our humanity to tend to. Our humanity is cultivated through the arts, and we must invest in this.

B. Lekstrom (Chair): All right. Thank you.

[1110]

J. Kalsi: How do you top that?
Hi, I'm Jaspreet.

V. Dharmi: And I'm Vimmy. We're from the Youth Arts Council. We've been here for, I think, two years. We're a non-profit organization. Our group is quite diverse, but we hope to expand on cultural diversity throughout the upcoming years.

We have had two shows: the Surrey Shines 2006, which was a talent show; and we have also organized a one-act play competition. To encourage diversity, we are making up a multicultural fashion show. That's going to be coming up in a couple of years.

Jaspreet's going to talk a little bit about our mission.

J. Kalsi: Wow, that was fast.

We believe that art is a signature of our culture. We want to represent the youth of Surrey. Youth in Surrey now — the spotlight is mostly on gangs and violence. A lot of people don't care for the arts. When you go into a high school and ask them, "Oh, do you want to go to a play," they'd rather go somewhere else. They'd rather go to the mall. We believe that we can focus the arts on youth, because we are the future, and we have so much to give to the community. We have so much diversity.

We just want your support in encouraging these youth programs. I think that's it.

B. Lekstrom (Chair): Thank you very much for your presentation. Certainly, the support you've brought shows the work that you do on behalf of everybody, so you should be proud.

We do have a couple of questions from members of the committee.

D. Hayer: First of all, I want to congratulate your group, because you have brought the largest support team of wherever we have visited over the last seven or eight meetings we have been to. I think you really reflect the world in your organization, because British Columbia is reflected from people from all over the world here.

What type of total funding are you looking for? Have you sort of looked to put any thinking to it as to how much money you're looking for compared to what you're getting now?

S. Garossino: Perhaps I can answer that. Our group is the Citizens Roundtable for the Arts, and our concern is the public interest. So we haven't costed this out. We are uniting with the other members of Arts Future B.C., which is the provincial arts coalition, and we will endorse and support their submission.

I believe that they have put a cost to a variety of objectives that's something in the neighbourhood of an additional \$30 million to \$35 million, additional to the B.C. Arts Council. That's my understanding. Again, we are a citizens group, and we do not have that sort of costing mechanism. We wanted to present the citizens' concern for our desires.

I. Black: Thank you, ladies, for your presentation.

My question is this. Based on a background of being an admittedly hack musician myself, I was in-

trigued by your comment about private-public partnerships that you experienced over in Europe, and how in Canada you haven't seen any evidence of that yet. Could you describe them at a high level for us? Just give us a sense of what you're talking about.

V. Richards: I would be very happy to. As an example, there's an organization in London called Arts and Business. It used to be called "the pair scheme." What they do is a mentoring program, matching business people to non-profit arts organizations, and they're skills-sharing. This was a prototype that was tried in Ontario, but it hasn't been spread out across our country.

In addition to that, there's another organization called Plusequals run by Greg Hilty, the former director of London Arts. Plusequals is an organization that brokers business relationships between artists and businesses — artists and development.

So the whole conversation around urban regeneration and development is being brokered with business people with an interest and concern for cultural life, and offering their skills to, admittedly, a sector that has had its focus on other areas but that makes an impact on business life in a region. London has a number of examples. I'd be happy to send you those links and information.

[1115]

S. Garossino: Those organizations are supported by public investments.

V. Richards: Thank you. And very often part of the funding would come through Arts Council England or the London Arts.

B. Lekstrom (Chair): Well, Vanessa, thank you for the information you are going to forward. If you could do it through the Clerk's office, we can ensure that all committee members get a copy of it.

Sandra, Vanessa, Jaspreet and Vimmy, I want to thank you very much for coming out to give us your presentation on the arts and culture and the importance of it in building a better society. Again, as was pointed out, your groups have certainly brought out, by far, the greatest crowds to the meetings for support, so I congratulate you.

Our next presentation this morning is from LMH family council and joining us are Kathy Keenan and Carol Fletcher.

K. Keenan: Good morning, ladies and gentlemen of the Finance Committee. My colleague Carol was not able to make it. I think she might have got caught in traffic. I'd like to thank you for allowing me to make this presentation to you about the problems, the challenges and the financial burdens of being a caregiver, an unforgotten part of society.

First of all, I'm going to tell you a little bit about myself. My name is Kathy Keenan. My husband Edward Keenan is a resident at Langley Memorial Hospital residential facility. He has been a resident there since March 2003, but my caregiving started way back, almost 20 years prior to that.

Like all caregivers, we want nothing but the best for our families. It's a great shock to have to place a beloved family member in such a facility. It's almost unbearable. We absorb the shock, the pain, the anger, the frustration of literally having our lives blow up in our faces one day. To cope with these feelings, we get very deeply involved with our family's care. This means we're there on a daily basis overseeing such things as their medical needs, food needs, recreation and helping the staff in any way we can.

This also means often attending to the needs of other residents, not just our families', because staff isn't always available. There are residents, in fact, who think that our family members are staff. Many of us even take home the laundry. My husband has delicate skin. I don't like the detergent they use on the clothes there. We spend a minimum of two hours a day in that facility, becoming uncertified care aides. If we were to put a dollar value on our services, it would easily be \$3,270,400 savings per year to the Ministry of Health. And that's only one facility.

This also means the facility must be able to get in touch with us 24 hours a day, seven days a week. As a result, many of us carry a cell phone for no other reason than to be able to have the residents get hold of us. There is no time off for us, but we are saving them \$3,270,400 per year for the Ministry of Health — one facility.

Another thing we do is get very involved with various family councils. The family council I'm involved with is what we call LMH family council, Langley Memorial Hospital residential care facility. One of the responsibilities of a family council is to be an advocate for all 224 residents of that facility. Our family members are saving \$3,270,400 per year for the Ministry of Health, and that's one facility.

One item the family council got very involved with was a food redesign project. As chair of the LMH family council, I was very enthusiastic and excited about working on that project. I had received the personal assurance of Keith Anderson, acting CEO of Fraser Health Authority, that the Fraser Health Authority was going to enact all recommendations of Deloitte. Others told me it was going to be an exercise in futility.

Well, it turned out I was proven wrong. This project was completed almost a year ago, sent to the directors of Fraser Health last spring, and the only result is there's another food survey underway right now. Can you imagine the suffering this has caused residents, families and caregivers? Remember, we caregivers saved the Ministry of Health \$3,270,400 per year in one facility.

No matter the weather or the price of gas, we caregivers go into that residential unit to see our families. Last year when Fraser Health was thinking of charging residents' families \$20 per month for each of two parking passes, I can remember one family member almost in tears over this additional financial burden. If this burden had come into being, it would have meant that she would have had to cut back on her visits to her husband.

[1120]

This particular lady has no family living close to her, and she's on a very fixed income. This extra money would probably have had to come out of her food

money, but how do you explain that to a frail, ill man stuck in a wheelchair eight to ten hours a day? And please remember, we caregivers saved the Ministry of Health \$3,270,400 per year in one facility.

We learned to put up with some of the silliest rules. We can't have potluck meals anymore, because somebody may get an upset stomach. At the same time, we have to put up with an extreme shortage of staff. There have been days, just this past summer, when staffing levels have been almost at a dangerously low level.

Apparently there is a centralized staffing system, but it is the most inefficient system ever designed by mankind. I wonder who would have been willing to face criminal charges if there had been an unexpected death due to staff shortages.

Again, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility. Even when the facility is fully staffed, there is not enough staff. Staff are expected to be able to get seven to eight residents up, toileted, dressed and ready for breakfast within one hour. That's 60 minutes. They are miracle workers as they try to do this every day. They work long hours, long workweeks, doing a very physical, demanding job.

They also have to work without proper equipment. Proper equipment such as ceiling lifts would protect the residents as well as the care aides. These wonderful people have to put up with all sorts of abuse from residents, but they have the wonderful gift of being able to separate the disease from the person.

When we hear of a staff member retiring, a cold chill goes down the backs of caregivers, as residents become very attached to staff, and new staff can cause a lot of upset residents until the residents get used to that new staff. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

The level of squalor that is acceptable to the Ministry of Health is just plain unbelievable. To allow people to live and work in such filth should not be tolerated. Our family members in residential care live in a level of filth that is second only to the filth in African refugee camps. The only difference is there aren't as many flies here as there are in Africa.

There is a spider web in the dining room that another family member showed me on June 27, 2006, and as of yesterday it is still there. The lights above the kitchen area are covered with dust and at any moment could fall into the food while it's being prepared for residents. There is a sink that has not been cleaned since I did it about a year ago.

I have seen water spilt on floors and run under a chair, only to have the housekeeping staff wipe up the water on the floor and refuse to move the chair to get the rest of the water. They have bathrooms that have not seen a cleaner in months, food spilt on floors and left there for weeks. We have tried everything to get this cleaned up.

At one time there was an efficient manager and supervisor who kept the facility fairly clean, but I guess they did such a good job that they've been moved out. Is it too much to ask for a person to have a clean table

to eat their meals? Apparently. The housekeeping staff's attitude is: that's not my department.

On Sunday, September 17, 2006, as I was entering the unit to visit my husband, I found an elderly resident strapped into her wheelchair, cleaning the windows on the doors. I don't remember the last time I saw a person doing that, but this lady was doing it. She couldn't stand it anymore. The sad part is that she did a far superior job than any of the housekeeping people could do. She's in her late 80s, can't see too well, but she was there cleaning that window.

There are floors that are cleaner before being wiped with a dirty mop. There are new superbug infections almost daily. Is it fair that residents are expected to live in such a dirty, filthy environment? They are frail, they are ill and they have extremely weak immune systems. How they survive this environment is a miracle.

As a result, we caregivers pick up the slack so our family members can live in some sort of civilized, clean surroundings. Remember, we caregivers save the Ministry of Health \$3,270,400 per year.

I hope I've given you a small picture of the problems and the challenges of being a caregiver. There are 224 residents at the Langley Memorial Hospital resident care facility. That means 224 different stories. I'm going to tell you a few of them.

Shirley's mother is a resident, and her dad's health isn't much better, but he tries to get in there every day to see his wife and help with her eating. Shirley's mother is one that needs a lot of one-on-one care, but there isn't enough staff to even begin to think of trying. At mealtime, Shirley's mother needs at least an hour to eat, but from the time the soup is placed on the table until clean-up, there is only about 30 minutes. If Shirley or her father are unable to assist at mealtime, they hire someone at their own expense to come in and do it. Remember, Shirley and her father help the Ministry of Health save \$3,270,400 per year, and that's one facility.

[1125]

Trudy's father is a resident in one unit, and her mother-in-law is in another unit, which can make a very busy mealtime for Trudy. Both of these people need assistance to eat, and Trudy does this every day. Trudy also has a growing family, demands on her and her husband's time, and as a result, they are becoming part of the sandwich generation. Remember, Trudy saves the Ministry of Health \$3,270,400 per year, in one facility.

There is another lady I only know as Joan's mother. This lady must be in her late 70s, early 80s, but that doesn't stop her from coming in every day for several hours to assist with her daughter's care. She is another one who is helping the Ministry of Health save \$3,270,400 per year, and that's one facility.

Bill made a promise to his wife that he would take care of her forever, and he lives up to that. Since she has Alzheimer's and is no longer able to move, Bill or his sister come into the facility almost every two hours to make sure that his wife is moved in order to prevent bed sores. One or the other is there every meal to make sure his wife is properly fed. They also do 90 percent of her care, up to and including bowel care. This enables

the Ministry of Health to save \$3,270,400 per year, and that's one facility.

Then there are my guardian angels. Without these ladies, I would have never survived the period of adjustment when my husband went into care. These ladies, along with the staff, have given my husband a quality of life he hasn't had in almost ten years.

The first is Carol. She reached out her hand in friendship the moment I walked through the doors the very first time. She comes in every day to take care of her dad. To her, this means checking on other residents and family members. Carol's family often comes in with her, and they also visit and check on other residents and family members. Without someone like Carol, many of us would not have been able to make the adjustment of losing our family member to residential care. Carol is another one who enables the Ministry of Health to save \$3,270,400 per year in one facility.

My second angel is Anne. Anne's mother was a resident for a few years, and after her death, Anne continued on as a volunteer. She has a wonderful way with residents. She is able to encourage the difficult eaters to eat. She assists them with their recreation. There is a resident from Korea, no knowledge of English, but Anne went out of her way to get the family to give her some phonetic phrases so Anne and others will be able to communicate with this lady. Anne's contribution enables the Ministry of Health to save \$3,270,400 per year, and that's one facility.

The third angel is Gail. Gail is a caregiver to the oldest resident. Gail and her family happened to move next door to this lady about 25 years ago. After this lady's husband died in 1988, Gail took over her care, as the only family she had lived in the U.S.A. That lady was 82 at this time, and just this spring, celebrated her 100th birthday. Gail gave her a wonderful party, all at her own expense.

When this lady went into residential care in 1999, Gail kept up her care. Gail is there almost every day, and it's not a short 15-minute visit. The minimum time is three hours. This lady loves fried egg sandwiches, so Gail brings in all the fixings several times a week for her at her own expense. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

Ed visits his mother several times a week. This means he must make a round trip from Chilliwack. While he's at the facility, he often assists in the care for other residents. His visit is almost more than five to six hours long. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

Dave's life is divided into two parts. The first part is to spend as much time with his wife, who is in residential care. The other part is his job. Since his wife loves hamburgers, each Saturday and Sunday Dave takes his wife in her wheelchair and pushes that chair for miles to get her to and from a fast-food restaurant for hamburgers.

Dave is not in the best of health himself. He has to walk with a cane, but that doesn't stop him from participating in his wife's care. I talked to him on Sunday, and apparently, his wife.... They have told him that everything is starting to shut down, so we're keeping

our fingers crossed for Dave. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, in one facility.

The first time I saw Wanda I thought she was bringing her husband into care. As it turned out, she and her husband were there to visit their son. Their son, in his early 50s, had a major stroke. One side is paralyzed. The only word he can say is "boy." When I told her my first impression, she remarked that they'd been married for almost 60 years, and she had no intention of abandoning him at this stage.

Wanda and her husband often take their son home for the weekend. How she is able to handle two people in great need of care is a plain miracle. Since the son is divorced and has a child in the interior of B.C., Wanda and her husband often pay for transportation for this child to see the father. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

[1130]

The biggest problem we have as caregivers is a physical one. We put our families' welfare far and above our own needs. This not only includes the physical demands on us but can endanger our health. Various studies have found a spouse's illness can raise the risk of death by up to 22 percent for men and 32 percent for women. I have attached several of these studies for your information.

Right now I know of three ladies who are widows. Thank goodness, two of them are not even aware of their loss. But it makes me wonder just how much the stress of being a caregiver contributed to these men's untimely deaths. Remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

Another problem is a financial one. There's such a thing as an involuntary separation, but in order to take advantage of this, both parties must be 65. A lot of us don't qualify. These residents have worked hard all their lives to build a future not only for their families but for our province and our country. Some of them made the choice to come into Canada to live and work. They're the type of people who make us proud to wear the Canadian flag in all parts of the world. These people have sacrificed, worked and asked for nothing but a chance. Right now they can't do it all. They have given our province and country a lot, so maybe it's time for our province and country to return some of that help.

We would like the provincial government to consider giving us a tax credit. What we suggest is a tax credit of \$600 a month. That could easily be done. Each resident has listed a person to call in case of emergency and/or is the one with financial responsibility. That person could become the registered caregiver. All that would be needed is to add their social insurance number to the monthly invoice. In cases where there is more than one family involved, allow the family to divide their tax credit as they see fit. This would cost \$1,612,800 a year, leaving \$1,657,600 a year savings for the Ministry of Health.

Thank you for allowing me to make this presentation to you. Our families lose their dignity and their

pride when they have to be placed into residential care. These people built this country and this province to be the best place in the world to live and have asked for nothing in return. Now the families are in need of help. I'm handing you, as representative of our provincial government, a wonderful opportunity to restore some of the lost pride and dignity to our province-builders.

Please take this presentation, along with the attached information sheets, back to the Ministry of Health and strongly advise the minister to grant our request for a tax credit. Think of the thousands of people that will be helped across our beautiful province. Please remember, we caregivers save the Ministry of Health \$3,270,400 per year, and that's one facility.

We'd give anything for our families. We do this out of the love of our family members, and we'll do whatever we can to give them the best quality of life. Sometimes that's impossible with all the stress and strains that are put on us. We don't like asking for government assistance, but we want to do what is best for our families. We need help.

Thank you.

B. Lekstrom (Chair): Kathy, I want to thank you for taking the time to put together your presentation and the time out of your day to come and present it here today. I know that there would be a number of questions. Unfortunately, time is not going to permit, and it's far more important to hear from you than for you to hear from us at this point. I thank you for your effort.

K. Keenan: Thank you. You will find I have given you extra copies of various surveys, information sheets, and I think that will explain the background.

B. Lekstrom (Chair): All right.

Our next presenter this morning is Joan Reekie. Good morning, Joan.

J. Reekie: I represent nobody but myself. I have a list of issues here that are relatively unrelated, but they're not the kinds of issues where there is a general kind of pressure group that would present them to you. The media isn't really interested, because there's no smoking gun, they're not going to get somebody recalled, and there's no reason to give it. I think that, nonetheless, I speak for a large number of people here, so I thank you for the opportunity of speaking. I'll go through them relatively quickly.

One: federal tax transfers. It's an ongoing refrain from the provincial premiers, not just from B.C.'s, that the federal government is stingy and should be passing more money to you for things like education and health care, specifically. Really, from the point of view of the taxpayer, that just sounds like total childishness. The federal government doesn't have any money themselves. The federal government just taxes people, and the taxpayer is me.

[1135]

When you say the federal government should give you money, what you're really saying is that you ex-

pect the fishermen in Newfoundland to pay for the health care in B.C., which is controlled and managed by you guys, and which is accessed by me, the B.C. resident? I don't see the reason why that fisherman in Newfoundland should pay for it.

I understand that you need more money for programs, and there's always a pressure for more money. However, I'm not opposed to raising taxes. If you need more money, you have two choices. You either raise our taxes, or you provide the service more efficiently. As long as I have the feeling that the service is being provided in an efficient way, I'm not opposed to taxes. I value the things that can be done communally and provided by government much higher than I value a new widescreen TV or something that I can buy with my own cash. So I don't have a problem with taxes. Just don't go asking for more money from the federal government.

Taxation of dividends. You're all aware, I'm sure, that the federal government has recently changed the way dividends are calculated on people's personal tax returns. What I want you to do is go along with that and keep uniformity across the country. If Quebec and Ontario have to be different, or even Alberta, so be it. But you can control what's done here. The less complexity in our tax system, the better for everybody concerned — the better for the people who receive the dividends, the better for the tax consultants who have to keep up to date on all the little nitty-gritty stuff. A patchwork quilt is not a good idea.

This revision to the dividend taxation issue has been a long time coming, and it's a fair change. I used to practise tax, and I have a great deal of respect for the tax act and its ability to be fair. Regardless of its complexities, the objective all through the tax act is to be fair. The taxation of dividends was fair to a small group of people, like the small business owner, but it ignored the fairness for people receiving dividends from public corporations. This revision has been a long time coming. It's a good thing. Please go along with it.

The B.C. Securities Commission. I'm sure you're all aware that there has been a longstanding multi-year agenda by people to get you guys to stand aside and allow for the creation of a national securities regulator. I want you to scrap the B.C. Securities Commission and give all your staff layoff slips. I understand from constitutional points of view, you have to be a mirror to whatever is done by a national securities regulator. So be it. But don't be an operating business on your side.

I've been active in the investing world for almost 30 years now. In that time, three times the management of companies have literally stolen from me. I'm not the kind of person who complains. When I lose money on the stock market, I'm not going to blame you guys. I'm not a Nortel person. I take full responsibility when I lose money.

But when the money is essentially stolen and I have no recourse, then I do blame you. When I go to the B.C. Securities Commission, I'm told: "That's a publicly listed company in Ontario's markets. Talk to them." When I talk to Ontario, I'm told: "You live in B.C. Get lost."

We have no recourse, and because we have no recourse, there is no enforcement. Because there is no enforcement, the securities regulations are just a bunch of hot air and words on a piece of paper.

The execution of the capital markets in Canada is becoming a much more unnecessary part of life. It used to be that everybody was covered under defined-benefit pension plans. They didn't have to worry about retirement. All the money management was done by big people like the different labour pension funds, etc. People didn't do their own investment.

Nowadays our retirement has to be funded by ourselves, out of our own paycheque, and the savings have to be invested wisely. We need an efficient market system in order that people don't lose their money in the process and end up with no money at retirement.

[1140]

I did a freedom-of-information search to see exactly who in B.C. wants the Securities Commission to continue. I probably don't need to tell you what the answer is: no one. Not one user of financial information has bothered to put any.... I made it as open-ended as possible, either in writing, in a phone call, or in an e-mail: tell me who wants it. Not one in the last five years — I think is what I asked for — wants this commission.

There are five people who did write in pro-the Securities Commission. Three of those addressed their letter, "Hi, Doug," or not even a "hi." Or it's Doug and.... There's another guy involved — right? All first-name letters.

Believe me, the users of information don't have access to these guys. They're not our friends. I don't call Mr. Hyndman "Doug" — right? Obviously, the people who support the commission are the people who are being regulated. The tone of all five letters from people who want the security was, if I can say it.... There is less regulation in B.C., therefore we don't want Ontario regulating us, because they're going to be more strict.

The question you have to ask yourself is: who is the Securities Commission working for? Is it working for the people they regulate, or is it working for me — the people who use the information, the people to whose benefit the regulations were invented in the first place?

It's not working. It's not doing me any good. In fact, it's harming me as a user of information. Therefore, please cut it down. You guys say that you want to learn how to save money. Shut down the whole government.

Personal tax returns. I want you guys to scrap the requirement that every single taxpayer in B.C. has to fill out a whole separate page at the end of their tax return because you guys have a new and different way of calculating our taxable income. It doesn't make any difference to me. The effect of the changes is just minuscule. It doesn't affect how much money you collect. I'll bet any money. I don't have the facts, but you know, it's pretty clear that it's essentially the same number.

It doesn't make any effect to me, but it causes me an extra layer of burden. It causes me to have to pay more taxes to you to support the administration of manipulating all those numbers and the administration of that calculation on your side. It's a bonus for all the people

who have their job being tax preparers, because people just give up on the complexity of it. So scrap that.

I know that everyone likes to build a little empire, and you have the constitutional right to create your own tax system. Because Quebec started doing it first, everyone feels: "Well, if they can do it, then we should stand up and exert our rights." But it's costing you guys money in business, it's costing us in execution time, and it's destroying a basic premise that should exist — that there should be no tax-filing requirement that requires anything other than a high school education. It should not require a computer to do, and it definitely should not require normal people to pay a professional to do it. The tax system should be simple enough that normal people can do it for free at home.

My last point is what I call management execution of government. At this point the public service doesn't have a boss in any sense of the word. There's no oversight, because all you people who go into government as elected officials.... It's human nature. You want to make a mark. You're interested in policy decisions, and you forget that it's the implementation of policy decisions that determines whether a government is efficient or not. If you want to save money on your budget, the way to do that is to make government more efficient.

Just as an overview.... This list could continue forever.

[1145]

B. Lekstrom (Chair): Joan, we have about one minute, so forever will come awfully quick.

J. Reekie: Okay. Measure outcomes. It's not done right now, and it's very clear that for every dollar spent, you don't say: "I want this to happen for this amount of dollars." It's not being done.

Financial reporting. The financial statements of my local health authority are a joke. There should be a list on the income statement of programs — things like: how much does the hospital cost? How much is mental health care? How much do nursing homes cost? Look at those financial statements. They are a joke. You can't make good management decisions without money information. Financial statements are the basis of good management decisions, and your financial statements are a joke.

Number 3: smarter labour agreements. This local health authority.... Okay, that's probably a minute. I can go on there. Ask me about it, if you're interested.

B. Lekstrom (Chair): Joan, I want to thank you for presenting. Just before I go to questions, and we have two.... On the issue of the B.C. Securities Commission that you touched on and certainly the views that you've expressed, I just wanted to clarify that they're a self-funded organization. There are no taxpayers' dollars that go to the B.C. Securities Commission. So if they were eliminated tomorrow, the dollar figure for the taxpayer wouldn't alter — just for clarification on that.

D. Hayer: Thank you very much for the very good presentation. One of the things you said is that we

shouldn't ask Ottawa to send us any money. Do you know, when we file taxes, if we pay \$150 taxes, we pay approximately \$100 to the federal government and \$50 to the B.C. government? Should we ask them to send back some of the \$100 that they're taking automatically from our paycheque, or should we say: "Just keep the \$100. Don't give us any back for any services?"

J. Reekie: It wasn't that long ago that the federal government reduced the tax rate, and at that point, I was trying to contact with the letters to the editor, which were ignored, and put forward the opinion: "Well, okay, B.C. step in here. They're backing off their tax rate; you step in and increase your tax rate, leaving us in a net zero position."

I can't remember if it was your government or not at the time. It doesn't matter. You're all government — right? It didn't happen. The argument the Premier made was: "Oh, well, we can't possibly raise taxes. That is just an abuse of taxpayers" — blah, blah, blah.

I'm not saying that the differential should change. If you need more money, increase your share. The existing money that's going to the federal government you might well say is too much if they don't send you guys more. But they still have a debt, and that debt was incurred on my watch. It started with the Trudeau era when I was coming of age. I've had the benefit of that debt, and I should damn well pay off that debt before I die. The money that I'm sending to the federal government — I have no problem with them overcharging me now to pay down that debt.

You guys worry about your ball game, what you're in charge of.

J. Horgan: I'm wondering. Chair, rather than a question to the witness.... I would like to make a suggestion to you and to the committee that we put Joan's question with respect to who wants a B.C. Securities Commission to the Attorney General or to the Crown Corporations Committee so that we could all get an answer to that, I think, very important and prescient question.

B. Lekstrom (Chair): Well, certainly it wouldn't fall within our mandate, as we've been tasked to go out and ask British Columbians on the financial picture and their priorities.

But I would encourage you, Joan, to work with your local MLA if you have issues like that. That would be the only thing I could suggest.

J. Reekie: I've written to everybody.

B. Lekstrom (Chair): Oh, okay. But certainly a response would be appropriate, one way or the other. I would encourage you...

J. Reekie: Oh, yeah, they're doing a wonderful job, and I should be happy. For pages and pages.

B. Lekstrom (Chair): There you go. Okay. But it would fall outside of our mandate.

Joan, I want to thank you, because you've obviously put a lot of thought, time and effort into presenting here today, and we appreciate you doing that. That's what we're here to do.

Our next presentation this morning is from the Vancouver Board of Trade, and joining us are Al Sello and Dave Park. Good morning.

[1150]

D. Park: Good morning. I'm Dave Park, assistant managing director and chief economist for the Vancouver Board of Trade. On behalf of the 5,300 members of the Vancouver Board of Trade throughout Greater Vancouver and beyond, we appreciate the opportunity to provide our comments and recommendations with respect to the government's development of the 2007-2008 budget.

If you're wondering why we are speaking to you in Surrey, all of the available time slots for your session in the city of Vancouver were booked within a few hours of being made available. We respectfully request that additional time be provided in Vancouver in future years so that those of us whose headquarters are in that city can meet you there.

We continue to support the government's initiatives, as illustrated by the fact that earlier this year we assigned an A rating to the 2006-2007 budget, the fourth consecutive year we have assigned that favourable grade. We encourage the government to continue pursuing a budgeting approach balanced between prudent debt management, reductions in taxes and affordable increases in program and infrastructure spending. This is reflected in the 2007-2008 budget recommendations we sent to the Minister of Finance on July 17. A copy of that letter is attached to this note.

With specific reference to question 2 of the budget consultation questionnaire, our response to the question is that the budget is a complex blend of the factors listed. We believe that in the past few years the government has made wise choices among them. We prefer to address the upcoming budget in that context rather than attempting a simplistic ranking of these factors. A simple ranking would obscure the need to harmonize the choices. We, therefore, again draw your attention to the attached copy of our July 17 letter to the Minister of Finance.

Our recommendations to the minister are presented in light of the fact that the government is projecting significant budgetary surpluses and forecast allowances in the current and the next three fiscal years. Thus, we believe that implementing these recommendations will be affordable, subject of course to the risks that could materialize.

Before the end of this calendar year, we will send to the Minister of Finance an analysis of the costs of our recommendations for consideration as a part of the budget process.

I'll now turn to Al Sello, co-chair of the board's provincial government budget and finance task force, to lead you through the board's letter to the Minister of Finance. Following that, we would be happy to answer your questions.

A. Sello: In view of the fact that this is a very long letter, I'm going to paraphrase and truncate and focus mainly on the recommendations.

In that context, Mr. Chairman, I'd like to draw the committee's attention to the first page, the summary of recommendations. The board recommends that the B.C. government continue to reduce the taxpayer-supported debt-to-GDP ratio and set clear targets for this ratio for both the short and the longer term, to implement additional personal and corporate income tax reductions beginning in 2007-2008, to limit ongoing spending increases to the combined rate of increase of population and inflation and to collaborate with other provinces and the federal government to achieve meaningful reform of the health care system.

Dave has done a pretty good job, I think, of commenting on why we have given A ratings to the budget last year and the year before, so I won't spend any time on that section except to note on the bottom of page 2 that in the 2006-2007 budget there was a cushion of about \$1.8 billion made up of about \$320 million for the ministries, another \$850 million for the allowance and \$600 million of budget surplus.

That number has grown in the update, of course. It's the largest we've seen in a long time, so in that context we would recommend — as we say on page 3, at the top — that if the surplus materializes, it be applied largely to pay debt. If it is very sizable, we also ask that you consider giving a midyear income tax reduction as well.

In the interests of time again, I'll not read from the economic environment section, as I know you are all well aware of the robust economic state of the B.C. economy. Instead, I'd like to turn to page 5 for a detailed presentation of our recommendations for the 2007-2008 budget and beyond.

The board recommends that the taxpayer-supported debt-to-GDP ratio continue to be reduced and that the government set clear targets for this ratio for both the short and longer term. Although total taxpayer-supported debt is projected to rise in the coming years, this reflects planned investment in infrastructure, which will help enable economic growth and improve provincial competitiveness. Notwithstanding this, we are encouraged that the tax-supported debt-to-GDP ratio is forecast to continue its decline.

[1155]

The board recommends that any surplus for 2007-2008, including the forecast allowance that's not used, be applied to reduce debt. The board also recommends that the government target a debt-to-GDP ratio in the short term of 15 percent and determine an acceptable lower ratio for the longer term.

The board recommends additional personal income tax reductions, beginning in 2007-2008. In the past the government reduced personal income tax rates for all people residing in British Columbia, including targeted measures for those individuals with low incomes. However, as shown in the tax rate comparison table on the next page, B.C.'s top personal income tax rates compare unfavourably with those in Alberta, which

are 2 to 5 percentage points higher versus their 10-percent rate.

Additionally, our top provincial personal rates start for those earnings just over \$94,000 per year, which is not competitive when you compare it to the United States, which has a threshold of \$300,000. The heavy tax burden placed upon high-income earners impedes our ability to attract and retain highly skilled personnel and to retain individuals who have higher incomes and who potentially control higher levels of investment capital.

Meaningful rate reductions should be instituted, beginning in 2007, to close the gap with Alberta. As a potential alternative, though, the government should consider increasing the income level at which the highest-marginal tax rate applies to at least \$150,000.

The board also encourages the government to continue its examination of the dividend tax credit mechanism in order to ensure it is consistent with the federal government's approach and to reduce the rate of taxation on dividends so that it is competitive with Alberta. Alberta is presently 7 percentage points lower than B.C.

The board continues to recommend that the government include in its fiscal projections provisions for reductions in corporate taxes to ensure competitiveness with Alberta and Ontario. The following table illustrates B.C.'s competitive position. Alberta has recently dropped its general corporate and manufacturing and production tax rates to 10 percent, again widening the gap with B.C.'s rate of 12 percent. In order to remain competitive, the B.C. government should reduce this gap and that for the small business tax rate.

The board also recommends the elimination of the capital tax on financial institutions over the three-year plan period. B.C. needs to continue attracting investment, and the capital tax, in particular, discourages investment and raises the cost of borrowing.

The board recommends that the provincial government work with the federal government to establish a joint program of tax credits for skills training by employers. In the face of the growing shortage of skilled workers in B.C., it is imperative that training to enhance skills be accelerated.

A key way of achieving this is to have employers involved in the delivery of formal training to update the skills of their employees. To encourage that, the provincial government should work with the federal government to establish a joint program to provide corresponding tax credits. These credits should not be restricted to the conventional trades. This shortage of skills is widespread in the economy.

The board supports ongoing spending increases — but limited to the combined rate of increase of population and inflation, or approximately 3 percent.

There have been significant increases in spending in the key areas of health care and education since 2001, as shown below in the chart. The substantial increases in health care spending have been funded by the provincial and, in part, the federal governments. Those large increases, combined with future affordable increases, should provide adequate support for British Columbia's health care requirements in the short term,

provided they are accompanied by effective policy and process reform. The board would like to see a more cost-effective health care system and one that delivers services on a more timely basis.

The board continues to recommend that the government of British Columbia collaborate with other provinces and the federal government to achieve meaningful reform of the health care system. In this context, our governments must look to other countries and jurisdictions for ideas on how to improve our system. Some European countries deliver publicly funded health care with good outcomes at lower costs and without wait-lists. While we acknowledge that in recent years there have been significant improvements in aspects of health care performance in B.C., a great deal more remains to be done.

Our government should consider opening the health care system to more competition. The board believes that experimentation with fee-for-service within the context of a publicly funded system and alternative models of service delivery could result in performance improvements and yield cost savings. The private sector can and should be used to provide medically necessary surgical and diagnostic services as a complement to those provided through the public sector. Canada is the only developed country where the private sector is not involved in this way.

[1200]

In summary, the state of provincial finances has improved substantially over the last several years and has reached a point of stability. We encourage government to maintain an approach balanced between good debt management, controlled spending and a competitive tax environment. We believe our recommendations are consistent with that approach.

Thank you for listening. That concludes our presentation. I'd be happy to answer any of your questions.

B. Lekstrom (Chair): All right. Thank you Al, thank you Dave, for taking the time to come and present. And as you pointed out, the Vancouver hearings have filled up, traditionally, every year. We do try and accommodate an overflow, and we are attempting to coordinate that as we speak here today. But I do appreciate you taking the time and effort to come to a hearing where there was an available spot.

I'm going to look to members of the committee — if they have any questions regarding your presentation.

B. Ralston (Deputy Chair): Just to be slightly contrary, on this tax credit proposed for training. Surely, most prudent employers, given the skills shortage, in order to maintain the competitiveness of their business, are considering their own internal strategies to recruit and retain employees. Indeed, for some companies in the service sector that would be a condition, basically, of survival.

So given that there is substantial economic pressure on employers to engage in recruitment and training of employees in order to retain them, why would a tax credit be required at this point in the cycle to further incent it?

D. Park: I think your remarks are probably more appropriate for larger companies, but 80 or 90 percent of our businesses here are small business, and those companies simply can't afford it. What tends to happen is that.... I'll tell you the experience I had talking to a small cabinetmaker. He got an apprentice. As soon as the guy was trained, he was hired away. The small business can't afford that.

We do have a problem. In total, of all the employment in the province, small business accounts for about half. They simply are not engaged the way they probably should be. But we have to provide some kind of economic incentive for them to do it, because if in fact they are to train people and they disappear, it just turns them right off. I think that's what's happened to a lot of small businesses.

I would agree with you that the larger businesses probably should be doing more. A lot of them are. But on the other hand, we've got a situation where skill shortages are going to be the constraint on economic growth. I think it's imperative that we do something about it, even with the larger businesses. I think it would be interesting, perhaps, for you people to get some information as to what extent they are doing it or not. If they are not doing it, why aren't they doing it? And if it's a financial factor involved, then I would suggest a tax credit would be a reasonable solution.

B. Lekstrom (Chair): Final question.

D. Hayer: A very good and balanced presentation. My question: have you put a total cost to your recommendations? How much it will cost the provincial government?

D. Park: We have in past years. I don't think we've got a firm figure that we want to hang our hat on yet, but we're going to be doing that in the next month or two, and we'll submit it. But I don't know, Al, if you want to....

A. Sello: No, we have done that in the past. We plan to update it, but we know from our past calculations that what we are recommending is affordable, given the surpluses that we're looking at, going forward. We just have to fit the pieces within the total.

B. Lekstrom (Chair): If you do get that put together.... Certainly, if you could get it to the Clerk's office, we'll ensure that members of the committee have it for their deliberations.

D. Park: Do you have a particular deadline?

B. Lekstrom (Chair): Well, we do. The 20th of October is when we cut. If it's not possible, it's not possible.

A. Sello: We might be able to do a few, but not all, of them.

B. Lekstrom (Chair): Okay. Well, Dave and Al, I want to thank you again for taking the time out of your

schedule to come out and speak with our committee here today.

B. Ralston (Deputy Chair): It's nice to see the Vancouver board out here in Surrey. It's a sign of things to come. That's what they tell me at the Surrey Board of Trade.

B. Lekstrom (Chair): All right. Our next presentation this morning — or this afternoon as it may be — is from St. Leonard's Youth and Family Services. Joining us here for that presentation is Dave Stevenson. Good afternoon, Dave.

D. Stevenson: Good afternoon. I'm pleased to be presenting to two of the local MLAs from Burnaby, Harry Bloy and Richard Lee, who I've dealt with before and who've been very supportive.

I represent St. Leonard's Youth and Family Services. I'm not going to give you anything to read, so you get to listen to me. I've been a sitting politician on a school board for 13 years now, so I know somewhat what this process is about, and I hope to speak sincerely and from my heart.

[1205]

St. Leonard's has been around for 39 years serving the youth of Burnaby. We serve youth and families. We have a proud tradition. We are currently the lead agency for youth with a contract with the Ministry of Children and Family Development. We provide services that range from community work service to curfew supervision to family development to youth on agreements to child and family development, youth access counselling and a variety of programs, and some specialized youth resources.

Personally, I'm entering my twenty-ninth paid year of service to youth. I speak from the voice of experience. I had the pleasure of working at the youth detention centre with Gordon Hogg, who's not here. What I want to tell you is about 14 points.

I'm going to start by telling you a story about Donna — a fictitious name. Donna was a youth I worked with many years ago. She came up to me in a store in Coquitlam, running across the mall saying: "John, John." Then she said: "No, you're not John. You're Dave. You were the best counsellor I ever had. You gave me the best advice."

I thought: what did I tell her that was so important? She said: "You said two things to me. You said that I should never take my own life and that if I was feeling I was going to, I should get support. And you told me I should never have a child until I felt I was grown up." She was 39 at that point, and she looked at me and said: "I think I'm almost grown up."

The purpose of that story is that suicide is an amazing consequence. I can't quantify it like the woman who did previously, who talked about the \$3.127 million that was saved. But it has a devastating effect on families, as do children who are not wanted or are not nurtured properly. She had made wise choices for herself. She was a contributing member, and she had got her life together from the support she'd been given as a youth.

I work with youth at risk. They're not here today. You might not want to see them here today, because you know them in their community. They are difficult kids to deal with. They come from family situations that put them at risk. They are often at least lost and difficult kids. We provide services to them.

I'm going to tell you 14 points, not with specific funding recommendations but just issues to be aware of and maybe some suggestions. One of the ongoing issues — and I'm aware that services have been driven by our economy — has been suitable residential resources for kids. Residential resources have been reduced over a number of years, and that's a problem.

One of the issues is drug and alcohol treatment, for example. The youth we work with are often addicted to multiple substances. One of the issues is that when a youth is ready to receive service for a drug addiction, they need it now. If you in your own home were to call 911, you expect that fire engine there pretty shortly — not 15 days later, not 21 days later, not a month later. Youth often have to be clean and sober before they can get into some services — not detox, but for some counselling service they have to be clean and sober for 15 to 30 days before they receive services. Youth don't work that way.

We have put youth on youth agreements. Youth-agreement youth get between \$300 and \$350 a month to rent a place. Often home situations are not viable, and/or the youth's behaviour just means they're not livable-worthy. I don't know if any of you have teenage children. It's a very tumultuous period. Even for the best of us, with teenagers it is a struggle. For youth who have not received sufficient parenting or are impaired by drug and alcohol or other related issues, it makes it more and more complex.

I'm not asking you to raise that rate. I'm just telling you the reality: \$300 to \$350 a month to rent a place in Burnaby is not very easy. It's often not a great situation.

In terms of services, we have a contract. Would I like you to add money to it? Yes. I want to be practical. Youth tend to not need service between nine and five necessarily. They are more problematic at other hours. So I'm asking you in your wisdom to look at other resources. If we look in other jurisdictions, they often run youth programming from ten in the evening until three o'clock in the morning. They open up their gyms and schools.

I'm using American examples, and their funding is a little bit different, but they have those resources. The kids actually end up playing basketball and tiring themselves out. Then they put mattresses down in the gyms, and the youth stay there. They have a place to stay, because the shortage of safe places is a real issue.

I'll address that. Safe houses for youth are a dramatic issue within British Columbia. There are not adequate safe houses. In the olden days when I worked, there was what was called receiving and assessment centres, which meant they were funded by the Ministry of Children and Family. You took who-

ever came through the door. You formed a plan for them and put them into an adequate resource. We are short on residential services. We don't do that.

[1210]

It makes sense. We're looking now in Burnaby to set up a safe house within the existing network of service providers. Everyone who's providing service is at the table. We're looking at how to do it without adding cost to the government. We're all looking at how to share that cost, with the ministry being part of it.

I raise a transportation issue. I work with a young lady who is from the interior. She's choosing to be in the lower mainland because she was in an accident and has a spinal cord injury. She thinks her future success is better in the lower mainland.

She attends school in the lower mainland. By choice she's attending an independent school. I'm not here to advocate for more funding for independent schools, but one of the issues is that if she were 18 years old and attending university, her transportation would be covered by handyDART. But as a 17-year-old youth, it's not provided. When she gets off the bus that she can get, she faces an almost 45-degree angle down to her school, and she can't do it.

The answer to the question is: well, it's in the block the provincial government gives to local school boards to provide, but it's not really there. Sometimes when you look at that — it's in the block — it's not necessarily adequate funding. Transportation is a specific issue, and the handyDART is one that you should probably address.

For five years Burnaby has been attempting to set up what's called BRAG, which is Burnaby Restorative Action Group. This is one of the things I've been talking to my local MLAs about.

It's been estimated that if you can keep a youth out of jail, you can save the taxpayers somewhere between \$40,000 and \$100,000 per year. Restorative justice is a real, viable preventative program which allows victims and offenders to be brought together and reconciliation and restitution to be made.

We have looked at the provincial government. We've looked at the federal government. We've got some very, very fine rejection letters back, saying: "No, that's somebody else's responsibility to pay for it." We're still going to continue to push forward, but at some point it just needs to be done, and we're looking at not to kind of do that...

The youth in the community need that support. Restorative justice can also be expanded to adults in the community with neighbourhood issues — trees and a variety of things that currently the RCMP often deal with.

Really briefly, one of the issues that our agency faces is that the provincial government, in its wisdom, awarded a payment to union members serving youth as a one-time bonus payment. That was not extended to non-union sectors.

I am the community development coordinator for St. Leonard's, but prior to that I was in management with a couple of other non-profit organizations and dealt with the unionization of them. It was very, very difficult and not in my interests nor the best interests of clients, because it created rules and lacked flexibility.

Yet on some levels the current situation that the provincial government is facing is that it seems to be rewarding the union sector by a bonus payment and not addressing the non-union sector. I would ask you to consider that and look at how to address that.

Missing pieces. There appears to be a lack of adequate resources for younger children who are experiencing and needing treatment. There's a lack of adequate resources in terms of residential care. There was a system in place. That appears to have been dismantled over time. That needs to be ramped up again to meet those needs. We now identify those kids early. If you don't get to them early, they just act out all the way along, and it is just more costly to the system.

I ask you to be aware of the critical factor of size and complexity of the caseload for the ministry social workers that work alongside us. The caseloads have got more and more difficult. There's a need for stability. One of the things that research says is that if you can keep a worker with a family over a long period of time, they form an effective relationship, and they understand.

Each of you knows — and you've served as MLAs for various periods of time — that if you only did it for a year and had to make choices.... The longer you do it, the better you get at it. There's a lot to learn, and families are getting more and more complex. So I would ask you to consider that.

I raise the issue of affordable housing. Affordable housing for youth and the families we work with is often difficult. The families we work with are not high-income earners, and adequate housing in Burnaby is a real issue. I don't know how you're going to address that, but I have one suggestion. I've sent this off to the last three provincial governments, to each party, and got the same response back every time.

I draw you to the example from the state of Massachusetts. Massachusetts recognized that it had an ongoing problem with at-risk families. One of the problems that you face is that you do short-term funding. You fund it for a short period of time, and then you forget about it. And you fund another program, and you forget about it.

Massachusetts made the stand. They said: "We're going to deal with this. This is a systemic problem. We're going to fund families on income assistance for the first year. They can work, and they still get to collect income assistance."

These families are often in debt and in very, very impoverished situations. They move multiple times, and the kids lack stability. The children have been in seven schools by the time they're in grade 9, which doesn't help anybody in terms of being a successful citizen, as we all know.

[1215]

They set up a graduated system. It reduced by 20 percent a year. They continued income assistance at 100 percent, 80 percent, 60 percent, 40 percent, and then finally, in the last year, 20 percent, and continued health benefits.

The benefit of it was that in that five-year period of stability, those families managed to get promotions in

their jobs, the kids stayed in the same schools, and they had stability. The outcome was, when they did the cost analysis at the end of it — at a five-, ten-, 15- and 20-year follow-up period — a success.

The only thing is that you have to.... Some will say: "Well, you're double-dipping in that first year, second year, third year, and it's a problem." But you're making a case, and you're doing preventative maintenance, as opposed to, you know, driving a car and never changing the oil. What happens?

That's all I want to say to you. You have a task to do. When you're looking at it, I would ask you to look at youth services and to recognize that a little bit more would be a good thing.

B. Lekstrom (Chair): Thank you very much, Dave, for your presentation. If you would like to follow through with a written one, certainly, until the 20th of October, you can get it in to us.

D. Stevenson: I will certainly do that.

B. Lekstrom (Chair): We do have time for a question. I'll go to Randy.

R. Hawes: Dave, my question is about youth addiction. Maybe you can tell me.... Fraser Health puts a lot of money into — and we fund Fraser Health with a lot of money for — addiction services. I'm just curious, with your experience, whether those financial resources are effectively used or not, in your opinion.

My question would more be: the services that are delivered at the street level — are they determined, in your experience, more from a centralized decision-making place? Or is there a consultative approach where the street workers and the people who actually work with addicted youth are consulted and help design the system that's on the ground?

D. Stevenson: I'm not going to fault the system. I'll give you an example: a youth that I've worked with who is now 24. He's been using crack for 12 years. The cost to the system is immense. He spent approximately half that time incarcerated.

He has received, I think, at last count, 11 different treatment interventions, some of them costing as much as \$60,000 — by and large, paid for by his family — at private facilities both in North America and in Europe, a variety of facilities, to try to deal with this problem. He keeps going back to using and has the associated health problems with hepatitis and risks. I don't need to explain that to you.

He has been ready at points in time, and he starts, but there's kind of a magic period of time. If you can get somebody past 45 days in treatment, you have some success. But often people take a variety of times before finally the cure takes, so to speak.

It is coordinated, but part of the problem is that youth from Burnaby — I'm using Burnaby as an example — don't just stay in Burnaby and have their lives. They're often in downtown Vancouver, along with the

associated problems, and they're effectively street workers and sexually exploited youth. So there is a coordination, but it's very, very difficult to have adequate service for them in the bigger picture, because the beds are limited in terms of availability.

The child might say: "I'm ready now, Randy. I want treatment now." When you go to get treatment and the first treatment date that's available is 28 days from now, that becomes the issue.

B. Lekstrom (Chair): Dave, I want to thank you, and 15 minutes is a shortened amount of time.

The one issue that you brought up — I know it's being worked on now with the communication between school boards and government — is to better utilize these public buildings after hours, for instance. So you raise a valuable point, and I know that's being looked at right now. I think there are much better ways that we can utilize the infrastructure of this province on behalf of the people that have paid for it, which is the taxpayers.

D. Stevenson: That would be good.

B. Lekstrom (Chair): Our next presentation today is from the Simon Fraser University Faculty Association as well as the Confederation of University Faculty Associations of British Columbia. Joining us are Glenn Chapman and Chris Petter.

Good afternoon, and welcome.

G. Chapman: Good afternoon, and thank you for letting us make a presentation. My name is Glenn Chapman. I'm president of the Simon Fraser University Faculty Association. I'm also a professor of engineering science, specializing in the areas of fabrication and design of computer chips and microcircuits.

[1220]

With me here is Chris Petter, who is president of the Confederation of University Faculty Associations of B.C. He's here to help answer any questions that I'm not able to.

The Simon Fraser University Faculty Association represents about 840 professors, lecturers and other academic staff at Simon Fraser University's three main campuses in Burnaby, Vancouver and Surrey, of course. We are not a union. The faculty association represents the members in their employment relationship with the university and in promoting the importance of universities and education in our society.

We appreciate the opportunity to speak to the committee as it prepares to give advice to the Legislature on the budgetary and fiscal priorities for the 2007-2008 year. We understand that there are many competing claims on the government's purse. However, rather than looking at the provincial budget as a fixed pie to be divided up, we want to emphasize the role that the university plays in growing that pie — making it bigger.

We see investment in the universities as the foundation of a growing and sustainable high-tech economy, leading to even stronger future economic growth

where fewer trade-offs have to be made by the provincial government.

The association appreciates the investment that the provincial government made in the 2006 budget to offset declining student funding. If the current government's spending plans are maintained, the loss in per-student funding since 2001 will probably be made up in the 2007-2008 budget year.

This good news, unfortunately, is tempered by the fact that there have been significant increases in student numbers in high-cost programs. For example, between 2002 and 2005 SFU added 724 weighted, full-time-equivalent spaces to professional programs, an increase of 11 percent. This is 50 percent higher than the overall university student space increase, which is 7 percent. Moreover, this 11 percent is an average.

For example, in my area of engineering, during the same period we've seen a 44-percent increase in the number of students entering the program and a 94-percent increase in the number of graduates from the program, and this is an expensive program to run.

SFU also has funding challenges arising from the fact that over the next 10 years we'll see 60 percent of the faculty changing, in retiring and being replaced. The costs related to hiring new faculty and providing the equipment and research base for new faculty members are bound to place additional strains on the university's budget.

SFU also has funding pressures in common with many other universities. The costs of many goods and services purchased by the universities are growing faster than the rate of inflation. Just look at what's happening to energy costs. This means that unless additional funding is forthcoming from the government, the students may pay the price in reductions of our support services and in declining educational quality. Instructional equipment, including computers and laboratory equipment for training of students, is very quickly becoming obsolete and costly to replace.

The construction costs to refurbish old buildings and build new buildings are rising at four times the rate of inflation. The Auditor General has projected that construction costs will rise between 8 and 11 percent annually over the next four years. Currently, SFU has \$350 million of construction projects in progress. A 1-percent rise in costs clearly means that the university has to come up with an additional \$3.5 million.

SFU has been dealing with the soaring costs by digging into the contingency funds of the university. This is not sustainable. If the government doesn't intervene to provide additional funding to offset the increased construction costs, it won't be long before there's a direct effect on the services and education we provide to the students.

[1225]

I'd like to turn to the matter of graduate-level education. The research and innovation structure of our province depends on the master's and doctoral students that we produce. Not only will these graduate students become our next generation of researchers, innovators, entrepreneurs, scholars and teachers, but

they also play a vital role right now in working with established researchers on their own research and as scholars and research assistants for the current undergraduate population. Basically, a university's research laboratories and classrooms would collapse if they didn't have graduate students.

In 2003, which is the most recent year for which we have data, B.C. was about 16 percent behind the national average in the production of these highly qualified people with graduate degrees. We were behind Quebec and Ontario and just slightly ahead of Alberta. But that was three years ago, and we have fallen even further behind.

Just last week the government of Ontario announced the funding for an additional 55-percent increase in the number of graduate spaces in Ontario. This type of competition makes it very difficult for B.C. faculty to attract and keep the best and brightest graduate students in our province.

Successive B.C. governments have not paid attention to the need to create fully funded graduate student spaces. As a consequence, the universities have taken on this responsibility themselves along with the faculty, with SFU creating 1,345 new, largely unfunded graduate spaces over the past 12 years.

In the light of other cost pressures, the universities can no longer expand these graduate spaces. The only way to move ahead is for the government to fully fund new graduate spaces. We recommend an increase across the university system of 500 spaces per year for the next four years.

In addition, to assist with our recruitment and retention of graduate students, we recommend the creation of a graduate student scholarship and fellowship consisting of at least 500 awards of \$10,000 each in 2007 and 2008. For example, students that apply to Alberta who have NSERC awards can receive \$14,000 immediately from the Alberta government to help attract them to the province. We can't compete against that.

We are grateful for the past support this committee has given and for the improved financial support that the government is providing in key areas. We are heading down the right path, but there are still some significant areas that have to be addressed if British Columbia is to remain competitive and to fully realize the value from its universities. We hope that you will again support us this year in our recommendations to the government. As faculty, our aim is to help create the highly skilled people this province needs for future growth and for the high-tech economy.

That's the end of my prepared comments. I'll be happy to answer questions. If there are any questions that I can't answer immediately, I'll be happy to make certain that an answer is sent to you. Thank you.

J. Horgan: We've heard from a number of faculty associations in the past number of days. Most recently yesterday, in Kamloops, we heard from the faculty association at Thompson Rivers University. The presenter there suggested that in the '70s or '80s an average undergraduate student was paying about 15 to 18

percent of the total cost of their education and that that has now gone up to somewhere between 25 and 30 percent.

G. Chapman: Yes.

J. Horgan: The night before, we heard from a faculty association at UBC Okanagan, where the presenter said that tuition fees shouldn't be frozen but, in fact, should more accurately reflect the cost of the education. That leaves me, a simple country doctor, with a bit of a conundrum. I'm wondering if SFU has a position on the question of tuition fees.

[1230]

G. Chapman: I think what we're finding is.... It's clear that when the fees were frozen, the students were getting a better benefit, but the universities were being put in a tough position.

You're starting to approach the point where fees are difficult for students to pay. If you take a look at the numbers, while it appears that it's a small percentage of the total costs for the university, it's getting to the point where a student can't raise those funds themselves by working during the summer or the like. That starts to reach the point where we start losing students.

Obviously, students from good, well-financed families can always get an education, and really bright students can probably get scholarships. But there are a lot of very good students that we are seeing now who are being denied positions.

I think that at this point we have the simple conundrum. The costs are rising for the university. If the provincial government is not able to provide additional funds, then we have to seek the funds from the students. If we seek them from the students, we're starting to reach the law of diminishing returns.

Right now student undergraduate costs in B.C. are at par with those in the better universities in, say, Ontario and so on. That simply means that when a student is looking at a university to go to, it's going to cost them the same to go to Ontario or to a university here. They have to make the choice.

If we start moving ahead of them in costs, students are going to choose to go elsewhere.

R. Lee: You propose to have an increase of 500 graduate students every year over the system in B.C. Right now the university provides scholarships, teaching assistantships, research assistantships. We know that research assistants really help the students prepare for research in their development. Which area do you think would be most effective to direct the resources available?

G. Chapman: First of all, it's important to recognize that most of the graduate positions in B.C. are not funded by the provincial government, whereas in Ontario, for example, and in most other provinces, they are.

That means: how do these students get funded? A good chunk of the funding comes out of three main areas. The first is the faculty members' research funds

paying for the student, then the funds from the university for teaching assistantships, and then a small amount from scholarships.

I feel that a general support for graduate programs would be very worthwhile in this province, where basically, the universities receive funding per graduate position created, as they do now in the case of the undergraduates. You can, of course, target it at specific areas, but that's always a little dangerous to do. You may choose the wrong area.

The other thing, and I'd like to point this out.... A few years ago, there used to be the B.C. Advanced Institute. It had a series of scholarships which allowed us to attract the top-quality students from elsewhere. That's gone now, so the only funds that we have available are those that our dean of grad studies comes up with to attract students. That puts us at a real competitive disadvantage to other provinces.

B. Lekstrom (Chair): Glenn, as with most presentations, 15 minutes is a pretty tight time frame. I want to thank you and Chris for coming and talking to our committee today and putting your ideas forward on how we can make things in British Columbia even better when it comes to post-secondary education. Thank you so much.

G. Chapman: I thank the committee for listening to us.

B. Lekstrom (Chair): Our next presentation today comes to us from REAL Women of British Columbia. Joining us is Doris Darvasi.

Welcome to the committee.

[1235]

D. Darvasi: Thank you. I'm just going to read this out loud so that I can stay within the time frame and not get sidetracked.

Thank you for allowing me to come before you today to discuss a matter that is close to our hearts — the well-being of the family and, in particular, the children. I'm here today as a representative of REAL Women of B.C. My name is Doris Darvasi, and I'm the president of the REAL Women of B.C., the provincial chapter of REAL Women of Canada.

REAL Women is a national women's organization that was founded 23 years ago. REAL Women is working at the local, regional, provincial, national and international levels lobbying governments and their agencies and organizations on issues regarding the family. REAL Women has UN ECOSOC status, and we have attended many national and international UN meetings and conferences since 1992. Provincially we are a registered non-profit organization, and our members come from all four corners of our beautiful province, representing a variety of economic, social, cultural and religious backgrounds.

We are united by our concern for the family, the basic unit of society. REAL Women promotes the equality, advancement and well-being of women, recognizing them as interdependent members of society, whether in the family, workplace or community. We

are an independent, pro-family, non-partisan, grass-roots women's political lobbying organization and family advocacy group. We have decision papers available on many of the major issues of our time, representing the thoughts of the mainstream majority of Canadians and of British Columbians.

We exist solely on the membership fees and donations from our members and supporters, and we are all volunteers. Through our provincial newsletter our organization alerts British Columbians about the many issues that affect women and their families.

I am here today on behalf of our members to ask our provincial government to recognize the importance of the family and to remember that a healthy family is the backbone of a healthy society. I'm also a mother of four children between the ages of 13 and 20 — talking about the teenagers in the house, I'm fully aware of that — and I'm personally concerned about our future and what it will hold for my children and future grandchildren.

Whatever decisions the B.C. government makes, the impact that those decisions have on families and children should always be at the forefront. What we decide today will often have long-term ramifications. The formation of all public policy needs to have a long-term perspective. It is always important to remember that there is a bigger picture here, not just a matter of how we are spending our money.

In many cases we cannot put a dollar amount to something, as the long-term benefit outweighs the money that it would cost to implement a certain program. What we need to keep in mind is the legacy we'll leave behind for our children and grandchildren. The well-being of our future generation needs to be taken into consideration every time we discuss and deal with various issues.

Now, the concerns we have. I wish I could have come here today and given you a detailed list of areas where we can save money and where we can put our hard-earned money wisely. I would love to have given you a well-thought-out solution to the often difficult choices which always have to be made when it comes to financial budgets. However, I am unable to give you such a specific suggestion because of the simple fact that I do not have enough information and numbers I can work with. There needs to be a bit more transparency in the money aspect of our provincial government.

I was told that one of the problems is that the money from different areas is placed into the same pot. For example, the battery tax that we pay goes into a general pot instead of a separate one for the environment, for which it was initially meant. It's the same with the Coquihalla Highway toll, which was supposed to leave us once it was paid for, but as you all know, we still pay it. It also goes into the general pot. So it's a little difficult to know what numbers there are and actually make some wise decisions.

It's also hard for us to come here and make specific suggestions. So we can just give you some general ideas on what we consider the most important areas of concern.

There is no more important issue in Canada today than the well-being of Canadian families. The healthier

our families, the healthier our society. The way we care for our children from an early age will determine the future of this country. The vast majority of Canadian parents care deeply for their children. They know, understand and love their children better than anyone else. It is the government's duty to help the parents do the best job they can and not throw hurdles into their way as the parents are trying to raise their children.

Unfortunately, for many parents, raising their children has become a very difficult task. This task has often been made more difficult through government policies which have not taken into consideration what effect those policies will have on the family and thereby on the children — for example, the families drowning in bills.

Since 1961 the total tax bill for the Canadian family has increased by 1,600 percent, while shelter went up by 1,006 percent. Back in '61 an average family had an income of \$5,000, with a tax bill of \$1,675, which is 33.5 percent, but by 2005 the average income for a Canadian family had increased to \$60,000, with a tax of \$28,467, which makes it 46.7 percent. The average family spends more on taxes than on anything else, including housing.

[1240]

Added to the tax will come all the other costs, in particular housing, which has gone up tremendously in British Columbia, especially in the lower mainland. More and more families are struggling financially.

While it was common in the past for families to have one breadwinner while one parent stayed home to raise the children, today in many families both parents need to work to make ends meet. Often families live from one paycheck to the next. This has increased the stress level for parents and children tremendously. A full-time parent, mostly the mother, makes a significant contribution to society, and we need to recognize this.

Any government policy should not make it harder for parents to raise their own children if they wish to do so. It is to the benefit of the whole society when parents have the opportunity to look after their own children rather than hand them over to strangers. We know that parents want this kind of choice.

The study by University of Lethbridge sociologist Reginald Bibby found that parents gave the following provincial ranking in child care: (1) parent at home, (2) grandparents in the child's own home, (3) a relative in the child's home, and (4) a family day care in someone else's home. Only in fifth place was a formal day care setting.

A study by the Vanier Institute of the Family, which was released in February of 2005, shows that 90 percent of Canadians believe that in two-parent families one parent should ideally stay at home to raise the children.

REAL Women does not support the concept of universally available, government-subsidized day care. Universal day care is an imposed government plan of institutional day orphanages for our children. Many women have taken time out of their careers to raise their children, sacrificing a second income. Many who have not been able to stay home for financial reasons wish they could.

Studies upon studies have shown that children who are raised within the family generally fare better aca-

demically, socially, emotionally and psychologically than those children who grow up in a day care. We often forget that those stay-at-home parents are the ones that support our schools by volunteering in those schools, driving to school trips, picking up the neighbour's child and even giving the child a safe place to stay after school until his or her parents come home.

We know that the more people at home during the day, the safer the neighbourhood. Children and teenagers whose parents are at work know that they have a neighbour they can go to if they need help. With more adult supervision there are fewer problems, including day break-ins.

REAL Women recognizes, of course, that day care is part of our social fabric and is needed in certain circumstances. However, we commend our present federal government for moving away from the idea of a universally available, government-subsidized day care plan by recognizing that parents want more choice.

Many parents appreciate the extra \$100 per child per month that they receive from the federal government. But it is not enough. We therefore request that the B.C. government partner with the federal government and reinstate the provincial child exemption. This would further lessen the financial burden on many families.

Also, currently the federal government is discussing the possibility of allowing a tax deduction for parents who put their children in sports. Considering that we are bombarded with news about the problem of child obesity, it makes sense to encourage children to be involved in various physical activities.

We ask that the provincial government match what the federal government will allow as a tax deduction. We would actually go further and encourage the B.C. government not to wait for the federal government to make such a decision but to set the tone by starting to allow parents to deduct the cost of putting their children in physical activity such as sport or dance.

Another area where the family suffers is the inequity in taxation between single- and double-income families. The single-income family spends a disproportionately high amount on tax. Penalizing stay-at-home parents with an unfair tax system does a disservice to families. We therefore request that the provincial government review the provincial tax system to ensure a more equitable treatment between single- and double-income families.

Many low-income families need help with housing. We realize that there are no easy answers to this problem. We would suggest an approach, like many of the European countries have done, where the apartment buildings are family-friendly. The buildings are built in a square or rectangular format to allow for space in the middle. That space includes a grassy area to play ball, a playground for younger children and sometimes a ping-pong table or a basketball court. The courtyard gives the children a place to play and keeps them safe.

Social housing is one of the key components to any financial decision our provincial government makes. All levels of government need to work together to create affordable housing for our low-income families. The amount of rent would depend on the income of the

family. In particular, single parents, many of them women, are in need of affordable and safe housing. I grew up in one of those subsidized apartment buildings. I know what it's like to have a safe place to live and play.

Affordable housing is also a key issue for many of our seniors. They have to live on a fixed income that has not kept pace with our inflation. In particular, housing has gone up so tremendously that it has caused great problems for many of our seniors. We owe it to our seniors to look after them properly and to help them. They have worked hard to make this country what it is, and the way we treat our elders says a lot about us as a society. They deserve our help.

Again, the European approach to housing could work wonderfully. Some of the seniors might well befriend some young families and so establish a connection between the younger and older generation. It can create a wonderful community.

[1245]

It is also a sad comment on our society that some seniors have been reduced to stealing in the stores because they cannot afford the prices. The increases in CPP and OAP have not kept pace with the inflation rate at all. Sometimes seniors receive an increase of less than a dollar per month. Our B.C. government can help our seniors by implementing a seniors bonus for low-income seniors. Let's make sure that our seniors are not reduced to stealing.

The future prosperity of our country depends on the strength of our families. The family, which is the foundation of the nation, should be central to the formation of all public policy. Government decisions, especially on tax and social policy, must be fair and equally beneficial to all British Columbians.

Some of our general recommendations would be, first of all, to take a long-term view in any decision made and to study the effects it will have on future generations. Separate the tax revenue by source so that we can see where the money comes from and where it's being spent; therefore, we can make better suggestions on where money could actually be saved and cut back on. Stop the penalization of single-income families with children. Provide tax relief for all families. Create more affordable housing for families and seniors. And implement the seniors bonus for our low-income seniors.

B. Lekstrom (Chair): Thank you very much, Doris, for your presentation.

Possibly, before we go to questions, your question regarding taxation and breaking it out. I'm not sure if you visited your local MLA's office. Go to see and talk to your MLA, and get a copy of the three-year rolling fiscal plan. It does a wonderful job of breaking down where the taxation comes from, whether it be fuel or cigarettes, the different taxes that are brought in, where the revenue is spent, and so on. I think it may help.

D. Darvasi: That's interesting, because I was talking to someone, and the information I got was that it was put in a general pot.

B. Lekstrom (Chair): It all goes into what's called the consolidated revenue fund, and then it's disbursed. There is very limited direct funding, whether it be lotteries, with a portion that goes to health care, education....

D. Darvasi: So let's say the battery tax. Do we know how much comes from there and how much is actually spent on environmental issues?

B. Lekstrom (Chair): That part may be a little further in depth than the three-year fiscal plan will show you, but the line items will break down quite well. Certainly, the information should be available to you. If you work with your locally elected official or the ministry, you should be able to get that breakdown, definitely.

D. Darvasi: Okay. Then the information that I was given was not quite correct.

B. Lekstrom (Chair): Okay. It's a great book, the one I'm referring to. I think you'd enjoy it.

D. Darvasi: I appreciate that.

B. Lekstrom (Chair): Are there any questions of members of the committee regarding Doris's presentation?

R. Hawes: I don't want to go into specifics, Doris, but with the battery tax, I think that if you were to contact the Ministry of Environment, they can tell you what has happened with it. I think their move was to try to make the industry more responsible and responsive. Some of the money, I think, much like paint.... You pay a paint tax, but the industry is supposed to be the one doing the recycling, and I think that's where we're trying to go with the batteries.

D. Darvasi: Okay.

If I could ask a quick question. I just got some information last night. I don't know if it's just a rumour, but I was told that the B.C. government is planning to lobby the federal government to bring back the Liberal plan for national day care. Is this just a nasty rumour, or was this correct information?

B. Lekstrom (Chair): You know what? I haven't been notified of that. I'm not sure if any of my colleagues have, so I couldn't comment.

D. Darvasi: Okay.

B. Lekstrom (Chair): All right, Doris. Well, thank you for taking the time out of your day and waiting. We're a few minutes behind today, so thanks.

Our next presentation today is brought to us from the Simon Fraser Student Society, as well as from Simon Fraser University. Joining us is Margo Dunnet.

Welcome to the committee.

M. Dunnet: Hi, everyone. My name's Margo Dunnet, and I'm the external relations officer for the

Simon Fraser Student Society. I'm also a third-year communications student at Simon Fraser University.

I'm here today to speak to you about the budget priorities of students and families in the lower mainland. The Simon Fraser Student Society represents over 29,000 students taking courses at the Burnaby, Vancouver, Kamloops and Surrey campuses. I'd like to thank you on behalf of all those members for the chance to provide our input into the province's budget priorities.

[1250]

The primary concern of students at Simon Fraser University is the lack of affordability of post-secondary education. Students are enduring extreme financial hardships, and many young people are no longer able to access post-secondary education as a result of the unprecedented increase in the cost of post-secondary education over the last five years. Students, families and young people need to be assured that the 2007 B.C. budget will bring renewed investment from the province in order to provide accessible post-secondary education to communities being served by Simon Fraser University.

We have three recommendations today to achieve this goal. The recommendations are absolutely in line with the fiscal capacity of the B.C. government. The recommendations are also in line with the expectations of the vast majority of British Columbians.

Recommendation 1 is that the government allocate funding in the 2007 B.C. budget to reduce tuition fees by 10 percent. Tuition fees at Simon Fraser University have risen from \$2,310 in 2001 to \$4,356 this year, an 88-percent increase in just five years. Statistics Canada, the Canadian Association of University Teachers, researchers in the United States and across the globe have all produced research illustrating that tuition fees are the number-one barrier to accessing a post-secondary education.

One American study found that for every \$1,000 increase in tuition fees, low-income people were 16 to 90 percent less likely to acquire a post-secondary education. A similar study was done in 1999 at the University of Western Ontario, finding that participation from low-income earners dropped by 40 percent after tuition fees more than doubled. I could stand here and quote tuition fees — facts, research about them — for the next ten minutes.

Instead, I would like to take some time to reflect with you upon the actual experience of real students at Simon Fraser University. The food bank on campus remains a popular service. The majority of students using the food bank are graduate students with children. These students simply cannot afford to feed themselves and their families while completing their studies.

Students in the older residence buildings at our Burnaby campus continue to live in decrepit conditions while the cost of living on campus increases. This is in part because of the underfunding for capital expenditures at Simon Fraser University.

My room-mate Aldea is currently studying at Simon Fraser University. She buys vegetables from the

bargain bin at the grocery store and then cuts off the mouldy parts.

The students who are enduring these hardships are not numbers, and they are not statistics. These students are the people who are needed to fill the more than 70 percent of all new jobs that require post-secondary education. More than any previous generation the young people of our province need a post-secondary education to fulfil these roles.

Beyond all of these things for which the province needs these students, these students deserve the right to participate equally in the economy and in society. They cannot do so if they are unable to complete their education or are being saddled with almost \$30,000 in student debt upon graduation. I think we can all agree that \$30,000 in debt is not the jump-start that a 22-year-old needs in life.

I have \$16,000 in student loans. I have worked throughout my education and still find myself drowning in debt. Having debt that high means that each semester I, not unlike many other SFU students, have to decide whether I can afford to continue my studies while racking up new debt or whether I have to drop out temporarily to work and save money.

I have many friends, like Kristen from Malaspina and John from Douglas College, who, upon taking a short break from their studies, never returned because they couldn't afford to pay off their student loans and save enough money to get back into the educational system.

A fully funded 10-percent reduction in tuition fees would cost the B.C. government just \$92 million in 2007. This investment, representing just a quarter of 1 percent of the overall public expenditures, would immediately reduce the cost to individual students by hundreds of dollars. The average student at Simon Fraser University would save over \$400 as a result of this investment.

A poll conducted in July 2006 by the respected firm Ipsos-Reid found that 80 percent of British Columbians support reducing tuition fees. Three-quarters of British Columbians believe that students are taking on an unfair burden of debt to pay for their education.

Students are behind this recommendation. It's clear that British Columbians are behind this recommendation, and we're here today to encourage our elected representatives to get behind this recommendation, as well, and reduce tuition fees by 10 percent in 2007.

Our second recommendation is that the B.C. government allocate funding in the 2007 B.C. budget to eliminate tuition fees for adult basic education. Adult basic education courses are vital to ensuring that students who most need the benefit of education to secure employment and make a meaningful contribution to the economy and society are able to do so.

[1255]

These programs serve higher percentages of single parents, women, aboriginal peoples and immigrants and are an integral piece of our overall strategy to bring those who are often marginalized in society to a more equitable standing. Tuition fees for these programs will prevent many of these potential students from achieving that equitable standing.

A survey conducted by the Ministry of Advanced Education found that 87 percent of ABE students were taking courses in order to get into a post-secondary program. All ABE students are taking these courses to quality for employment. We should not be punishing these individuals for taking this initiative. We need to encourage them in their pursuit of post-secondary education and their desire to make a meaningful contribution to B.C.'s economy and society. The best way to do this is to allocate just \$17 million to fund the elimination of all tuition fees charged for adult basic education courses in this province.

Our third recommendation is that the government allocate funding in the 2007 budget to create an upfront, needs-based B.C. grant program funded at the same level as the former B.C. grants program. This program should include graduate students. In 2004 the \$80 million B.C. grants program was cut. I have been the recipient of this provincial initiative, and it allowed me to attend Malaspina College in the first place, as it had done for my older siblings.

Thousands of students from around the province brought their stories to the B.C. government, resulting in the creation of the loan reduction program. While this program does offer financial aid to many of the most needy students, it's not as effective as the grants program.

Students are responsible with their limited money and need to be able to budget at the beginning of the year. However, under the loan reduction program students do not know how much their loans will be reduced until the end of the year, and low-income students will not be able to afford the upfront costs of education. The most efficient and simplest form of student financial assistance is an upfront, needs-based grants program which targets the neediest students, reducing their upfront costs and allowing them to budget effectively for the year.

In addition to not effectively reducing financial barriers to post-secondary education, the loan reduction program does not include graduate students. Often these students already have significant student debt and are badly in need of assistance to complete their education. Brian Seabin has recently come up against the 520-week loan limit and is now facing dropping out of school due to his inability to pay off his debts while studying.

Graduate students in Alberta, Ontario and Quebec all have access to provincial scholarship or grant programs to support their studies. Alberta provides significant funding packages to graduate students through its arts graduate scholarships and health research fellowships. Graduate students in Ontario have access to the Ontario graduate scholarships, which provide eligible students with up to \$5,000 per semester for the first two years of their master's or up to four years for their doctoral level. In Quebec there's a system of provincial graduate research grants reaching approximately 2,500 graduate students annually.

The B.C. government is hoping to expand the number of graduate and applied graduate degree programs in British Columbia and make B.C. a leader in graduate

research. This will not be possible if we are behind other provinces in providing access to graduate programs through student grants.

Finally, the new grants program must be funded at or above the amount the former B.C. grants program was, especially in light of the fact that tuition fees are more than double what they were six years ago, when the B.C. grants program was created.

In closing, this government has stated its goal to make B.C. the most educated jurisdiction on the continent. This is a laudable goal which will require investment in our post-secondary education system from adult basic education through to graduate studies. It will require that we ensure that all people wishing to study in British Columbia have access to education regardless of their income.

Our three recommendations today will help move the province towards this goal. Reducing tuition fees by 10 percent will help save students hundreds of dollars in the next year and will open the door for many young people to access a post-secondary education. Eliminating tuition fees for adult basic education will ensure that individuals most in need of these courses — aboriginals, single parents, immigrants — will be able to access them. Providing a new, fully funded system of grants that includes graduate students will reduce upfront barriers to post-secondary education, attract graduate students from inside and outside the province and help ensure that students with a large student debt are able to continue their education into graduate studies.

All three recommendations are well within B.C.'s fiscal bounds. All three recommendations are in urgent need of implementation in order to secure the long-term economic and social health of our province.

We thank you again for the opportunity to provide the input, on behalf of students and families, on these budget priorities and welcome any questions that members of the committee may have.

B. Lekstrom (Chair): Thank you very much, Margo.

We have a list of people wishing to ask questions. I'll try and get to them all.

[1300]

D. Hayer: Actually, this is our eighth meeting in different communities. We heard very similar presentations from most student societies. Thank you very much for making the presentation. I have my son attending SFU, and he works part-time. My wife goes there, and she works part-time, and so does my daughter, going to Kwantlen University College.

My question is.... I met with some students from the UBC student society. They told me that when you ask for a student loan, it's easier to get student loans if you're in a low-income family. If your family is very wealthy, then there's no problem getting it. It's the middle income, they said, that had a difficult time qualifying for the student loans because they consider your parents' income as income, even though they might not be able to support it.

Have you heard any of that, or have you got any complaints on that? Do you have any suggestions on how we can solve that?

M. Dunnet: Well, that wasn't something I was specifically speaking to today, but I do think that you would have to do a new assessment of that.

I have a friend. She's 26, and she's still being assessed by her parents' income. She lives on her own, and she has done so for many years. I think people should relook at how they decide what the family unit is and whether people should still be considered under their parents.

H. Bloy: I have to congratulate you and the Canadian Federation of Students for being united in your front, because your message is coming across.

You mentioned about construction. Construction and capital expenditures are at an all-time high at universities across British Columbia. There were new housing units built. I know the other ones.... It's the Louis Riel.... Which one...?

M. Dunnet: The Louis Riel is one of the oldest and most decrepit on campus.

H. Bloy: Right. Okay. But we have built new buildings in the last couple of years, and there are more in the planning.

M. Dunnet: But that doesn't actually speak to the fact that there's a lack of funding to fix the old buildings. There are many old buildings. There are a couple of new ones, but....

H. Bloy: The old ones will probably come down at some point for new buildings.

M. Dunnet: And then we don't have enough room for all the students who need to live on campus.

H. Bloy: Well, they're working on that. But there has been construction and investment at Simon Fraser University is just the point I wanted to make. I do appreciate what you say about the other residences.

M. Dunnet: All right.

R. Hawes: The "we're drowning in debt" I hear over and over and over. Students graduate, and they're drowning in debt.

I wonder: do you have any statistics that would say that the graduating students...? Once they start in the workplace, how many of those students that are drowning in debt, or that perhaps come through without debt, will almost immediately go out and buy a new car, financing that new car with a debt that's much greater than the debt that their university education would have cost them? Has anybody kept any stats on that kind of thing?

M. Dunnet: I don't know. I could look into that and get back to you with stats on that. I know that my

friends that have graduated sure don't have cars. I don't know that if it's a job requirement that people need to buy a car for or....

R. Hawes: I'm assuming that their jobs are at a much higher income rate than if they didn't have the university degree. With the way that today, in this province.... I just can't imagine somebody graduating and not being able to find employment and, I would hope, better employment than if they had no education or a much poorer education, in which case....

M. Dunnet: I'm sure some students are able to come out, land a pretty sweet job and go out and get a car, but I don't think that's the story across the board. I can look into that and try and find some research for you.

R. Hawes: Good. Thanks.

B. Lekstrom (Chair): If you do come up with anything like that, Margo, you could get it to the committee through the Clerk's office. That way all members will get it.

J. Horgan: You will recall that last fall the Minister of Finance suggested that there was a windfall of a surplus, and she devoted a billion dollars of that, in fact, to bonuses for unionized employees.

I'm wondering: have you at SFU or within the Canadian Federation of Students contemplated the notion of putting a proposal to the government for a bonus or a rebate on this year's tuition fees in the neighbourhood of 10 percent to 25 percent so that you can benefit from the windfall revenues we have this year? Rather than looking forward to next year's budget, have your organizations considered asking for some money this year, since we seem to be flush right now?

M. Dunnet: You are flush right now. I would like to look to the future, because I don't want to start focusing on something that's happened in the past. You start asking, and then suddenly the money is gone. We're looking for a promise for next September.

[1305]

B. Lekstrom (Chair): Well, Margo, I want to thank you for coming out. You have had a united voice across the hearings we've had. You certainly are presenting a well-thought-out message.

Our next presentation is from the Fraser Valley Real Estate Board. Joining us are Debbie Jay and Kelvin Neufeld. Good afternoon, and welcome to the committee.

K. Neufeld: Thank you, Mr. Chairman and distinguished members of the committee, for giving us the opportunity to highlight the Fraser Valley Real Estate Board's recommendations. The time and dedication that you guys are devoting to the consulting process is very much appreciated.

My name is Kelvin Neufeld. I'm vice-president of the Fraser Valley Real Estate Board, and I'm a working realtor. We represent approximately 2,600 realtors who live and work in North Delta, Surrey, White Rock, Langley City, Langley Township, Abbotsford and Mission.

In past presentations we brought a variety of issues to your attention. We would like to formally acknowledge the issues that you've already addressed. For example, we're delighted that the B.C. government offered support for Simon Fraser University in establishing a permanent campus in central Surrey. As well, your work with the B.C. Real Estate Association and Real Estate Council of B.C. to enable realtors to form personal corporations is very much appreciated.

In my presentation I'd like to draw your attention to three topics included in our written prebudget submission. Our prebudget submission has several topics in there, but the three I want to talk about are transportation improvements, housing affordability and, of course, marijuana grow ops and other drug labs.

I'll start by saying we appreciate the provincial government's efforts to improve transportation infrastructure to address traffic bottlenecks in the lower mainland, the Fraser Valley and throughout the province. In particular, we thank the Hon. Kevin Falcon for spearheading the Gateway program and welcoming the public's input, including realtors' input, on the project.

Key transportation improvements are needed to enhance and maintain the quality of life of those living and working in the Fraser Valley communities. They're needed to control the cost of doing business throughout the lower mainland, and they're needed to keep our province moving forward.

Recently we had a luncheon with the city of Surrey's mayor, councillors and senior staff. We learned that the city does support the Gateway program with the following conditions. Investment in infrastructure must be sustainable. Demand for infrastructure must be measured on a regular basis, and investments must be made with the support of the B.C. government to mitigate the effects of major projects such as the Gateway program.

We recommend that you press forward with the Gateway program and continue to work with the stakeholder groups such as the Greater Vancouver and the Fraser Valley regional districts, TransLink, local governments and others to ensure the Gateway program ties into existing infrastructure throughout the province and doesn't just go and stop in Langley or some place like that.

In addition to transportation, realtors believe that everyone needs and deserves housing that's affordable, safe and appropriate. That's whether you own or you rent. Unfortunately, over 30 percent of the people living in the Fraser Valley are spending in excess of 30 percent of their household income on housing costs, such as mortgages and rent.

Like it or not, the property transfer tax first introduced in 1987, at 1 percent on the first \$200,000 and 2 percent on the remainder, is part of the problem. When first introduced, a \$200,000 house was a luxury house. The average sale price of a single-family detached

home in 1987 in the Fraser Valley was \$97,000 — hard to believe. Since then, housing prices have skyrocketed. In 2005 that same average sale price of a single-family home has gone up to \$411,000, and it's probably around \$460,000 today. But if we just use the \$411,000 and were to apply that to the luxury home of 1987, the 2 percent wouldn't be cutting in until homes reached \$840,000 — not \$200,000.

Last year it was budgeted that there would be \$650 million income from the property transfer tax. In fact, you had over \$800 million coming in. I would suggest to you that a good portion of that was young families trying to find appropriate housing in that \$200,000-to-\$400,000 range where they're now paying the 2 percent.

[1310]

A young family hoping to enter the housing market must pay \$6,000 in property transfer tax charges on the purchase of a house priced at \$400,000, which is way below what the average house price is. This is \$6,000 that they need to save over and above what they have to save as a down payment, because banks just don't want to finance that in your mortgage. At this price, the family would not qualify for the exemption under the current threshold for first-time buyers.

Now, we appreciate that the government just increased the exemption threshold to \$325,000, and we thank you very much. That's for the lower mainland, the capital region and Fraser Valley areas; \$265,000 for other areas. As well, we appreciate other initiatives that may be in the new housing strategy. However, there must be more done to make housing more affordable in B.C.

We join across B.C. in recommending that the B.C. government consider adjusting the property transfer tax exemption threshold annually and for it to reflect on the consumer price index. This strategy may further reduce the tax burden on first-time homebuyers around B.C. However, we'd eventually like to see the tax eliminated altogether — and I know everybody smiles when I say that — to give consumers access to more housing options. That's because this isn't a fair tax.

Property tax is not related to a household's ability to pay it or the benefits derived from public services. Consumers are now paying a luxury tax on a home that is not a luxury home. In fact, in today's market it could be like the small condo I just sold last night: 650 square feet, one bedroom, \$274,000, and it qualifies for the old luxury stuff. We strongly urge you to take further action on the property transfer tax.

The last topic I want to talk about. I want to touch on... I think it poses a very serious risk to health and well-being of current residents and future homebuyers in the Fraser Valley. We are very concerned about the negative impact marijuana grow ops and other drug labs are having on our communities, and we'd like to see them eradicated. As you know, the by-products of these illegal activities — such as moulds that are left behind, and things like benzene gas from methane gas, which are carcinogenic — have serious health conse-

quences to people that we put into these homes afterwards, especially amongst young children.

We commend the B.C. government, in particular, Hon. John Les, for introducing and passing the Safety Standards Amendment Act. We urge you to do more to assist municipalities and police to address the growing problem. We recommend that the B.C. government coordinate a provincial task force to examine the best practices in making B.C. less attractive to those involved in these types of activities. As well, we'd like you to work with the authorities to standardize some form of reporting system so that we as realtors, when we're taking our clients, can put a young family in there with some certainty that that wasn't busted as a grow op. One strategy that could be involved could be passing legislation which exempts information on these types of activities from provincial privacy legislation.

This concludes my presentation. Please review our written prebudget submission for further details on our recommendations. Many of our recommendations are concerns that the B.C. Real Estate Association also supports. They represent 17,000 realtors.

Thank you for listening and responding to our profession's concerns.

B. Lekstrom (Chair): Thank you very much, Kelvin and Debbie, for taking time to come and speak with our committee here today. I'll look to see if there are any questions from any members regarding the presentation you have brought before us today.

D. Hayer: Thank you very much, Kelvin and Debbie, for coming to make a presentation. My question is: if you were to take a look at exemptions from the property purchase tax for the first-time buyer or the first amount, what amount would you adjust for the ordinary, average house now, before you start adjusting?

K. Neufeld: Like the exemption for first-time homebuyers?

D. Hayer: Yes, and also maybe the two phases. It used to be the \$200,000 and \$400,000 level.

[1315]

K. Neufeld: I think we're looking at an average pricing of about \$460,000, so \$400,000 really doesn't buy much of a house anymore. I would think \$400,000 would be probably an exception. As I said, in 1987, \$200,000 was a luxury house. You push that rate through, and it's almost \$1 million now. I think that 2 percent should be at least over \$700,000.

D. Hayer: There are a lot right now in Surrey worth about \$350,000 to \$450,000.

K. Neufeld: Yeah, \$460,000 right now.

R. Lee: You raised the question of the marijuana grow ops. This is a serious problem in the community. Realtors are actually the eyes to the community. You

go around the community quite a bit, and you live in the community. Are there any programs in the association to encourage realtors to report those activities?

K. Neufeld: We're caught in a catch-22 in that situation, unfortunately. We're realtors, and we're acting as agents for the sellers, so all of a sudden if we're reporting them, we're no longer under agency, and we've breached all of that. There is concern about that. We have put programs together, teaching realtors how to identify grow ops or past grow ops so that we can at least declare that to our potential buyers — that we think this is a grow op and what have you. Then all we can do is say to them: "We think you should have the home inspected, and look for this."

The city of Surrey has done a great job. We can actually go to the city of Surrey or the city of Langley. The city of Langley has actually put it on the title, so we can check there — okay? The city of Surrey has done it on the tax roll.

But the problem is that we've got some cities that are very proactive and others that are petrified of the privacy act, and realtors have no idea where they should go to get this information. So if we have a family with young kids and we're putting them in, and if it's been busted as a meth lab, we should have access to that information — that it was a meth lab — because, as you know, benzene gas, or something like that, actually gets into the walls. It's got a half-life of 200 years. These people pour this stuff in the back yard. It gets into our aquifer and into our systems, and then our kids go out and play. This is something that we really have to know to protect our clients.

R. Hawes: Just quickly, Kelvin. I see in your submission here that you've got a comment about the rentalsman's office and access to arbitration, but your comments seem to be limited to the lack of offices. With respect, then, to the changes that were made in the act....

K. Neufeld: You guys made some changes, and we can do this now on the website.

R. Hawes: But with respect to the act itself and how it operates, do you have any comments? I see there were no comments about that.

K. Neufeld: We did feel that the act is rather one-sided, especially on giving notice. If we're representing investors and they have clients and then they want to move into one of the homes or put their kids into one of the homes, we now have to give them not only the two months' notice, we have to also pay one month's rent to them to move out. Whereas, if they want to move, it's 30 days' notice still. We don't feel that, really, it was just to add that "pay the third month."

The other problem that we do find with it is that yes, we've got just the two offices, and now we can do it on line, but it's very onerous on line. In talking to our property managers, they're saying it's incredibly

onerous, and you should be looking at simplifying that system.

R. Hawes: I guess the crux of my question was that I don't know whether or not the board has undertaken, through the property managers out there, a review of how the act, as it was changed, actually works on the ground in some detail. I mean, you've said a couple of things, but I'm sure there are more. A full review of how the act actually works and those changes. What effect have they had in the marketplace? I'd be very interested to know that.

K. Neufeld: I'm not aware if our board has. I tell you, what I would like to do is to talk to BCREA. I'm sure there are several boards in B.C. that have, and I can get you that information.

R. Hawes: I'd love to be reading that.

K. Neufeld: Very good.

B. Lekstrom (Chair): Well, Kelvin, Debbie, again, I want to thank you for taking time out of your busy schedules to come and bring your ideas forward to our committee. Thank you very much.

It is now 1:20 in the afternoon. We will take a recess until 2:15 for members to have lunch, and we will reconvene at 2:15. The committee stands recessed.

The committee recessed from 1:20 p.m. to 2:21 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): We are going to move to our next presenters this afternoon, who are from the Autism Society of British Columbia. Joining us to present are Jennifer Ralph and Roxanne Black.

Good afternoon, and welcome to the committee.

J. Ralph: You don't look like 14 people.

B. Lekstrom (Chair): We have a few that are missing, but all the members of the committee will receive transcripts of the presentation and so on for our deliberations. It's ten members of the committee, actually; that's the full contingent.

J. Ralph: Does everyone have a copy in front of them?

B. Lekstrom (Chair): We do.

R. Black: I'll start. I'm Roxanne Black, and this is my little boy Reid. I just wanted to bring a nice big picture for you to see. He's four, and he has autism. He was diagnosed with autism just before his second birthday. We've been doing a treatment with him called ABA, which we'll talk about, for the last two years.

He's gone from being a child who made no eye contact.... He didn't respond to his name, couldn't play with toys and was going deeper and deeper into the

world of autism. We didn't know that was what it was at the time. With this treatment he now loves to play. He's a happy little boy. He loves preschool. He loves the outside. He's making tons of gains. We've got a long way to go, but he's doing very well.

Not only when you get diagnosed with autism — the heartbreak and going through the transition of that... But then you're faced with the cost of the treatment.

J. Ralph: Or even to find the treatment.

R. Black: To find the treatment — yeah. Well, we got help from a lot of other parents, no thanks, really, to any other agency.

The big burden on our shoulders right now as a family, and on many families in British Columbia and throughout Canada, is that the cost of the treatment has bankrupted individuals. There's a lot of stress on the families. A lot of marriages are splitting up due to the stress of the cost of the treatment financially.

If I didn't have to worry about the cost of this treatment, my life would be somewhat normal. But when you have a child with autism, your life's not really normal to begin with. I wanted to be a stay-at-home mom. I decided to give up my lucrative career when we had our children. My husband was the go-getter, and I was going to be home with the kids.

Now, because of the cost of the therapy, I am forced to work 16-hour days. Not only am I the case manager for my child's therapy; I have six staff in my home — six therapists. I have a consultant. We run biweekly team meetings. I'm always on top of the progress of that.

Then, I have a busy career on the side. The BlackBerry is ringing all day long. I'm working 16- or 18-hour days to keep up with my child's treatment and to pay for the costs. That's sad, because I should just be able to focus on what my child needs and on the treatment, which is a full-time job in itself.

[1425]

My husband and I are fortunate enough to have the resources to make this happen for our child. I shudder to think where he would be today without that treatment. My concern is: what about that single mom in Whalley? What's happening to her?

J. Ralph: Thousands, thousands.

R. Black: It's bad out there. More needs to be done.

J. Ralph: I'm Jennifer Ralph. My daughter Julia was diagnosed when she was two and a half. The diagnostic centre of the province, when she was around three — we kept getting second opinions because we were in shock — basically said that she has autism disorder; she's moderately mentally retarded, IQ in the 50s, and not to do ABA. When I asked about that, they said that what she needs is speech therapy. That's just one example, knowing full well that speech therapy, at \$120 an hour with wait-lists....

We could go on a lot of different tangents here, so in the interest of time.... If somebody could give us the

ten-minute warning when we're done, that would be great.

B. Lekstrom (Chair): I'll do that.

J. Ralph: Thanks, because we could definitely talk about this a lot more than ten minutes.

My daughter is fortunately one of the better-outcome children at this point. She went from moderately mentally retarded with an IQ in the 50s.... Once we started ABA therapy 40 hours a week as per the research, she started to gain immediately.

This child didn't answer to her name. She did weird neurological things with her hands. Her eyes were empty; they were black pools. It's really hard to describe. She rocked all the time. She had no language.

Anyhow, bottom line, three years later — we get annual psychoeducational testing — she reads and writes at a grade 3 to 4 level, and she's in grade 1. She has a composite IQ of 105, so we've doubled her IQ.

Now, that has come at a pretty rough expense. Between my husband and me, we didn't just make a call and set up a team. It was excruciatingly difficult. There are a lot of issues involved in that — that there's no real strategy in this province, let alone this country, to deal with this. This is a neurological condition.

The state of New York just today, for example.... The senator — I forget his name there — enacted a law saying autism is a neurobiological disorder and to not provide services is absolutely discriminatory. All autism services in the state of New York are now fully covered, because they found that discriminatory before.

Likewise, Ontario has lifted the age-six cutoff. I'm not sure if anyone is aware of that, but they have officially done that.

Just to make the point: what needs to happen is funding. These services either need to be in the Ministry of Health and billed under MSP, or if it remains in MCFD, the funding needs to increase.

There are so many children not getting treatment because they don't have two parents working at high-paying jobs, which you need to pay for this treatment. I mean, if your child is five or under, there's \$20,000 a year available in British Columbia in the last couple of years. That covers about a third, so you still have to come up with \$40,000, not to mention the fact that it's a full-time job on top of a job you have to do.

The divorce rate with parents of autistic children is 80 percent. It's crisis mode. It's very stressful, so you don't need funding problems on top of that.

I'll take you through, really quickly, some highlighted points, just to make the case for increased funding. Unlike a lot of stuff you may have heard in the media or in court cases, this is not going to break the bank. The money is there. It's being wasted. It needs to be redirected to effective treatments. Let's go through some things, if we could.

The first thing — behind the agenda — ironically, is a submission to a committee such as this, five years ago, by a woman named Monika Lange up in Terrace. Some of the numbers are a bit changed because it was

five years ago, but basically, it is still very relevant. I'm just going to highlight some things.

[1430]

ABA — an 87-percent success rate. That has been proven in clinical trials in peer-reviewed journals. No other autism treatment has that. It's also been ruled in many lower courts and provincial courts to be medically necessary.

In a letter from Hon. Gordon Campbell, he stated: "The official opposition agrees that autism is a medical condition requiring medical intervention and that government has a responsibility to fund effective treatment." Colin Hansen also said: "It is time for government to recognize that autism is a health issue and ensure that proper treatment is provided." Hon. Reid at the end of her quote says: "Is it a health issue? Most definitely."

Now, even five years ago she called the government, got tons of numbers that were current then and did a cost analysis based on existing funding — okay? So not even extra money; just reallocation.

On the second page. In direct treatment costs alone ABA treatment would be much cheaper for the province, and 87 percent of children would be rehabilitated. The government would save money immediately and in the long run, especially in the long term as each unrehabilitated autistic adult costs the system millions in lifelong care.

A two-tiered health care system has developed for autism treatment due to the absence of government involvement. Even now with the partial funding, it is two-tiered. As an example, things like Gateway, in 2001, received \$4.2 million annually, and they did no treatments that were based on scientific evidence.

R. Black: So basically, the government is funding money to service providers where by the time everyone gets their cut and it gets down to the kid, the kids are not receiving many of the services that they need. In direct funding, the funding comes directly to me as the parent. I'm the case manager, and then what happens is I spend every last penny of that money towards my child. It's much more effective. I don't get a cut of that 20 grand. I do it all for free. It's my child. I administer everything.

If any new money is spent towards autism, I think it needs to be directed to the parents and not service providers who have no formal training in autism whatsoever. I think it needs to go to the parents. We know what's best for our children. We'll pick the services that they need, and we'll spend every cent towards them.

B. Lekstrom (Chair): We're at the ten-minute mark.

J. Ralph: We are, eh? Okay. Skip the second one, then, for now, the Cal State study. I'll summarize it. It compared ABA with eclectic treatments, which is a mishmash of treatments that make some people feel good and make some other people nutty...

R. Black: Play therapy — that type of thing.

J. Ralph: ...with absolutely no scientific evidence of efficacy. We currently in this province fund this therapy. Millions of dollars are funded to the centres that provide ineffective therapy.

So if we could just go to an example where it says — the third piece — "Autism program in chaos." This was an audit in Ontario, but basically it would be the same in every province. I'll just highlight a few things.

Unlike direct funding, when there's a centre-based model, a government agency assigned to it, such as is partially the case in B.C., it cost an average in 2004 in Ontario almost \$80,000 a year to cover that intensive one-on-one therapy, and that averaged 13 to 23 hours a week. Studies show 40 is required.

If you flip to the next page, the auditor — who was Jim McCarter — found that handing money directly to parents to hire therapists was far cheaper than paying the nine government-approved agencies scattered around the province. Furthermore, the cost of putting money straight into the hands of parents was as little as one-sixth the cost of funding the agencies to provide the service. If that doesn't speak to you, I don't know what will. Their average treatment cost was as high as \$126 an hour; with parents it averaged \$20 an hour.

[1435]

I'm just going to go back to the Cal State study, because I want to cite one thing. Co-researcher Green noted that scientific studies of eclectic treatment are necessary because funding treatments that have not been scientifically validated waste scarce resources and cost these children the opportunity to realize their full potential. ABA squeezes out every iota of potential from the child that's in there that could possibly be realized. It's not rocket science. It's based on Skinner's operant conditioning, and people need to be trained in it. There's your segue.

R. Black: We need to have a chair in a university. We've been dealing with Kevin Falcon and Gordon Hogg on this matter, getting the government to provide some funding to make this happen.

What's happening right now is that there are not enough qualified service providers in British Columbia, so parents are having to look at the States and hiring consultants there — flying them in and paying for their hotel costs, all their travel and the time that they're here. We want to have a university here where we have a recognized chair.

J. Ralph: There are 40 in the States, by the way — none in Canada.

R. Black: That way we can have more service providers locally, which will reduce the cost dramatically for parents and, hopefully in future, for government.

More local consultants mean the children will get effective therapy quicker. There won't be lots of wait-lists. We do have someone world-renowned waiting and willing to come to Canada to take on this chair. We just need the support from the government to be able

to say we want this chair to happen and the way we want it to happen — what's best for these kids.

We don't need any new money going into Douglas College programs and so on, where you have people doing the teaching who have no formal training in autism.

J. Ralph: It just starts getting eclectic.

R. Black: You need to have the parents.... We represent the bulk of the parents — the Autism Society of B.C., FEAT of B.C. and the Autism Education Society. We should be in the loop as to where this money is going. It shouldn't be going to service providers who have no background or formal training in autism.

J. Ralph: In ABA. Do we have any time for questions?

B. Lekstrom (Chair): We do, actually, have a couple of moments. I'm going to make sure we do that.

R. Hawes: You answered one of my questions. That was with respect to training and the fact that for Lovaas, anyway, most of the people that practise come from the United States. We don't seem to have programs here to train people. That's probably why it's \$60,000 a year.

J. Ralph: No, actually it's the 40 hours. Really, that is what adds up. It's not so much the....

R. Black: But sometimes, yeah, it could be cheaper if we had local people.

R. Hawes: That's what I'm thinking. That's why I'm asking about the program.... I think it's Washington State University that has a fairly extensive program, and I know they were interested in partnering with a university here. I know there were some discussions with.... I know that University College of the Fraser Valley — hopefully, University of the Fraser Valley soon — were very interested in setting up a program that would have been closer to ABA.

I don't know if you've talked to any of the universities or seen if they're interested.

R. Black: We've been talking to the University of Victoria, and we're quite close to making something happen. Our concern is — and I'm just going to lay it out — that the bureaucrats get involved and their friends get involved, and then the deal gets blown out of the water. What we're struggling with right now is that there are certain people involved who want to take it in a different direction than what the parents need and want to make happen.

If you let the parents just do what we need to do and fund it, it'll get done the right way. Once you get all these bureaucrats involved, it just gets too complicated.

I'm sorry. I just need to lay it on the line. I mean, it's the truth — right?

R. Hawes: That's fair. There was a group that was going to go down to Washington State and look at their

program and pay a visit. I don't know if you have an interest. If you do, I've talked to Minister Hogg about that several times in the past. If that gets set up, I'm assuming you would be interested in at least looking at what the program looks like.

R. Black: Yeah, absolutely.

R. Hawes: Then I think we have your contact information. Gordie Hogg has it.

R. Black: Yes, and Kevin Falcon as well.

R. Hawes: Okay, we can get hold of you through that.

J. Horgan: Thank you very much for your presentation. I wonder if I could push you for some statistics provincewide so that we as a committee have a better sense of the costs. I didn't hear that at the front end of your presentation in terms of the number of families....

J. Ralph: That's going to have to come later, unfortunately.

J. Horgan: Maybe I could just make a list through the Clerk: the number of families involved and the number of kids involved.

It's great to hear of Julia's improvement. How's your son doing?

R. Black: I have two children now that are diagnosed with autism. The older one was diagnosed last. He has become indistinguishable among his peer group. He's in grade 1.

[1440]

J. Ralph: He's come out the other side.

R. Black: You'd never know it. I mean, he brings a play date home every day. He's driving me nuts with that, you know. He's very social and bright.

J. Ralph: I couldn't tell. I just met her this year. I couldn't tell, and I have autism radar.

R. Black: My littler guy.... It's been a long haul. It's pretty intense. He just turned four, and we've got another two good years of intensive treatment, so we're giving it our all. He's improved dramatically, but only time will tell. I mean, we're going to squeak out every last bit of potential. Hopefully, he won't be a burden on society and taxpayers later in life.

R. Lee: Some families are getting, I believe, about \$20,000.... Some families are using that resource to put their child in the GABA school program. That's a program in North Van.

J. Ralph: Oh, it's a private school. It's a pilot project. I know a little bit about that but not a lot. They're using that funding for the school tuition?

R. Lee: Yes. So I think that's part of the solution. It's not a complete solution.

J. Ralph: Well, I think what he's talking about is a pilot project in North Van. Basically, it's a centre model, but it's private. It's not a government agency that's starting it, I think. There's another in Richmond called the ABA centre as well. They do a lot of verbal behaviour and such. It's still better than someone not getting anything, of course.

I don't think it has to be direct funding for a parent to run.... Not everyone's up for this task. This is tough — to have a disabled child and then to have to basically start your own home business and run HR, payroll, hiring and training. I could go on about this forever. You have people in and out of your house, three people a day — right?

R. Black: Grand Central Station. Yup.

J. Ralph: I'm not saying that everyone would want that or choose that, even if the funding were there. I think a lot of people would like to be able to drop their child off in a preschool. I think that's what Lovaas was. The Lovaas studies were in the university setting.

R. Black: It's just that the ones set up here have no formal training in autism, and the courts have.... You know, the judge basically said that when she reviewed....

J. Ralph: As hard as it's been, our kids are getting treatment, but because we are....

R. Black: It has come at a cost, though.

J. Ralph: A huge cost. There are thousands who aren't getting treatment. They could, and they could recover if not dramatically improve.

R. Black: If we don't help these kids now, they're going to be a huge burden on society later, when they won't have parents like us to back that up. This generation of children will be lost without this treatment.

R. Hawes: Could you just clarify one point? Age six. I take it that you're saying there's no magic about age six.

R. Black: No.

J. Ralph: Absolutely not.

R. Hawes: As long as there's progress being made....

J. Ralph: Actually, my daughter just got cut off dramatically from the funding. Now we have to pay even more. It's very difficult.

R. Black: Someone like my son, who is six. We're getting cut off in October. He'll be fine. He's doing wonderfully. We don't need that amount of money

anymore. He's in grade 1, and he's doing great. We had a couple of years of great therapy. He's good to go.

Your kid needs a little tweaking still. She still needs some work.

B. Lekstrom (Chair): Roxanne and Jennifer, I want to thank you. You know, we get all kinds of presentations, and they're all very good. Certainly the first-hand experiences you as parents are bringing to us of the issues you're dealing with make it that much clearer for us.

The question I'll just close with.... I've heard you say, if I'm right, that there's enough money in the system. It's just not being utilized properly, and there should be — because you're saying there may be some parents that may not want to do what you're talking about — some type of choice that says: "You know what? For the parents that do, the funding should be direct-funded to the parent. For the others, let's continue down a model that will work for that group as well." Is that it in a nutshell?

J. Ralph: If that's what they choose.

B. Lekstrom (Chair): Well, I want to thank you both very much for coming here and taking time to present.

Our next presentation this afternoon is from Geoscience British Columbia, and joining us is Lyn Anglin. Good afternoon. You made it, did you?

[1445]

L. Anglin: I did. Thank you very much for the flexibility in my witness slot. I do appreciate that, and I hope the extra time at lunch was profitable.

I'm the president and CEO of Geoscience B.C., a new not-for-profit society created in British Columbia last year. I'm sure quite a few of you are probably familiar with it.

What I'd like to do today, on behalf of the board of Geoscience B.C. and myself, is thank you very much for the opportunity to speak to you, to provide you a bit of an update on Geoscience B.C. and what we're doing and, in particular, to talk a little bit about the mountain pine beetle crisis and what I think is an opportunity for geoscience to help economic diversification in that area.

Just to start out and certainly in light of the comments we've just heard from the speakers ahead of me, we need a really strong economy to be able to afford health care, education, special needs. This is where I think the resource industries are a really key component of the B.C. economy. Minerals, mineral exploration, oil and gas, mining — these are all important drivers for the economy.

In terms of the mountain pine beetle infestation, this is going to be an ever-increasing strain on the economies of B.C. communities and the province, and we need to develop really viable economic diversification options in that area. I know there are a lot being discussed — forestry, tourism, agriculture, alternative forest products, bioenergy — but I really think we have

an opportunity, though the timing is a critical concern, to stimulate more mineral exploration, maybe oil and gas exploration and hopefully some discoveries that will help sustain those economies.

I thought I'd just give you a few stats. Even the act of exploring for oil and gas or minerals definitely contributes to the economy. In fact, the exploration industry is one of the leading private sector employers of aboriginal people, which I think is another consideration in terms of what we do in the pine beetle area.

In 2005, \$220 million was spent in exploration across the province — that's just mineral exploration, by the way; I haven't done the oil and gas stats — and 4,000 seasonal jobs were created in B.C., according to stats from the Ministry of Energy, Mines and Petroleum Resources. Of that, less than 18 percent was spent in the mountain pine beetle area. I have to apologize. I don't know exactly how much of B.C. that's affecting now, but I think it's more than 18 percent.

The challenge is to develop these resource industries. But minerals, oil and gas are where you find them, not necessarily where you want them to be. That's where geoscience is really critical. Geoscience is essentially the understanding of what's below our feet. It's the road map to help reduce the risk that the exploration dollars face in trying to find those resources. The mountain pine beetle area is challenging geologically.

The other consideration, especially for minerals, is that even when a discovery is made, it can take a long time till you bring it into production. So in terms of when we need to really think about doing that kind of work, now is the time to think about how to approach this most effectively.

The other consideration is that exploration dollars are very nimble. We have a really critical mass of exploration intellect and dollars that are generated in B.C., right in the Vancouver area. There are over 800 companies, I think, that are mineral exploration- or mining-related based in Vancouver, but a good number of them don't do a lot of work in B.C. There's a challenge to attracting them to work in B.C., and part of doing that is developing a better geoscience database that makes B.C. a more competitive jurisdiction. Another layer could be put on top of that same message, making the mountain pine beetle area more attractive. To try and deal with the geological challenges there requires more of a database.

What Geoscience B.C. is doing. We are just starting our second year. We were granted \$25 million by the province. We're not-for-profit, arm's length. To date we have already committed \$5 million of that to projects, and we have levered another \$5 million out of universities, the federal government and some partnerships with the province — though primarily the federal government — and with industry. So we have essentially committed to \$10 million worth of geoscience projects all over B.C. with the first \$5 million of our \$25 million.

[1450]

Of that \$25 million, \$20 million was targeted for minerals and \$5 million for oil and gas. Partly in light of the mountain pine beetle question and partly

in terms of an area where we think there might be potential, we've essentially planned out a program to spend that full \$5 million in oil and gas for the Nechako region, which is the area west and south of Prince George, Quesnel, Williams Lake. But if you talk to any oil and gas executive, \$5 million is a very small drop in that bucket. When we looked at the old data that was collected by Canadian Hunter in the 1980s, that was a \$50 million project, and that was preliminary exploration. That gives you a flavour for the scale of the problem.

At the same time, I should take this moment to say that I think it was really innovative of the province to develop an organization like Geoscience B.C. There's a lot of flexibility in how we can engage with partners, and that's been a real priority for us. It's also sent a very positive message to the mineral and oil and gas industry, both inside B.C. and especially those that work outside of B.C., that there are real opportunities here and real interests in developing this industry.

In terms of our mineral activities, our mandate is to attract exploration investment to British Columbia. As I say, we've successfully matched our dollars with partners, and we're very interested in being involved in trying to assist in the economic diversification in the mountain pine beetle area. But because of the challenging geology, this is an area that's going to require a lot of work.

The reality is that over the next few years, I think we're going to have to very carefully plan to strategically utilize Geoscience B.C.'s resources. We aren't going to do all of our work in the mountain pine beetle area, but we definitely want to contribute to helping develop partnerships, working with the ministry, the federal government, the communities, the Northern Trust. In fact, I've just come back from Prince George where we were meeting with beetle action coalitions and communities yesterday and with the Northern Trust today to talk about what kind of partnerships we might be able to engage in to help move this forward.

I should also take the time to compliment the Ministry of Energy, Mines and Petroleum Resources, with whom we've developed a very good collaborative working relationship. We are in the process of planning for the future. So as opposed to this being a particular, specific ask for funding at this time, it's alerting the committee that this is an ever-growing issue. But I think we can certainly be part of the solution and planning with the Ministry of Energy, Mines and Petroleum Resources and, hopefully, with Natural Resources Canada. I think we can do a lot to help sustain some of those communities in the mountain pine beetle area and really contribute to their economic development.

If I was going to make a recommendation, which I will to the committee and take advantage of the time here.... In order to really attract exploration industry investment into the mountain pine beetle area — and you could say the same things for B.C. as a jurisdiction.... When you're competing with other jurisdictions but looking at the mountain pine beetle area as being another layer on top of that where we think there is a

good chance for mineral resources — probably some oil and gas — but very challenging geology....

The sorts of things to consider would be an enhanced tax credit for exploration — for companies that explore in that area — or focused job training, worker retraining, especially in the case of forestry workers who may be looking for alternatives in five to ten years as the forest industry declines. If there are programs in place to help retrain those workers so that they could then be available to the mineral exploration, mining or oil and gas industry in terms of finding resources in that area — both people and the actual natural resources — this is going to be a critical part of that equation. More efficient permitting, when there is an opportunity to develop a property, and a bottom line over the next few years.... We'll have to look very carefully at developing a much better geoscience database in that area to really stimulate the exploration activity.

I bring this back to the speakers who went ahead of me. It really is the taxes. It's the revenues, the royalties to government that come from the resource industries — mining, oil and gas and forestry — that really allow B.C. to maintain a very, very high standard of living to pay for health care and education and special needs like we heard just before me.

Thank you very much for your time. I appreciate, again, the flexibility in your schedule to allow me to come a little bit late.

B. Lekstrom (Chair): Lyn, thank you very much. Certainly, your schedule is affected due to the weather and fog, I understand, in Prince George — trying to get out.

L. Anglin: Yeah, but it actually cleared up. I would have almost made it. The cab driver dropped me off at the wrong hotel. I even read out the address, and he dropped me off. I'd never been to either of these hotels. I apologize. Then the hotel told me it was half a block, so I thought I might be able to just make it. I think she meant half a kilometre. It was a little bit more of a walk than I'd expected. My apologies.

[1455]

B. Lekstrom (Chair): That is no problem whatsoever. I do have a couple of members wishing to ask questions.

D. Hayer: Thank you very much, Lyn, and thank you for coming to Surrey-Tynehead. In my constituency we have many businesses, actually, that are supplying directly to mines, oil and gas, and forestry. Many times people think: what does mining have to do with Surrey? So my question is: how has the mining changed over the last 15 years, and where do you see mining and oil and gas going in the next 15 years?

L. Anglin: I wish I could make that kind of forecast. Certainly from all of the economic analyses that I've read — and I have to admit I'm not an economist — a lot of what drives the mining and oil and gas industries is international demand. Canada is a net exporter of metals. I believe we're still a net exporter of oil and gas;

I think the States is still our primary client. A lot of it will depend on those demands.

Certainly all of the projections that I've read suggest that development in Asia — India, China — is going to continue to drive the demand for metals. As long as those economies continue to grow, to achieve a standard of living that's similar to ours, there's no doubt that there will be demand for the materials that sustain those economies. I would suggest that the industry looks fairly rosy at this time, but it's difficult to predict.

In the last 15 years in B.C. we've certainly seen an exploration industry that was doing very well and then dropped off significantly — partly commodity prices, partly policies, probably many other things. Since 1998 — I think that's when we've seen a turnaround — we've gone from about \$25 million in exploration expenditures in B.C. to \$220 million last year. Even at that, there are lots of areas of B.C. that are not well explored. So I think there's lots of potential left in British Columbia.

B. Lekstrom (Chair): Just before I go to the next one, Lyn, we are a net exporter of natural gas. We are actually a net importer on oil. I think we produce roughly 50 percent of the product we need in B.C., so it's bit interesting.

L. Anglin: Okay, then we need to find more. So Nechako may be important.

B. Lekstrom (Chair): There you go.

L. Anglin: All right. We'll keep working on it.

J. Horgan: Thank you very much, Lyn, for coming. I was recalling to my colleague at the break that copper prices were at 67 cents a pound in 1996 — \$3.25 now. That's certainly driving the exploration, and that's a positive thing for our revenues and for the province.

You mentioned the Nechako basin. As we look to eastern markets and the potential for pipelines into the northwest, do you think that will accelerate exploration in the Nechako and the Bowser basins if we've got pipelines already halfway to a deep-sea port? Can you link that infrastructure required to move product? I know many of my colleagues will be enthusiastic about that. Can you link that infrastructure to those basins?

L. Anglin: That's a good question. I wouldn't be able to answer that specifically. I don't know whether building that pipeline would trigger the exploration and investment and the discovery, but I can tell you that industry will.... Often when I talk to representatives of the oil and gas community in Calgary, they do say that to them, one of the challenges to moving into the interior basins is infrastructure. When they say infrastructure, I believe they mean pipelines.

Whether building the pipeline would in fact attract them to the interior basins any faster I don't know for sure, but I would suspect that it would definitely become a factor in how they would analyze the risk. That's part of what they look at — the infrastructure available.

It's like the mining industry, the same sort of calculation. They look at: is power available? Is there road? Is there rail network? Are there skilled people? Those are all parts of the equation in terms of calculating the risk before they decide where they're going to invest their dollars. Any additional infrastructure is probably going to be seen as an asset to B.C. by any of the exploration or resource industries.

B. Ralston (Deputy Chair): Two days ago the Prime Minister announced some budget cuts. One of those was \$12 million to the mountain pine beetle program. We've heard both the provincial and the federal governments talk about major commitments, in the range of a billion dollars. I'm wondering: given those commitments yet an apparent cut of \$12 million, what's the future for the kind of program you've talked about in relation to the mountain pine beetle?

[1500]

L. Anglin: As in: "I wish I knew what the federal government was thinking"? I don't know. From what I've heard about this new Conservative government in Ottawa, they are very interested in investing in programs where they can see a positive economic outcome or a positive outcome for communities. I think they're looking for those direct links between the cost of the program and the benefit. I suspect with this kind of activity, where you invest in geoscience, especially geoscience that is directed at attracting exploration investment, you can make a pretty good case for there being a spinoff effect of making those investments.

In fact, we just put out a news release yesterday about data that was collected last summer. It was geochemical samples — soil samples, lake sediment, stream sediment — from the area south of Vanderhoof and east of Tweedsmuir Park. This was an area that had never had this kind of sampling program done before, and we found some unusual copper and gold concentrations. Over the last two months, between when that data was released and when we checked mineral titles on line on MapPlace — the ministry's website — I believe there had been over 600,000 hectares of claims staked in that area since the 7th of July.

I think it's 40 cents a hectare to stake a claim on mineral titles on line, which is probably too cheap, which might be another thing we can talk about at another time. But I think that right away brought, if I calculated that correctly, about \$240,000 back into government coffers.

B. Ralston (Deputy Chair): Are you saying, then, that the Conservative government doesn't see a connection between an economic return and something to deal with the mountain pine beetle infestation?

L. Anglin: I haven't talked to them directly about the issue. In fact, I hope to soon.

R. Lee: That was a system created on line. Do you find that system useful for geoscientists?

L. Anglin: I certainly have heard from many of my industry colleagues, members of my technical advisory committee and my board that they really like that system. Compliments to the provincial government in B.C. for instituting that system. I also have heard that there may be some room for tweaking the cost of staking claims, that it may be too cheap and there may be opportunities.... But that may be a function of who you're trying to attract to stake those claims because individual prospectors would find that 40 cents a hectare would probably even be a strain on their pocketbooks, but larger companies might be able to afford more.

B. Lekstrom (Chair): Lyn, I want to thank you for taking the time out of what I'm sure is an extremely busy schedule to come and bring your ideas and speak with our committee here this afternoon.

L. Anglin: Thank you very much. Again, on behalf of my board and the exploration industry in B.C., I'd like to thank you and the government of B.C. for taking on an innovative initiative like Geoscience B.C., which I think is going to be a really positive thing for the province. I'm biased, but thank you very much.

B. Lekstrom (Chair): We have reached the point in our session where we are going to move to what we call the open-mike session. People that were unable to register get a position. We always allow enough time for people that have taken time to come down to give us their views or speak to us. We have at the present time two registered presenters in the open-mike session.

The open-mike session is somewhat different. It is not a 15-minute allotted time. It is a five-minute allotted time for each presenter so that we can get through as many as possible. With this we also have no question-and-answer period, but we do take all of the information received, and it is given full consideration in the development of our report.

I will call our first presenter, Sherrold Haddad.

Good afternoon, and welcome to the committee.

S. Haddad: Good afternoon, Mr. Chairman. You hardly have time to say hello in five minutes.

B. Lekstrom (Chair): But it would be a nice hello.

[1505]

S. Haddad: I had a very short presentation, anyway.

My name is Sherrold Haddad. I'm president of Flag Chevrolet in Surrey. Lady and gentlemen, thank you for your time today. My submission concerns our health care system, its challenges and a potential solution.

By 2017 — a short 11 years from now — without a major shift between the Health Ministry and educational portfolios, these two ministries will account for the total provincial budget. This of course will not happen, but I mention it to highlight the expected cost growth in these areas.

It's little consolation, but the problem exists in most progressive societies to a greater or lesser degree. For

the record, I sit on the board of directors of the Surrey Memorial Hospital Foundation and am its longest-serving member. You'll notice that I did not say I was the oldest member; I'm just the longest-serving. I chaired the foundation for a period of some five years and was campaign chairman when we raised \$10 million to help fund the new children's wing of the hospital.

Our foundation pioneered the home lottery program as a means of alleviating the budgetary pressures on the hospital. For a number of years we funded 100 percent of the new equipment requirements. Unfortunately, with rising prices and demand for new technology, this number is now in the 70 to 80 percent bracket.

Like the government, we too have had to search for additional funds. Demands for services are going to increase. Longer-lived citizens impact the system greatly. Senior citizens are becoming one of the fastest-growing sections of our society. Retirement at 65 is no longer an option, as many people are physically and mentally starting second careers. In my opinion, it's adding many productive years to this group. However, at age 85, in current dollars the annual financial impact on our health care system is \$20,000 per person on average.

Health care will remain the number-one priority of Canadians, and they will be looking to their governments to supply their needs with the latest technology and service with little or no cost. Governments are going to be forced to become more realistic about the Canada Health Act and how it's funded. That's an area I will leave to God and miracle workers.

The provincial government has an opportunity to take advantage of a program that the Mohawks of Kahnawake, a community of 8,000 Mohawk Indians located on the south shore of the St. Lawrence River, 20 minutes from Montreal and occupying approximately 50 square kilometres.... They have for a number of years been issuing licences for the operation of an Internet gaming business. The Mohawks assert that they are a sovereign nation, and as such, they have the jurisdiction to issue licences for gaming operations and to host Internet casinos on their reserves.

Internet gaming is carried on in numerous areas and is utilized by millions of people worldwide. The program I am suggesting is a cyber casino based in British Columbia, which would operate under the aegis of the hospitals of British Columbia with the Surrey Memorial Hospital Foundation as the site manager. Our foundation, in partnership with the Royal Columbian Hospital Foundation, has raised and distributed over \$45 million to our respective hospitals.

A cyber casino would have customers worldwide, with minimal capital investment and minimal risk. It's important to act before the financial challenges begin to overwhelm our medical system.

I would also strongly recommend that, if we adopted this, these funds be occluded from general funds so that future governments will be unable to redirect these designated funds. The lottery committee, of which I am a member, would be pleased to have a further dialogue on this issue at any convenient time.

I appreciate that when the word "gaming" comes up, everybody's ears go up and hackles go up or whatever else there is. However, it's a fact of life, and I think we must be realistic in how we can obtain funds. Certainly nobody wants to raise taxes, and I for one don't want to pay any more. I don't think I'll have any argument from the group.

Thank you very much for your time.

B. Lekstrom (Chair): Sherrold, I want to thank you for taking time out of what I'm sure is a very busy schedule to come down here and speak with our committee today.

If you could leave us a copy of your written copy.

S. Haddad: I have five copies I'm going to leave. Okay?

B. Lekstrom (Chair): Terrific. Thanks so much.

[1510]

S. Haddad: Harry, you notice I didn't talk about the Boy Scouts at all. I'm sorry about that.

H. Bloy: No. Well, they're a needy group. But there are many more.

B. Lekstrom (Chair): Our next presenter under the open-mike session is Monika Verma Laul who is with the Self-Employment and Entrepreneur Development Society. Good afternoon, Monika. Welcome.

M. Verma Laul: Thank you. That acronym — Self-Employment and Entrepreneur Development Society — we call it SEEDS. It's located in Surrey.

First of all, I'd like to thank everyone for this opportunity. It's great that you're allowing people to just come in and talk.

Our organization has existed since 1997. We have put over 1,000 people who were down and out, unemployed, not able to get a job, but are now running a business — and a fruitful business — and are self-sufficient and self-dependent....

Two years ago I started as an executive director at this organization, and my vision was to help the disadvantaged move into self-employment. We have a wonderful program for the mainstream community, and it's funded by the government of Canada. We have a specialized program for immigrants — the only one in Canada. This year I started a program for the aboriginal community.

The dilemma is that we have a lot of people who are coming to our program, but only 13 percent of them make it into the program, because it's a government-funded program. The only criteria for them to get in is that they have to be on EI in the last three years or on maternity leave in the past five years. We have to say no to a lot of needy people who, because they're not on EI, we're not able to help.

A year and a half ago I started doing research and found out that there was a need in the aboriginal com-

munity for self-employment. Like I said, we're the only program for self-employment for aboriginals that has the mainstream immigrant and aboriginals this year.

I started the program. It was wonderful. I did the research, and people said: "Well, there are not enough people in that community to put a program together." I did my research, met chiefs and went from Chilliwack to Vancouver — everywhere — to find out if there was a need. I wasn't surprised that there was a need for the aboriginal project.

I applied for funding and received funding to start the program. Not to my surprise, but to everybody else's surprise, we had more numbers than we could meet. I have about 35 individuals who want to change their life. They were down and out. They have a viable business idea. They're willing to go through our program. The only thing they need is a living allowance while they're going to this program.

We have put hope and created.... We went through the communities and recruited these people within that community, and I don't want them to lose hope just because now they don't have living allowances.

I want to ask — and this is probably a great opportunity, because all MLAs are here — if there's anywhere that you can direct me to go, be it income assistance or some training allowance that they can receive. I'm not asking for wages. I'm not asking for money for facilitators. All I'm asking for the people who are in the program is if they can have a living allowance while they're in this.

They're a great bunch of people, and they're going to be, basically, stars and inspiring entrepreneurs. These people will go back into their own communities and not only create self-employment and be self-sufficient for themselves, but they're going to create economic development for their communities. It's going to be a ripple effect, and it's going to be a win-win situation.

I lived for 20 years in Winnipeg, and when I moved down here about ten years ago, I didn't know I was an Indo-Canadian. I had never heard this phrase in Winnipeg, because in that community we weren't segregated. The aboriginals weren't, you know, this part, and these are the Indo-Canadian, and these are the Chinese, and these are the mainstream.

[1515]

When I came here to Surrey, I found out there are diverse communities. But a lot of communities are segregated, and the services that are being provided are very ad hoc, especially for immigrant and aboriginal communities. They will do a pilot project, or they'll do a project here and there, and it's just not on a consistent basis. I just wanted to put that forward.

I know there's going to be a budget. If 99 percent of the businesses in British Columbia are small businesses, then this is the engine of our economy, the backbone of our economy. I want to not only support the small businesses, but also the new people that are coming into self-employment.

B. Lekstrom (Chair): Well, Monika, I want to thank you for taking the time to come and present firsthand

your experiences and ideas on how we can improve what we do here in B.C.

We have also this year tried something new for the committee, which is to offer interpretive services for British Columbians to come forward. At this point I don't believe we have any registered presenters with the need for our interpretive services, so it looks as though our next scheduled presenter is scheduled for 3:50 p.m. It is now 3:20. We will stand recessed until 3:45, at which time the committee will reconvene.

The committee recessed from 3:16 p.m. to 3:45 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): At this time I would like to call the Select Standing Committee on Finance and Government Services back to order and begin again with our public consultations held here in Surrey this afternoon.

Our next presentation is from the Coalition of Child Care Advocates of British Columbia, and joining us for the presentation is Sharon Gregson.

Good afternoon and welcome, Sharon.

S. Gregson: Good afternoon, Chair and committee. Thank you very much for having me here today.

You have all received, I believe, a written copy of my comments — the presentation, the submission that the coalition is making to you this year — as well as our brochure that tells you a little bit more information about the coalition and what our goals are, who we are and what we do. The coalition has made presentations to the Select Standing Committee on Finance in the past and is pleased to have the opportunity to do so.

Unfortunately, again this year, our message is one that raises concerns about the state of child care in this province, both for working families and children and for the people who care for children. We'd like to start by reminding the committee about a few key events and promises made by the B.C. government during '05-06.

In the Speech from the Throne on September 12 government set out five great goals, and I had the pleasure of being in the Legislature on the day those goals were detailed. I thought they were laudable, the number-one goal particularly. The statement articulated that the B.C. government intended to make B.C. the best-educated, most literate jurisdiction on the continent.

On September 29, upon the signing of the federal-provincial early learning and child care agreement for children under the age of six, Premier Campbell stated — and again, it was a pleasure to be there to hear him say it: "We want to ensure that B.C. families have access to a sustainable, flexible and affordable early learning and child care system that will ensure B.C. children get the support they need to thrive and succeed."

And then a long, long overdue summary of community consultations by the Ministry of Children and Family Development and the Ministry of Education was released on June 9. The Coalition of Child Care Advocates of British Columbia, along with many hundreds of others, participated in those community con-

sultations around the province. In the summary that was released, it was articulated that in order to realize their goals, the government was developing a plan to ensure that B.C.'s children had the best possible future, beginning with an emphasis on strengthening support for children age birth to six in three key areas: healthy development; education, learning and literacy; and, of course, child care.

We were informed in the summary that government remains committed to its vision to provide access to quality early learning and child care in all B.C. communities. There was support for an accessible, affordable, high-quality system of early learning and child care in B.C. You can read the rest of the comments there, but communities want better support to ensure that programs and services are sustainable in the long term and able to accommodate emerging needs.

After the last throne speech and provincial budget on February 14 it became apparent for many families, child care managers and workers that the B.C. government had suddenly — and, I would add, shockingly — become silent on the next steps for child care. It was clear that while the Premier had signed a child care agreement with the federal government and had made a very public commitment to improve access to quality child care in B.C., six months later child care had fallen completely off government's agenda.

The reality is that over their first term in office, this B.C. government has cut \$40 million a year from its own annual spending on child care and has not made any effort to restore those funding cuts. All of the increases that have happened in child care over these years, including the increase to the child care subsidy for the most low-income families, have been paid for with federal funds.

While the subsequent B.C. budget included federal transfers, there has been no explanation of how the B.C. government plans to replace the federal transfers that they were counting on for the next three years. Of course, this is in the context of the election, the change in our Canadian government, whereby we have lost the early learning and child care agreement. B.C. remains silent on that loss, and we have a completely different emphasis coming from the federal government.

[1550]

On September 12 Minister of State for Childcare Linda Reid circulated a letter to parents and child care providers as well as an information bulletin on the government website. I must tell you that the letter released by Minister Reid has been one of the most destabilizing documents that has come across my desk in recent years.

In her letter to parents and child care providers she says:

"Despite the cancellation of the federal early learning and child care agreement, which represents the loss of \$455 million in federal funding, this letter is to reassure parents and child care providers that in addition to maintaining the increases to subsidy over the long term, the province will endeavour to maintain all other child care services to the end of the current school year."

For example, I have had probably a hundred e-mails in the last several weeks asking me what this "endeav-

our to maintain" comment means. The rumours are flying thick and fast that the child care operating fund is going to be unfunded, underfunded — that there are going to be rollbacks. It's creating huge amounts of uncertainty and upset for providers and parents.

With no further explanation, families and child care providers are far from reassured by this letter. What about the continuation of the child care operating fund? What about implementation of the points raised and reported in the MCFD and Ministry of Education community consultations? And what is B.C.'s plan for sustaining and increasing funding after the current school year? What is going to happen to the child care operating fund after June 30, 2007?

The community reality and priorities have not changed. Ipsos-Reid conducted a poll in April showing that an overwhelming 90 percent of British Columbians, whether they personally need it or not, support child care for families who do. A majority of British Columbians said that after cutting \$40 million in child care funding over the past three years, it's time the provincial government invested more in the children of working families.

The evidence for why B.C. needs to increase its spending and commitment on regulated child care remains strong. More women are working than ever before — over one million as of January 2006. Over 84 percent of female job creation since December 2001 has been full-time. B.C. has the fastest growth in female small business ownership among all Canadian provinces.

The need is great. Waiting lists are long in every area of this province. A snapshot of mothers in the B.C. labour force reminds us that 86 percent of mothers are back in the workforce within a year of having given birth, and their children are in some form of non-parental care.

There are hundreds of thousands of B.C. mothers of children from infant to 12 in the paid workforce. There are some details here of how those demographics break out. Economists estimate that if all mothers with children under the age of six were to leave the labour force, the cost to the Canadian economy would be \$83 billion a year.

The need is huge. B.C. mothers are paying their share of tax dollars. Our families need and deserve the services to support us. The percentage of children for whom there is a regulated child care space in British Columbia is only 13.7 percent. Clearly, far from achieving Premier Campbell's September 2005 commitment to ensure that B.C. families have access to sustainable, flexible and affordable early learning and child care that will ensure B.C. children get the support they need to thrive and succeed, we're missing the mark in British Columbia.

Of course, not only do we point out the error of your ways, but we give you some suggestions on how to move forward. We call on the Finance Committee to recommend that the B.C. government fulfil its child care agreement and promises to the people of British Columbia.

Budget 2007 and 2008 priorities should reflect a real budget that concentrates on children and access to quality, regulated and affordable child care by allocating resources to shift the cost of child care for children from birth to 12 from user fees to public funding. Let's

not forget that the cost of infant-toddler care at the moment hovers around the \$1,000-a-month mark.

Using the provincial surplus to restore \$40 million cut from B.C.'s own spending on child care since '01-02 would be a good move. Increasing spending on the child care operating fund, which we refer to as CCOF, for regulated child care is an absolute imperative — and ensuring that every aspect of the B.C. child care plan for children from birth to 12 years and every dollar of spending on child care improves and sustains quality licensed child care services.

Just to let you know, as our pamphlet tells you, the Coalition of Child Care Advocates of B.C. is a voluntary non-profit organization of parents, many grandparents now, child care workers, interested citizens and community organizations. You have our remarks pointing out to you what some of the needs are for B.C. families, particularly working women and their children, and some recommendations on how to move forward.

I would be happy to take any questions you might have.

[1555]

B. Lekstrom (Chair): Sharon, thank you for coming and presenting. Certainly, as you indicated, this is not your first presentation to our committee. We appreciate each and every time you make the effort and time to come and speak to us.

J. Horgan: We had a presentation earlier in the day from REAL Women of B.C. I just want to read a portion of that and see if you could help me understand the difference between your view and their view.

They said in their presentation that they commended the federal government for moving away from the idea of the universally available, government-subsidized day care plan by recognizing that parents want more choice and that many parents appreciate the extra \$100 per month that they will receive from the federal government.

Would you say, based on your experience, that a joint federal-provincial program that was targeted specifically at early childhood education and meeting objectives that have been outlined by the province is better served by a plan that gives parents \$100 a month?

S. Gregson: I would say that every parent with a child under the age of six is happy to get that taxable \$100 a month.

My position would be that it is not an either/or question. The \$100 a month is a family allowance — what we used to call a baby bonus. It has absolutely nothing to do with child care, and it should not be misnamed a child care benefit. It does nothing to create access, provide parents more choice or create spaces. It is a family allowance cheque, and families across this province are pleased to receive it. But it should not be provided for with child care dollars, because it is not a child care system.

No, I don't think that it replaces the early learning and child care agreement that B.C. signed with the federal government.

R. Hawes: Just a quick question. I'm personally aware of many unlicensed or unregulated child care spaces that I think are significantly less expensive. Are you advocating against unlicensed or unregulated day care?

S. Gregson: They are two different things. They can be regulated and be unlicensed, but quality research — not only Canadian research, but around the world — tells us that regulated care is more likely to be higher in quality. There are higher standards to meet on education of the caregivers, on supplies, on basic health and safety issues. So yes.

There is a whole layer of accountability that happens with regulated care. We're going to invest what I am suggesting are significant taxpayer dollars into a child care system, and I think that we have some expectations around standards to be met with those dollars.

In many areas there is not a huge difference between unregulated care and regulated care, because the demand is so high that caregivers are going to charge those fees. But my position would be that public dollars need to go into a system that is accountable back to taxpayers.

R. Hawes: To further that, then, your point 4 does say that you would like quality, licensed child care.

S. Gregson: That's right. Again, if I go back to the research, the hard data, you are more likely to find that quality indicators are met in a licensed system. Licensed is the highest level, and then we have another level under that, which is "licence not required but still regulated," and then we have completely unaccountable, unregulated, unlicensed care. So it's....

R. Hawes: But accountable to the parents that put the kids there, I would assume.

S. Gregson: Not accountable back to taxpayers for public funds.

B. Lekstrom (Chair): What we'll do is try to hold it to one question per member. If time permits, we're going to go around again.

D. Hayer: I have another question, actually. The same presenter also presented a study from the University of Lethbridge that shows that parents give the following preference ranking of day care for children. The first one was parents at home. The second was grandparents in the child's own home. The third one is relatives in the child's home. The fourth one is a family day care from someone outside home. Only fifth place was a formal day care setting.

Any suggestions from any of you on this study they showed from the University of Lethbridge?

[1600]

S. Gregson: I have two responses for you, Dave. One is that it's understandable why many parents of young children would say that their preference would be to have a parent at home. But the reality is that we're

never going to be able to replace what is usually the mother's income with a taxable benefit. If women are leaving the Canadian workforce, our economy is going to suffer. I've pointed out the \$83 billion that Canadian mothers contribute. The cost for the government of providing support for a child care space is significantly less than providing a replacement for the mother's income.

My second response to you is that if you asked me my preference, I might say that I wanted to spend the next year on a desert island with Tom Cruise. The reality is that the novelty might wear off after a short period of time, so what....

J. Horgan: Guaranteed.

S. Gregson: I'm being tongue-in-cheek to make my point there. You can appreciate that.

It's easy to say what might be a preference, but the reality of giving up an income and not having access to early learning and child care for your child.... That's something that in reality is not always as attractive as it plays out. So I think we have to be careful about those kinds of polls.

B. Lekstrom (Chair): Sharon, if I could just seek clarification. The agreement between the province and the federal government on the child care issue that the federal government has changed on that....

S. Gregson: Cancelled, yes.

B. Lekstrom (Chair): Yes. Now, the issue that you're talking about — you're asking, then, that the government maintain their portion that was committed to that? I don't believe they could fully fund a partnership when one of the partners pulls out. So I'm just curious. Was it the portion that we were going to partner with them on? You're asking to maintain that and enhance it if possible?

S. Gregson: The province of B.C. has never actually spent all the federal funds that have been allocated. There is quite a huge pot — I think the number is \$127 million — of unspent funds, so we didn't spend all we were given anyway. At the same time as we didn't spend all the federal dollars, we cut the B.C. government's own provincial spending by \$40 million. That \$40 million should be put back into the system from provincial coffers. It was there in 2001, and it should be reinvested.

And most definitely, because we do need to expand the system, we need to maintain the subsidy and the CCOF — the child care operating fund — portions that we were using federal dollars for. No question about that.

B. Lekstrom (Chair): Okay. I see no further questions, Sharon, at this time. Again, your passion for your commitment to this issue is one that shines through. I thank you for taking the time to come today and speak to us.

S. Gregson: Thank you very much. It's always my pleasure.

B. Lekstrom (Chair): Our next presentation this afternoon is from Fraser Heights Community Association, and joining us is Ian MacPherson.

Good afternoon, Ian.

I. MacPherson: Good afternoon, sir.

Ladies and gentlemen, thank you very much. This is just tremendous that your committee is touring the province like this, not only to consult with individuals and organizations around the province but for each of you, I'm sure, it's an opportunity to get to know a lot more about this province through being in place and meeting the folks in different communities.

I'm not sure that the northern part of Surrey is as well known as other parts of the lower mainland. We have two MLAs that do represent areas of north Surrey and, I know, are very familiar with a lot of the issues in this part of the lower mainland.

I want to start off — for those of you who are visitors to this area, first of all, welcome — and tell you a little bit about Fraser Heights. If you go out the front door of this lovely motel, down the hill, take a left at the light and go over the freeway, you'll get into Fraser Heights.

Fraser Heights is a fast-growing, very culturally diverse community of approximately 18,000 residents. I guess you could say that Fraser Heights would be equivalent to some of the smaller cities throughout the province, just in terms of population. We have three excellent primary schools and one excellent high school that serve the families in Fraser Heights.

[1605]

When I said that we are a culturally diverse community, my wife and I always refer to the high school as a mini-United Nations. It's a fascinating community. We've been very enriched by the folks that have moved there in recent years. We're very proud of our community and our neighbourhoods.

Recently we became aware that you were coming. I met, as president of the community association, with our directors a couple of weeks ago and said: "Do you think one of us, or I, should come and speak to you?" They said yes. The consensus among the directors was: "You should talk about infrastructure." That is the one thing that, as an association.... You've heard many other groups over the past couple of days, I'm sure, talking about some very important things. Well, for us this is a very important thing.

We had our first meeting of the year on Monday night, and I indicated to the members — we had a very good turnout; approximately 50 people came to our first meeting — that I was coming. They also agreed that this issue should be addressed. By the way, we have approximately 400 active members. The number of active members of our association continues to grow, so it's a pretty dynamic organization, which seeks to represent the interests of our community.

The issue as I would frame it is the importance of continuing to address the infrastructure deficit in our area in relation to population growth in the lower mainland region. Specifically, the impact of traffic congestion in our area continues to increase. It increases in

pure quantity. It increases in the length of time each day, and it's now increasing in the number of days each week. That is becoming very much a factor in how we live our basic lives, such as going to and from work, going to buy a quart of milk or just going about our daily business.

I think the best way to put this is to think about the narrow end of a funnel. You're all aware of the rapid rate of growth that's taking place in the lower mainland — and in particular, as it affects us, the growth in the lower Fraser Valley. What we're seeing is, as traffic funnels into this area.... It's just becoming at a point now, I think, where we know there are things that are coming, but we are very, very concerned. I've only lived in this area for the past two years, and we have noticed a significant increase in the traffic volumes in this area.

It's not just a morning commute problem. There is a perception among some people that the problem of traffic in this area is a problem of people commuting to work in the morning. Now you will notice it is almost as bad in the afternoon, going in both directions.

It is the commercial traffic: the number of trucks, semis hauling containers — reflective of the economic vitality of our province at this point — and service vehicles. Weekends — Saturday and Sunday afternoons at times, usually for significant periods of the mid-afternoon to early evening — the traffic in this area is as bad as it is on a Monday or a Tuesday morning.

The result of what's happening is: first of all, Highway 1 — which is, obviously, the number-one corridor through this area — bears the major brunt of this congestion. The Port Mann Bridge, which is the main focus of that traffic going both eastward and westward, and the area streets around Fraser Heights, are becoming more and more congested.

Just last weekend two of the main streets — 104 Avenue, before this hotel, and 160 Street, which is down at the bottom of the hill — were totally blocked. It took me an hour to get home from the Guildford shopping centre on a Sunday afternoon, and it's just pure traffic. It's just becoming more and more frequent.

In Fraser Heights, as I said, we had a meeting on Monday night. We had a representative.... We have very good rapport with the RCMP. Sergeant MacAulay was there with one of his new constables.

[1610]

Recently they have been evaluating statistics. They estimate that, partly as a result of this congestion factor, as much as 50 percent of the traffic that is going through our community during the day is from outside of Fraser Heights. In other words, they're using Fraser Heights as a shortcut to get to the bridge, because the freeway and some of the other streets around are congested. This can cause serious problems from a safety point of view, and it was never planned to be that way.

Transit delays are a major issue. Those of our residents that seek to use transit through the Coast Mountain bus service out of our community, either to Guildford shopping centre to transfer to another bus or on to the SkyTrain, are often telling me personally that they're running an hour late. They're late by an hour to

get over to Simon Fraser to class. They're late by an hour to get downtown to Vancouver. Why? Because the bus can't get out of Fraser Heights. It's totally blocked. It's gridlocked.

This is a really serious problem. The city right now is addressing it on one of our main exit points where the transit buses go by placing the bus stop right in the middle of the street as they do in large cities. You may have seen this with streetcars or in some of the European cities in your travels. The bus stop is going to be in the centre lane so that the passengers will be able to get on the bus, and the bus will no longer have to go to the curb and then get back out into traffic, which often occasions serious delays.

As I said, I've seen a lot of change in two years — a big increase. What is it going to be like five years from now? We know population increases are continuing. We know that regional commerce, partly reflecting the strength of the economy, is going to drive traffic volumes higher. We know that the Asian economies are a major force for the increase in big-truck traffic in this area. These are all good things, but obviously they have a cost. The port traffic, we know, is going to continue to increase. I'm sure you've heard projections for increases through our three main ports in this area.

There are measures underway right now. The province and the city are 50-50 funding an underpass which will go from 104 Avenue in front of the hotel, a little farther up the hill, down 156 Street, under the freeway and into Fraser Heights. It is expected. This is underway. Tenders are out. This is going to be very important for us. The main reason this is going to be very beneficial for us is that there will be no linkage to the freeway.

Our overpass that I mentioned to get into Fraser Heights, and one of the other ones, have on-ramps and off-ramps for the freeway. As a result, people coming through Fraser Heights as a shortcut will take advantage of that to get to another on-ramp. If the freeway is blocked — as it is for many, many hours, many days of the week — that means we can't even use the overpass and get home. We might be sitting down here in front of this hotel for an hour because everything is totally gridlocked.

That's going to be a very good thing. We're about two years away from having this underpass. Twinning No. 1 is coming; twinning the Port Mann is coming. These are probably not going to be the be-all and end-all — we know that — but they are going to be very important for us to address this ever-growing problem. The Golden Ears Bridge, the North Fraser perimeter road and the South Fraser perimeter road are all going to have an impact.

The Golden Ears Bridge, opening earlier than the Port Mann, may divert some of this traffic. We don't know how much it's going to be. I fear, honestly, that just because of the pure growth in traffic volume in this area with this funnel effect, while it will help, the continued growth is going to be such that we may not even notice that the Golden Ears did take all that traffic away.

In conclusion, over the next ten years, on behalf of our association, we urge that government — legislative folks that are involved in debating the issues — con-

tinue to ensure expeditious implementation of the Gateway program with adequate dollars — capital spending on a multi-year-plan basis, and a plan that would be honoured. Because you're talking about many hundreds of millions of dollars, it's very important that that multi-year commitment stay in place. You have other demands; you have many other groups that have very important priorities as well. But these are things with a very high economic and social impact.

[1615]

I would also add to that: it is very important that as a province, and particularly in this lower mainland region, we look at this area of public transit. Just down in the Bay Area this summer.... I spent a lot of time in the Bay Area, going back to the '70s. In a very visionary way, as happened in B.C., they developed the BART system. We have the SkyTrain. The BART has been a godsend for the Bay Area as a way to decentralize economic activity, to favour commuting, to link up with bus services and other transportation needs.

We need a real serious transit plan for the lower mainland region. I'm not just talking about the south side of the river here. Obviously, there are some projects that have been discussed on the north side as well. They would benefit us, I believe. I believe things that would happen that would go east of the Coquitlams and on would be beneficial to our area as well, because with the Golden Ears Bridge there could be linkages via the bridge and take some of the pressure off our area.

We need a plan, and we're obviously going to have to invest significant amounts of money over the next ten years in public transit.

Smart growth means that jobs are closer to home. If we're going to have another million people in this region in the next ten years, and I believe that we probably will.... We moved here two years ago. We wanted to live here. It's great. We're going to have more people here for economic and other reasons moving to this area, so jobs closer to home are obviously going to be beneficial.

Minimize the impacts of future growth on the existing road system. We can't just keep adding road after road after road and not expect that this thin end of the funnel is going to get more and more congested more and more hours each day. We have to plan now. The Ministry of Transportation has to get involved as do the municipalities.

In closing, if you do have a couple of minutes, those of you who may not be fully aware of what the traffic situation is.... We have two MLAs here — Mr. Hayer, who is our MLA, and our neighbour Mr. Ralston. Maybe we could take you guys and late folks outside the front door and just give you a little bit of an orientation as to what this area's facing on a daily basis.

I thank you very much for your time and for listening, and please come again.

B. Lekstrom (Chair): Thank you very much, Ian, for taking the time to come and present your ideas to our committee. We do have questions.

D. Hayer: Thank you very much, Ian. Excellent presentation talking about the traffic. Last week, I think, we had our Finance Committee meeting in Vancouver. It took me one hour and 20 minutes from my office to the Port Mann Bridge, which should normally take a five-minute drive. I was phoning the committee to say I was going to be late for the meeting.

My question for you.... One is our Gateway project, which is the twinning of the Port Mann Bridge, widening Highway 1 to eight lanes and everything else with it, including possibly having a right-of-way system on the bridge and cycling lanes with it. Do you think we should borrow extra debt to finance that, or should we wait until we have surpluses to finance it? Do you think it's a good debt to have for our infrastructure rather than operating expenses?

I. MacPherson: It's obviously an investment. I would look at it as a price of the rapid growth that has already happened in this region in, say, the past ten years and that's going to continue to happen. It's got to take place, and I think borrowing would probably have to be at least a partial solution to the financing challenge that is there.

The Gateway program does envision tolls. I have to tell you that I've seen in other places.... France, for example. Their freeway system is publicly regulated, privately managed toll roads. It ensures good maintenance, good quality and continued growth. I think that would be one way to finance that debt over time.

Personally, I don't have a problem with that — the tolls — as one way to pay off that debt. Yes, I think that should be seriously looked at.

J. Horgan: Thank you, Ian. I was with you until you mentioned France and the *payage*. When I was in France, we couldn't drive three kilometres without stopping to pay the toll.

I agree, certainly, that tolling on the Gateway project is probably a worthwhile endeavour. I know that Bruce and Dave will make sure that we don't forget your presentation, but I certainly want to be on the record that when I was in France, I couldn't stand the toll system they have there. That's all I have to say.

[1620]

R. Lee: The livable region plan has been out there for over ten years. Do you see the need to revise that plan because of the growth in this area?

I. MacPherson: Well, yes. I mean, all plans should be reviewed. Once a plan is done, it doesn't mean that's the end. It should be reviewed. I'm sure that going back to ten years ago, maybe, the rate of growth in particular areas was not envisioned as it was.

I'm quite optimistic on some things. I made the point about jobs closer to home. When you look at Vancouver, for example, and you look at how that city is probably going to grow in the next few years, I think there will be more commercial activity and more jobs in the region located outside of Vancouver, in that immediate area right around Vancouver. I think, if that

was not envisioned so much in the livable region plan, that those are the types of things that should be addressed.

I think there may have been more optimism ten years ago that we were going to wean ourselves of our dependence on the automobile. For people that can get out of their car and take transit, we have to encourage it in every way possible. A plumber, a contractor or a delivery person with FedEx is not going to take transit. They need their vehicle. That is where I have seen an incredible amount of growth. We have to recognize that that's part of commerce.

I know, for example, that some of the politicians in Burnaby talk about the fact that there's this commuting going on and everything else, but I think that on Sunday a lot of those folks that are waiting to cross the bridge are going to go over to Metrotown to shop. That's good for Burnaby. Having said that, we have to look at ways that other cities have done, successfully and unsuccessfully, to maybe be smarter in how we use the cars that we need.

H. Bloy: We represent the province, not the city of Burnaby.

I. MacPherson: Yes, I know.

B. Lekstrom (Chair): Dave, you had a comment, and then we are going to close off.

D. Hayer: My comment is that since the 2001 election I made about 20 speeches in the House about this. I want to thank the committee for making the last report they did, going and replacing the twinning of the Port Mann Bridge and Highway 1. That was done by our Select Standing Committee on Finance last time. Joy MacPhail was on that. I also want to thank the government for going ahead with the program.

B. Lekstrom (Chair): Ian, I want to thank you. It is our job to go out and listen to British Columbians and hear what their priorities are, and we appreciate each and every presentation we receive. So thank you for taking the time.

Our next presentation this afternoon is from Mr. Rick Lau.

Good afternoon, Rick.

R. Lau: Hi, how are you?

There are a couple of handouts coming on their way. First of all, I want to thank you all for the time. I really appreciate this committee. Just some things about what Ian was saying.... It's a great way to listen to the concerns and what ideas are out there, as well as to reach the constituents in the area.

Like I say, my name is Rick Lau, and I work with a group of health care practitioners in Surrey. I'll try to make this short and concise, which gives us a little more time for questions and answers. The topic that I obviously want to talk about is health care. This has

been a hot-button issue in the press lately. It's always in the headlines.

Working as a resident and also being in the health care community, we're pretty concerned with today's health care situation. I think we all recognize that we do have a problem. We should focus on other ideas and, also, alternatives to make it better, to provide more services for less money so that everyone can benefit off this.

Today what I want to focus on is physiotherapy services at the hospital. Most hospitals in B.C. have a physiotherapy out-patient and also in-patient unit, so something that I'd like to address are different alternatives, as well as if we are able to provide more services within the hospital setting for less money or even to freeze the existing money that's there right now.

On this handout that I have, I address a couple of the major issues that we have. Everyone's quite aware of this. This is always in the press. We are currently experiencing a long waiting time, not only for surgeries but also in physiotherapy services in the hospital. Your average wait time ranges between four weeks to 24 weeks. It just depends on where you live, where you did your surgery and what type of other attributes.

[1625]

There is also limited access to physiotherapy services, so not every person within the hospital has access. Something that everyone is aware of, as well, is the high shortage of health care practitioners, and this includes physiotherapists.

I work in Surrey, and in Surrey we have more of a problem with finding and hiring health care practitioners like physiotherapists, as well as with the escalating costs for health care delivery. These are all issues that need to be addressed.

Let me give you a little bit of background on what physiotherapists do at hospitals. Maybe that will give you a bit of an idea.

Physiotherapists are a pretty integral component of patient recovery in surgeries and injuries. These injuries range from motor vehicle accidents to work-related injuries and sports injuries. They help treat patients and help integrate them back into the community. What a physiotherapist does in an out-patient department is assess and treat orthopedic, respiratory and neurological patients.

As we're all aware, there's a big push by the government to expedite and reduce the wait times for orthopedic surgeries. These are hip replacements and knee replacements. That's going to be a growing strain on the current out-patient physiotherapy department within the whole hospital. It's a current problem right now in B.C., but it's a national issue. I think we're all aware of that.

In the next couple of years, with the aging population, we're going to see more hip and knee orthopedic surgeries. There are going to be more neurological conditions. These are patients with stroke. As well, we're going to see an increase in the surgeries that require post-surgical rehab. Just to reiterate, the role of a physiotherapist is to help these patients recover from their surgeries and integrate them back into the community.

Quite often what happens is that many patients fall through the cracks and are not discharged from the hospital with appropriate out-patient physiotherapy services. When left untreated, their conditions can become chronic and very expensive, which ultimately puts more strain on health care dollars for the provincial government.

What we often see is that the problem gets transferred from the hospital to the community. That means to private physiotherapy clinics. It also means to complex care facilities as well as to family physicians. Ultimately, if the problem is not resolved, it ends up going back to the hospital. In the big picture, it's going to be a lot of extra dollars if not managed right.

Like I said, ultimately the problem will always come back to the hospital. I'll go through just a couple of examples of what we see as physiotherapists in private practice. We've experienced this, and we've observed various situations which demonstrate the difficulties and challenges that we have.

One thing is that it's not unusual for a physiotherapist to treat patients who had a total hip or knee replacement one year previously. What happens is that most of these patients have not received physiotherapy within the community, despite being discharged early from the hospital. For one year there's no treatment. We see a lot of patients this way.

We're all aware that depending on where you're from, you might have between four and 24 weeks of waiting list. There's a patient who recently got a knee replacement and wasn't able to get physiotherapy in the out-patient department. In 2001 the Medical Services Plan delisted physiotherapy, as you guys are all aware. This patient wasn't aware of that. Outside of the hospital, there are no other publicly funded clinics available.

There are a couple of other things that you guys can review as well now. I think what's important is: is there a way or a solution that we can look at? Being in the community of the health care industry and also residents of B.C., we understand that the cost of health care is escalating. The delivery of health care is a problem, and it can't continue at its current pace.

Based on the Finance Minister's recent comments, if we're going at the current rate, 70 percent of the budget in 2017 would be devoted to health care. As you guys are aware, today there are other issues to deal with: there's transportation; there's education; there are other aspects.

[1630]

What we're looking for as a profession.... Is there a way that the government could seek alternative solutions to this crisis without compromising health care services? We support the government's long-term vision to deliver more health care services in a cost-effective manner. We're definitely going in the right direction. The question is: how do we do it?

This is a concern for everyone who needs physiotherapy, especially with an increase in orthopedic surgeries. Residents shouldn't be waiting for months for physiotherapy services. Access should not be limited. The problem needs to be fixed at the hospital before

they get discharged, not through the other, different community methods.

What we think that the government should look into is, perhaps, a public-private partnership. If this P3 within the system is a reasonable solution, that should be explored in more depth. This has been successfully implemented in different parts of the country and in different parts of the world as well. Part of it is due to the shortage of physiotherapists out there and escalating costs.

The P3 can be a viable solution to provide more physiotherapy for less money. So what we're asking is for the government to consider it an alternative to the health care delivery of physiotherapy services.

That completes what I have to say. If there are any questions, I'd be happy to answer them.

B. Lekstrom (Chair): Rick, I want to thank you very much. The idea of our hearings is to come out and hear people's ideas on how we can make British Columbia a better place in virtually every service we deliver on behalf of British Columbians. Government's money is not their money. It's money that's raised through taxation and so on, and we want to reinvest it in a quality way. So I appreciate your comments here today.

D. Hayer: You said to have a public-private partnership, a P3, to improve the system. Can you define what that would look like? How would it improve the service by having the P3 in this type of system? Will it cost government more money or less money or the same amount of money?

R. Lau: I could come up with specific models, and we could talk about this. This would probably require another meeting as well. The way we view this is that it's obviously going to be publicly regulated and privately managed. In terms of cost, we're looking for an effective solution to deliver more services with less money involved. There are different alternatives and different models to support that.

Once again, if the government is willing to listen.... My group of health care practitioner physiotherapists would like to help the government address these issues and come up with some ideas to make it cost-effective, without, at the same time, compromising service and health care services.

H. Bloy: With the position you're in now, I guess it takes advocacy to work with the doctor because the doctor will direct people, and that's private enterprise. Really, your association is no different from chiropractors or acupuncturists or Healthy Heart programs — all trying to get in there. I believe we should be using them, and we don't use them effectively.

There have to be ways to advocate from your association. Chiropractors would probably say they want back in, for sure, but they're probably making more money now than they ever made before, when we de-regulated it. We're took it off the pay schedule.

R. Lau: I guess what I'm bringing here is a little different because, like I said, in the hospital there is an

out-patient physiotherapy department. Right now at the clinic that I work at, we see a lot of patients who are coming to the private clinic as a result of inadequate services provided by the public system.

What we want to do for the greater good of the residents of B.C. is work with the province and the different authorities to make sure there is an adequate number of services within the hospital. A lot of the patients we see are chronic, and a lot of them are a result of their not having post-surgical rehab from their surgeries. We want to minimize the number of those types of patients coming into our place, because they should have been fixed from the start.

R. Lee: You mentioned that there are a lot of places in the country that have implemented the P3 model.

R. Lau: That's right.

R. Lee: Can you remind the committee members which part of the country?

[1635]

R. Lau: This is in the news quite often in provinces like Ontario and also in Alberta — especially Ontario, in the smaller cities. The problem is that everywhere across the country is recruiting health care practitioners, so a lot of the smaller cities do not have access to a physiotherapist — right? So some of the smaller hospitals in Ontario have worked out, you could say, P3 partnerships with different physiotherapy organizations to provide the physiotherapy services within the hospital. Those are — like I said, once again — those smaller cities in Ontario, as well as in Alberta.

Something that the government of Alberta has implemented is a partnership as well with patients who are discharged off orthopedic surgeries within the hospital. There are publicly funded community clinics that patients can go to, to help them recover — once again, and the physios — and integrate them back into a community. These are for the patients who can't have access to the out-patient within a hospital — in Calgary, for example. I believe there is a group of maybe 15 to 20 community clinics where patients have access to receive that type of treatment, and it's publicly funded.

R. Hawes: Do we have time?

B. Lekstrom (Chair): We do have about one moment left.

R. Hawes: Rick, would you say that most of the physios who are working in the hospital on the public side also have clinics, and they're working on the private side as well?

R. Lau: Sorry; can you repeat that question?

R. Hawes: Most of the physios, the ones who work in the hospital, would also have private clinics. So

they're working both within the hospital setting and within their own private clinic.

R. Lau: What I find is that more of the full-time physiotherapists are working full-time. More of the full-time physiotherapists in the hospital usually stay in one place. Then, in the private sector, the private physiotherapists help out with the shortages at the hospital. They will spend weekends, do casual work. That's what is more common.

Another thing. I think even with the Fraser Health Authority, because of the limited and shortage of physiotherapists, there are difficulties in recruiting physiotherapists to work at hospitals as well. So part of a P3 solution is to be able to attract good, quality health care professionals in cities like Surrey or Coquitlam or Abbotsford, so that residents in that place or in the hospital have access to great therapists.

B. Lekstrom (Chair): Again, Rick, I want to thank you for taking the time to come and present. Fifteen minutes is not a great length of time, but you've put a great amount of information forward in that time. So I thank you and appreciate your presentation.

R. Lau: Thank you. It must be a long day for you guys. You guys are almost there.

B. Lekstrom (Chair): Almost. Have a good day.

Our next presentation this afternoon is from Simon Fraser University, and presenting is Wilf Hurd. Wilf, a former Member of the Legislative Assembly, welcome.

W. Hurd: I've served on a number of these committees myself, and I should say that I note that the presenters were challenged to present ways of cutting government spending at the same time as increasing it, and I'm delighted to say that the proposal I bring in to you today is actually revenue-neutral. Where have we heard that before?

Thanks for including me in the agenda at this late time. I should mention that I'm speaking on behalf of Simon Fraser University and also, to some extent, for the post-secondary sector in British Columbia. I think copies of my brief have been made available to committee members.

I guess the highlights really dwell on the recent federal budget, when a billion-dollar fund was announced for post-secondary infrastructure in Canada. As my brief indicates, it was conditional on the federal government meeting certain targets for revenue generation and for a surplus, which they have now passed. As we know, the federal government was recently on track for a \$13 billion surplus. So this fund is a reality and will be flowing to the provinces sometime within the next few months, we understand.

[1640]

I think it's important — speaking on behalf of the post-secondary sector — that this money from the federal government flows directly through to the institu-

tions and universities, colleges, research institutes in British Columbia.

I should point out that the University Presidents' Council has surveyed other provinces and found that this is, in fact, what is happening. The provinces of Alberta, Manitoba and the Maritimes have agreed that this one-time funding from Ottawa, which is critically important to value-added research, should in fact flow through, and they have taken measures to ensure that it does. We're not sure where the government of British Columbia stands on this issue. It's the reason why I'm here before the committee: to urge you to consider recommending that British Columbia flows this money through.

I should add that in the post-secondary sector, we were grateful to receive a major investment from government in 2002 — one of the largest investments of my generation — of some 25,000 new spaces in British Columbia and almost \$800 million in capital to support it. But it's important to emphasize that that was 2002, and other provinces have certainly identified the need in their provinces and have stepped up with major new investments.

As we know, Alberta has a lot of money to invest in a lot of things right now, and they've certainly stepped up with a major investment in post-secondary education. In fact, we're finding it increasingly difficult in British Columbia to compete for researchers and faculty members with the province of Alberta, precisely because they have so much money available.

The province of Quebec has recently announced a major new initiative to fund post-secondary education.

That really is my presentation — just urging the committee to be aware that the federal government has announced this billion-dollar fund. British Columbia's share, we estimate, is somewhere in the vicinity of \$130 million.

We have tried to determine what the position of the government is, but we're not sure. We've received conflicting reports on what it might be. Having spoken to the Minister of Advanced Education, he assures me that no decision has been made, but other members of the Advanced Education ministry are not so sure that the money will flow through.

I intend to be brief and just urge the committee to consider this one-time funding from a federal government that, as we know, is in a minority position. We're not sure, of course, how the next federal election may evolve, but I think this funding could be transitory, and we urge the committee and the province to flow it through to the institutions.

B. Lekstrom (Chair): Thank you, Wilf, for your presentation here today. We will certainly pay attention to that.

D. Hayer: Thank you very much, Wilf, for making a good presentation. My question is about the Surrey campus you have just officially opened and moved into — the new part. How is that campus doing? Is there enough funding for you to do what you're trying to do in there?

W. Hurd: The campus is currently funded to max out at about 2,500 students, which really translates into

3,000, because there are certain students who are unfunded, and of course, there are international students as well.

I should mention to the committee that we have reached agreement-in-principle with our ministry to double the size of the campus by 2013-2014, but we haven't yet negotiated a capital plan, of course, to go along with that. I think our Ministry of Advanced Education recognizes that this is a dramatically growing region that will need greater access, so I hope that sometime beyond 2010 we'll be at 5,000 students at that campus, which will require another major investment in terms of additional buildings and infrastructure.

B. Ralston (Deputy Chair): I'm just a little bit confused. I don't mean to be flippant, but if the Minister of Advanced Education told you that funds were committed, presumably he's in charge of the ministry, so I don't quite understand how it could be otherwise.

W. Hurd: I should clarify. He indicated to us that no decision had been made.

B. Ralston (Deputy Chair): But then you were saying that officials in the ministry were saying....

W. Hurd: Officials in the ministry were not optimistic that the money would flow through. Based on that, I think it was important for the university sector to make known its views that we feel strongly that this money should flow through. It was obviously intended by the federal government to flow through. We just wanted to bring it to the attention of the committee.

[1645]

R. Lee: By "flow through," you mean all the funding, say, proportionally, should be used for creating new positions, such as for graduate students? Or give the university a free hand to spend?

W. Hurd: I think the purpose of the federal fund was to support the research, innovation and infrastructure that were not funded by the provinces. That could be additional labs. It could be additional buildings, potentially. It could be anything that adds capacity to the system, but it's value-added. It's not a project that is currently before Treasury Board at the provincial level or currently within the ministry's five-year service plan.

I think it's important that we leverage this money with new investment. The only way to do that, I think, is to.... I mean, I recognize the fact that the province would want to have some input into where the money was spent, but I think we have to stress that it needs to be added value.

B. Lekstrom (Chair): Again, Wilf, I want to thank you for taking time out of what I'm sure is an extremely busy schedule to come and speak to us here this afternoon.

We are now going to move to the open-mike session of our public meetings here in Surrey. Our first presenter, from the Outdoor Recreation Council of B.C., is Jeremy McCall.

Good afternoon, Jeremy.

J. McCall: Good afternoon. There was a... Oh, it's being handed around.

B. Lekstrom (Chair): The format, Jeremy, for the open mike is a five-minute presentation — no dialogue. It was set up in order to accommodate as many as we could. We'll probably be a little flexible here, looking at the crowd we have at this point.

J. McCall: Okay. I'll try and work with that.

I represent the Outdoor Recreation Council, which is an umbrella organization of umbrella organizations. If you look at the back of your single page there, you'll see our members. Our members are organizations, each of which has, in some cases, many thousands of members. We represent the broad spectrum of recreation users in the outdoors in British Columbia, and our motto is that we promote access to and responsible use of the public lands and waters of British Columbia for outdoor recreation.

We just had an annual meeting. One resolution was passed — one of three, in fact — which is of direct relevance to the mandate of this committee. I'd just like to walk you through that resolution, which is on the front page of the paper that's been handed out. I've also passed out one of our brochures, which gives a bit more flavour of what the Outdoor Rec Council is all about. You can maybe look at that later.

I'll walk you through the resolution. This was passed unanimously at our meeting, and we said that British Columbia has an exceptional system of provincial parks and protected areas which has the potential to provide significant health and social benefits for the residents of the province, economic benefits for the province as a whole, and which could be a magnet for visitors from outside the province.

The government of British Columbia has adopted a policy of encouraging residents of British Columbia to take exercise in the outdoors as an important way to achieve physical fitness and enjoy good health. You're all aware of the ActNow program, which there is a junior minister in charge of now.

The province's parks provide highly desirable locations for outdoor recreation. The funding of the province's parks has completely failed to keep pace with either recent growth of the park system or inflation. In that regard, I'll leave you with one statistic, which is that in 1977 there were 425 parks. In 2006 there are 900. The operating budget in 1977 in 2006 dollars was \$72.6 million. The operating budget for the 900 parks today is \$41 million.

[1650]

It is a drastic reduction. That includes \$11 million in user fees. I think you're all aware that the user-fee program has been far from successful, and quite a lot of

those user fees don't get through to the park facility operators who are supposed to be able to use them. Those are the numbers on the numbers of parks and the operating budget. The operating budget of the parks today is a drop in the bucket for the provincial budget.

I'll just carry on with the resolution. The infrastructure of services in the provincial parks — consisting of trails, bridges, drinking water systems, sanitary systems and back-country campgrounds — has deteriorated significantly in recent years and is totally inadequate for the numbers of visitors in the parks adjacent to open areas, as a result of the inadequate funding.

I think you've probably received a presentation from one of our member organizations this morning, which told you a little bit about that and maybe even presented some photographs of some appalling conditions up in Garibaldi Park in the last few weeks.

The public currently experiences great difficulty in accessing the information it needs about the use of the parks from telephone or personal contact with park rangers or staff or print materials or website information. That is a totally impossible situation, from our personal experience.

The number of programs designed to attract visitors to the parks has been drastically reduced. While they were cut completely in 2001, thanks to one of our member organizations they've been slowly reintroduced. Visitors who go to parks need to be educated and informed and, I suppose you could say, entertained with nature programs.

The government of British Columbia stated that the province's environment should be a showcase for the province during the 2010 Olympic Games, and the park system is a key component of that environment.

This is the resolution. We're urging the government of British Columbia to immediately increase the funding of the provincial park system with a view to making the parks an outstanding place for outdoor recreation, a sought-after destination for visitors from outside the province and a source of pride for British Columbians.

That's my presentation.

B. Lekstrom (Chair): Thank you very much, Jeremy. Although we don't have people lined up, I'm not sure if there are any questions. I'm going to look. This is out of the ordinary, but we do have a couple of extra minutes that I would allow.

R. Hawes: This morning your colleagues from the...

J. McCall: The Federation of B.C. Naturalists were appearing today, I believe.

R. Hawes: Yup. In their own organization they have resolved to oppose the expansion of fixed-roof accommodation in the parks. I'm just wondering how the Outdoor Recreation Council... Considering that you want to improve access, particularly for international visitors, etc., it would seem to me to be contrary if we were not to allow an expansion of fixed-roof ac-

accommodation. That, of course, does improve access to parks.

J. McCall: I haven't shown you one of the other resolutions that we considered at our annual general meeting, but it was about fixed-roof accommodation. The results of that resolution were extremely interesting. I actually crafted that resolution myself to open the door a chink to roofed accommodation, modest and affordable huts, to be run by either government agencies or non-profit organizations.

I drafted the resolution, I got our executive to approve it, and we put it before our membership. There was a great deal of discussion on the resolution, and it barely passed. It passed 9 to 7, with three abstentions. It was extremely controversial. The basic fact is that although the Outdoor Recreation Council, as such, did not sign on to the group of 20 environmental organizations which oppose roofed accommodation, a large part of our members are very much opposed to it. Of course, there's some overlap between the environmental groups and our membership.

The other thing is that I was in the sounding board for the roofed accommodation meetings, the people who Minister Penner said had been consulted before the policy was announced, and it was always my concern, having a business background, that it would be a very difficult business for anyone to get into. I was interested, because we were at a session with the Ministry of the Environment yesterday, and I spoke to Assistant Deputy Minister Nancy Wilkin. She said that there are very few proposals coming in, in response to the RFPs.

[1655]

That tells me that my instinct is correct about the business sector's response to some of these RFPs. I'm not sure there's any money to be made by the government in this. They are marginal operations at best, the ones in the parks.

B. Lekstrom (Chair): I think, Dave, you had a comment, and then we're going to move on to our next presenter.

D. Hayer: I was not sure if you were aware of this announcement that was made yesterday by our Minister of Tourism, Stan Hagen. The government will invest an additional \$1 million this year to upgrade and provide regular, scheduled maintenance service at the recreational site and trail that was previously maintained by users. So we're putting in an extra \$1 million.

J. McCall: I've only heard it peripherally. I've been in meetings for the last two days, so I hadn't actually heard it. I haven't seen chapter and verse on that, but thank you very much for bringing it to my attention.

D. Hayer: At least an additional million dollars.

J. McCall: I'm very pleased about that. We're actually going to be approaching Minister Hagen for some

small, modest funding for our organization shortly, because we work very closely with his ministry.

B. Lekstrom (Chair): Jeremy, I want to thank you for taking the time to come down and present to our committee and bring your ideas forward on what we can look at in the development of our report for next year's budget.

J. McCall: Thank you very much, and thanks for squeezing me in at the end of the day.

B. Lekstrom (Chair): We do have our next presenter. We're just going to be about one moment, and we will call her forward.

We will possibly recess for two minutes while the next presenter is getting ready.

The committee recessed from 4:57 p.m. to 4:59 p.m.

[B. Lekstrom in the chair.]

B. Lekstrom (Chair): We will reconvene the Select Standing Committee on Finance and Government Services public hearing in Surrey. I will call our next presenter, who is with the Prevention Public Policy Group. I'll call Brenda Martin.

Welcome to the committee.

[1700]

B. Martin: Thank you.

My name is Brenda Martin. I'm here on behalf of the public policy group — myself and Harold Daykin.

Harold has an idea for the health care system of British Columbia. In response to what's been in the news a lot recently — the rising cost of health care in the coming years — if you look at the last page of our booklet you'll see the main idea. It's a rebate system for people over the age of 55. The idea is that people who maintain physical fitness after the age of 55 are rebated their MSP fees.

The idea is to keep the middle-aged and seniors physically active through a financial benefit. This is one suggestion that Harold has drafted, but it's only an idea. We've taken it to the city of Surrey, and we've met with Kerry Miller, the mayor's office manager there, and we're taking it to city council in October. This is just another venue in which to talk about our idea and how we think it could benefit the medical system.

There's another page. On pages 1 and 2 after the title page Harold outlines the ideas of how people's physical fitness would be rated. In point 7 he mentions a four-minute step test, which is talked about in *Action Plan for Osteoporosis*. It's a system that measures people's physical fitness through their heart rate after a four-minute step test. That is how he suggests testing people's physical fitness.

I just wanted to hand this over to you and give you that little talk about the idea.

B. Lekstrom (Chair): Brenda, I want to thank you, because it is ideas from all British Columbians that help

us as a legislative committee formulate our report. Each and every day we hold these hearings we hear numerous ideas on what can make our province a better place.

I thank you for taking the time, and Harold, I thank you as well for making the effort to put things down.

H. Daykin: Can I make one firing shot over the bow?

B. Lekstrom (Chair): If I could ask you to go to the mike, we would love a firing shot over the bow this afternoon. Could you state your name as well?

H. Daykin: It's Harold Daykin. Please spell it with a "y," because my tribe have nothing whatever to do with the d-a-ks.

My parting shot over the bow is that if the basic idea behind this, and the claim that is implied in the title *Can the Unstoppable be Stopped....* The basic idea is this: what Carole Taylor has put before the public of British Columbia.... We claim that if, first, the city council of Surrey like the sound of it, probably seconded by the foremost expert in North America for the field in question, which has little to do with health but everything to do with health in its consequences.... It's basically getting the over-55s to get off the bloody couch.

[1705]

We claim that if we convince the city council, and then delegates from city council convince Gordon Hogg.... I'm told that we must never pronounce his name the other way.

Then if this scheme of ours is well-run.... You'll notice that it's just going to cost peanuts — one-quarter of $\frac{1}{1000}$ of the total health budget for British Columbia.

If the health authority for Fraser under Gordon Hogg's direction, and our manual, spelling out how we should go about it.... We will solve the problem that Carole Taylor has thrown out to the whole province in the five proposed areas that are given the green light on our scheme. That's it.

B. Lekstrom (Chair): Harold, thank you for your interest in trying to make British Columbia a better place.

R. Hawes: Harold has obviously been off the couch for quite a while.

How old are you, Harold?

H. Daykin: I'm 81. You know, when people ask me how things are going, I say in all modesty something like this: "Better than most men half my age and twice as humble."

The basis of that empty-sounding brag is that for three years running I have walked up the stairway of the highest tower in the lower mainland without cheating, because you're not allowed to cheat. You're not allowed to take the elevator even for two floors, because it's all blocked off by the Lung Association. The figure is 48 floors.

B. Lekstrom (Chair): Well, thank you so much, both of you.

B. Martin: Thank you so much for your time. I appreciate it.

B. Lekstrom (Chair): You're very welcome.

I believe that concludes all of our registered guests who have asked to present, as well as those who've expressed an interest in the open-mike portion of our meeting in public session here in Surrey today.

As well, we have attempted to offer a new service with translators that we have provided for people who wish to come and speak to us. As it stands, we have no one at the present time needing that service. But I do want to thank our translators, who have been here today to provide that service. It was a new attempt by this committee to make sure that we reach as many British Columbians as possible. Again, I want to thank you for your commitment to this committee as well.

Seeing no further speakers before the committee, I will adjourn our committee hearings. But just prior to closing it off, I want to thank all of those who came out here today to present their views on how we can look at our budget and what we can do to enhance British Columbia and make it a better place. In closing, thank you very much. We stand adjourned.

The committee adjourned at 5:09 p.m.

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