



Second Session, 38th Parliament

---

REPORT OF PROCEEDINGS  
(HANSARD)

---

SELECT STANDING COMMITTEE ON

**FINANCE AND  
GOVERNMENT SERVICES**

**Prince George**

**Wednesday, October 4, 2006**

**Issue No. 32**

BLAIR LEKSTROM, MLA, CHAIR

ISSN 1499-416X



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

Prince George  
Wednesday, October 4, 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:* Anne Stokes
- Committee Staff:* Jacqueline Quesnel (Committees Assistant)

- Witnesses:*
- Betty Bekkering (President, People's Action Committee for Healthy Air)
  - John Bowman (Interim President, College of New Caledonia)
  - Donalda Carson (Executive Director, Prince George Hospice Society)
  - Shaun Clarke (Prince George Chamber of Commerce)
  - Valentine Crawford (Chair, College of New Caledonia Students Association)
  - Bob Dewhirst (Outdoor Ice Oval Society of Prince George)
  - Byng Giraud (Terrane Metals Corp.; Mining Association of B.C.; Association for Mineral Exploration B.C.)
  - Stieg Hoeg (Initiatives Prince George; Prince George Airport Authority)
  - Susan Lambert (British Columbia Teachers Federation)
  - Jan Mastromatteo (President, Faculty Association of the College of New Caledonia)
  - Rob Mealey (College of New Caledonia Students Association)
  - Gerry Offet (President, Initiatives Prince George; Prince George Airport Authority)
  - Anne Pousette (President, Outdoor Ice Oval Society of Prince George)
  - Art Robin (Chair, College of New Caledonia)
  - Svend Serup
  - Sherry Sethen (Executive Director, Prince George Chamber of Commerce)
  - Rosalind Thorn (President, Northern B.C. Construction Association)
  - Dick Voneugen (Outdoor Ice Oval Society of Prince George)
  - Steven Willment
  - Don Zurowski (Councillor, City of Prince George)



## CONTENTS

Select Standing Committee on Finance and Government Services

Wednesday, October 4, 2006

	<b>Page</b>
Presentations .....	797
B. Giraud	
S. Sethen	
S. Serup	
J. Mastromatteo	
V. Crawford	
R. Mealey	
G. Offet	
S. Hoeg	
D. Zurowski	
R. Thorn	
A. Robin	
J. Bowman	
B. Bekkering	
S. Lambert	
D. Carson	
A. Pousette	
B. Dewhirst	
D. Voneugen	
S. Willment	



MINUTES

# SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Wednesday, October 4, 2006  
4 p.m.  
Nechako Room, Coast Inn of the North  
770 Brunswick Street, Prince George

**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; Jenny Wai Ching Kwan, MLA; Richard T. Lee, MLA; Bob Simpson, MLA

1. The Chair called the Committee to order at 4:01 p.m.
2. Opening statements by Mr. Blair Lekstrom, MLA, Chair.
3. The following witnesses appeared before the Committee and answered questions:
  - 1) Terrane Metals Corp.; Mining Association of British Columbia; Association for Mineral Exploration British Columbia Byng Giraud
  - 2) Prince George Chamber of Commerce Sherry Sethen  
Shaun Clarke
  - 3) Svend Serup
  - 4) Faculty Association of the College of New Caledonia Jan Mastromatteo
  - 5) College of New Caledonia Students' Association Rob Mealey  
Valentine Crawford
  - 6) Initiatives Prince George & Prince George Airport Authority Gerry Offet  
Stieg Hoeg
  - 7) City of Prince George Councillor Don Zurowski
  - 8) Northern B.C. Construction Association Rosalind Thorn
  - 9) College of New Caledonia John Bowman  
Art Robin
  - 10) People's Action Committee for Healthy Air Betty Bekkering
  - 11) British Columbia Teachers' Federation Susan Lambert
  - 12) Prince George Hospice Society Donalda Carson
  - 13) Outdoor Ice Oval Society of Prince George Anne Pousette  
Dick Voneugen  
Bob Dewhirst
  - 14) Steven Willment
4. The Committee adjourned at 7:48 p.m. to the call of the Chair.

---

Blair Lekstrom, MLA  
Chair

Anne Stokes  
Committee Clerk





WEDNESDAY, OCTOBER 4, 2006

The committee met at 4:01 p.m.

[B. Lekstrom in the chair.]

**B. Lekstrom (Chair):** Good afternoon, everyone. My name is Blair Lekstrom. I'm the MLA for Peace River South, and I have the privilege of chairing the Select Standing Committee on Finance and Government Services.

Today we are in Prince George to hear from people from Prince George and the region regarding what their priorities would be on the upcoming development of the British Columbia budget for the '07-'08 year. We have toured to roughly ten or 11 communities so far in our tour of 14 communities in every region of this province.

Upon concluding those, we will go through all the information that we have heard from presenters as well as all the information we have received on line through written submissions as well as the questionnaire that has been sent out to every household in British Columbia.

We are commissioned by legislation to listen to British Columbians and hear from them on what their priorities are, as I indicated, based on the prebudget consultation paper that was submitted to our committee and to all British Columbians on the 15th of September by the Hon. Carole Taylor.

It is our job, upon completion of the public hearings and reviewing all of the submissions, to put together a report and submit it to the Legislative Assembly no later than the 15th of November of this year. At that time the Minister of Finance will use that as one of her tools in developing next year's budget.

The format for today's meeting, like all of the public hearings we have, is that our presenters have 15 minutes. There is ten minutes to present to the committee, leaving five minutes for questions from members of the committee if there's any clarification needed on the presentation put before us.

Before we go any further, I'm going to ask members of the committee to introduce themselves, and then we will begin with our first presenter here this afternoon.

**I. Black:** Good afternoon, ladies and gentlemen. My name is Iain Black. I'm the MLA for Port Moody-Westwood.

**H. Bloy:** Harry Bloy, MLA for Burquitlam.

**B. Simpson:** Bob Simpson, MLA for Cariboo North, and an hour and ten minutes from home.

**D. Hayer:** Dave Hayer, MLA for Surrey-Tynehead.

**B. Ralston (Deputy Chair):** Bruce Ralston, MLA for Surrey-Whalley and Deputy Chair of the committee.

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

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

**R. Hawes:** Randy Hawes, MLA, Maple Ridge-Mission.

**J. Kwan:** Jenny Kwan, MLA for Vancouver-Mount Pleasant.

**B. Lekstrom (Chair):** Also joining us today, to my left, is Anne Stokes, our Committee Clerk, as well as Jacqueline Quesnel, who you came by when you entered the room, back with all of the information at our information desk.

All of our hearings are transcribed and recorded by Hansard Services. Joining us are Wendy Collisson and Graham Caverhill, who are to my far left behind all of the equipment that you see over there.

As I indicated earlier, as well as being able to present to the public hearings as a registered presenter, we accept on-line submissions as well as the questionnaire that is on line. Each household in British Columbia, as well, either has or will very shortly receive the pre-budget consultation paper in the mail.

We encourage the people who are here this afternoon — if they're talking to their neighbours and friends, and they haven't had the opportunity to do so — to put forward their ideas on what their priorities are for British Columbia's budget upcoming next year.

[1605]

With that, we are going to begin with our presentations here this afternoon. The first group to present is Terrane Metals Corp., and joining us is Byng Giraud. Good afternoon, Byng. Welcome.

### Presentations

**B. Giraud:** Good afternoon. Thank you, Chair and committee. I was put in to be the pinch-hitter for this late last night, so my apologies in advance if I mess it up a little.

I'm representing the Mining Association of British Columbia, the association of mineral explorers and the company in question as well. This is more of a broad discussion of mining, but it's also, because we're in Prince George, a particular reference to the mountain pine beetle disaster. I'm going to give you some facts, briefly, and talk about the pine beetle issue and how we can be of some help and offer some recommendations. We will be submitting a formal written submission as well.

Some facts. Mining, as you may know, is a \$6 billion-plus industry in British Columbia. We are the fifth-largest mining centre in the world. We have over 850 mining companies based in British Columbia. We've raised \$3.5 billion in equity by these companies, a lot of which is invested here. We have the highest average wage and benefits in the sector — \$94,500 a year. It's a good business to be in as a British Columbia worker.

We calculate that there are about 28,000 direct and indirect jobs created in B.C. by the mining sector. Going off my notes a little bit, there are actually 7,000 guys and women working directly in the field. It's some \$700 million in wages just for those people. It's a significant contributor to our tax base. We are the larg-

est private sector employer of aboriginal people in the country.

We use only about 0.03 percent of the B.C. land base, and 98.5 percent of that land is reclaimed. As you may know, our major minerals in B.C. are coal, copper, silver, gold, lead and zinc.

The mineral explorations expenditures, which are an indication of what's coming next — this is the exploration that will create the mines that will create the jobs — are right now about \$200 million. That's a really great figure because in 1999, which was the low point that I've been provided figures for, it was about \$25 million. So things are actually going pretty well from the exploration side.

Of that \$220 million, which is the full figure, only about 18 percent is being spent in areas where there's a mountain pine beetle problem. We think that a little more investment in geoscience would attract more exploration dollars, particularly to those areas. This is necessary if we are going to facilitate what we hope is some economic diversification for those areas affected by the mountain pine beetle. When we've done the cutting, mines can be a new or an additional generator of income for many communities that are only supported by one industry right now.

To help address this particular issue, we think there are four areas to be considered. One is looking for mineral reserves and the necessary geoscience. There are some tax incentives — this is the Finance Committee, I guess — some discussion of education and training, and also ensuring that first nations benefit from our exploration into mining.

From those four areas we have four recommendations, and some of them have particular relevance to the mountain pine beetle-affected areas. We would like to see some enhanced exploration tax credits, some mine development tax incentives, some job training and job creation tax credits, and, finally, some assistance with creating some resource revenue-sharing policy with particular regard to first nations.

I'll go through those four again in more detail. We'd like, with the enhanced exploration tax credits.... There's currently a non-refundable exploration tax credit program in place. We think that could be expanded and targeted, in part, to mountain pine beetle-affected areas.

For example, right now we've got the 20-percent refundable tax credit in place in British Columbia. We think that for an initial grassroots exploration, the first stage of exploration, in targeted regions — those that are affected by this calamity — it could be 30 percent. Elsewhere in B.C. we would like to see that refundable portion up to 25 percent, with a 5-percent non-refundable portion.

[1610]

Moving beyond the grassroots exploration stage, past that initial stage, similarly expanding the 20-percent refundable tax credit to 30 percent — again, with some targeting and some advantages for the mountain pine beetle areas — would be helpful.

Second, the mining tax credit program. This is related to being competitive not only in those areas where the mountain pine beetle is at work, but gener-

ally being competitive internationally and in terms of British Columbia. We'd like to see an establishment of a middle tax credit equal to 50 percent of pre-production community consultation and environmental impact costs. Given that mines are now taking up to ten years to get from the first discovery to actual production and there are considerable community consultation and environmental impact studies taking place, that perhaps should be considered by the committee.

We'd also like to see a reduction in the effective mineral tax rate by two things: extending the new mine allowance to 2016 — this is something that goes back several governments, and every once in awhile it's extended again; we would like to see it extended again to 2016 — and increasing the rate from 33 percent to 50 percent for that new mine allowance.

We'd also like to see the introduction of a processing allowance and a mineral tax holiday. I can answer in detail about that in the Q and A, but these are things that are operating in other jurisdictions in Canada, and I can give you some examples. This is not a dissimilar approach to that taken in the oil and gas development strategy, and that, I think you'll all agree, has been a very successful strategy for that industry.

Third, the job-training and job creation tax credits. This, again, is very relevant to mountain pine beetle-affected areas. We'd like to see refundable tax credits for job creation in targeted regions. If there's a particular region that needs some economic diversification and there are mineral opportunities there, it would be nice to see some specific job creation tax credit targeting and also for training or on-the-job training periods if somebody is moving from the logging industry to the mining industry. There are some jobs that are pretty straightforward — driving trucks and that sort of thing — but obviously some of the jobs would require some significant training.

Fourth and final, the resource-revenue-sharing policy. We'd like to see the government develop a workable first nations resource-revenue-sharing model that ensures that some of the revenues, the payments to government that the industry is making right now, are directed to first nations communities. We think this should be applicable to new mines only, given that you might be opening up a can of worms to do it retroactively. But it also helps mitigate....

What's going on right now is a lot of ad hoc arrangements, and depending on whose side you're talking to, they are equitable or inequitable. It creates business uncertainty, and there are some unrealistic expectations — perhaps on both sides — of what those agreements might mean.

It would be nice to have government come in and help us as an industry, help first nations, to develop some certainty and some consistency in these things. First nations would have a greater certainty about what sort of benefits they would get from a mine operating in their traditional territories.

That's essentially our presentation. I don't know how my time is doing, Mr. Chair.

**B. Lekstrom (Chair):** You're doing fine.

**B. Giraud:** I read a little bit about what you've got in other presentations elsewhere, and I understand that your challenge is to balance cost demands with controlling cost demands. Cause and effect is the big issue — right? If I do X policy, how will this improve the economy or improve the bottom line? Sometimes cause and effect is hard to prove.

If I build a bridge here, will it improve the economy? Well, maybe it will, but it may also be because something else happens. There are changes in technology, new populations.

The thing about what we're proposing here, many of the items we're proposing, is that the cause and effect is apparent. If you do many of these things, particularly in those targeted areas, the outcome will be easily traced to the policy decision you made. By making a favourable environment for mining — particularly in those areas that need it — if it results in mines being built, you will see the economic benefit.

People talk about tax credits and tax incentives. What does that mean? Well, what it does mean is that these things are only tax credits and tax incentives you receive if you invest the money in the first place. It's not like you're taking money from something else to give it to the mining association. You're encouraging new money, so I don't think there's necessarily a trade-off in this case.

The cause and effect is much more apparent, so hopefully, you'll look favourably upon our suggestions. Like I said, there'll be something written that will come to you all as well.

[1615]

**B. Lekstrom (Chair):** Thank you very much, Byng. I'll look to members of the committee to see if there are any questions.

**D. Hayer:** I appreciate you making the presentation. It was a good presentation.

I hear from some of the MLAs. They say: "Look, government policies have nothing to do with how much you guys invest." They say that it all has to do with the pricing. Can you maybe tell us: is that true? Or do government policies make a difference? How much money you invest in British Columbia, how many jobs you create here — is it all about what the natural resource prices are outside?

**B. Giraud:** Commodity prices have been good recently. That's obviously an impact. We can't say that they haven't been. But government policies do make a difference.

The reason that these types of incentives are called for is because other jurisdictions are doing them. They are attracting business. They're attracting the equity.

I don't want to point to one particular period of time being better than others, because I know we can get in trouble by talking about those things. But clearly, right now the policies of government have been generally favourable to us.

We think more can be done, because this is a highly competitive industry. It's a huge risk. Millions of dol-

lars go into building a mine that you may or may not see in ten years. It's a huge risk. I'm sort of wandering here, but that's my answer.

**B. Simpson:** I'm going to exercise extreme control and not engage in the conversation. It would be a great one to have a more robust conversation about.

With respect to the time frames you're talking about in terms of a new mine development, I think your comment is quite telling. If you see the mine being built, you will receive the benefits. I think the risk the government takes is that you may do all the investments and not actually see the mine, so you don't get as big a return.

The question I have is.... On a more integrated basis, with the residual cut that's left, you're specifically coming and looking at just the mining aspect of it. But do you believe that we should be more deliberate in looking at the whole range? The residual cut level for growing the value-added — the value-added industry can come forward and make the same arguments around incenting them to get started, access to fibre. The agricultural community can come forward and say that they can step into the breach, and so on.

Rather than your arguing for not a piecemeal approach within one sector, what about the argument: let's not have a piecemeal approach across all sectors to fill in the void which, by the estimations that I've seen, is going to be a significant drop-off in a very short period of time?

Would a cross-sectoral strategy not make more sense than just a separate sector?

**B. Giraud:** I can't speak specifically to those sectors, but generally, absolutely.

We don't think that mining necessarily has to compete with other industries. When you see a mine, it seems very big. But if you look at the greater land base and what it actually uses and consumes, it shouldn't have to compete with those other things. Agriculture shouldn't have to compete with mining.

There are always small issues that develop. Some of them can be large, but they shouldn't have to compete. I think you're absolutely right. I wouldn't want to pre-judge other industries coming forward and saying: "We, too, can help with this sector."

Given the geography of where the pine beetle is really having its worst effect, there is some significant mineral opportunity there. I think it deserves some special consideration perhaps.

**B. Lekstrom (Chair):** One final question.

**R. Lee:** You mentioned about the resource-revenue-sharing model. Do you have any specific template to suggest, or are there currently different negotiations going on? Do you have any further comments on that?

**B. Giraud:** I wouldn't want to talk about a specific agreement, because I don't think it would fair to the first nation or the company involved. Be clear that particularly in the north, there are — they can't be described in any other way — ad hoc arrangements.

Some of them are extremely beneficial to one side and not to the other. Some of them are equitable.

The problem is that not everybody who operates in the mineral sector, and not every first nation, operates in a consistent manner. We as an industry may be as generous as we possibly can be, but there could be another operator who perhaps hasn't given as much thought to these things, who gets into an arrangement that is of advantage to nobody.

[1620]

I think this is where government has to pay particular attention, because we are all ultimately taxpayers to you. First nations deal with the provincial government. By us in the industry sort of going around the provincial government, we're getting into a bit of a dangerous area. It is quite a bit of uncertainty.

Yes, we could probably look at providing the committee some specific examples of some great arrangements that maybe you could use as templates. But it's inconsistent. Members in the industry are always asking: "What should we be offering? Who should we be dealing with? What did you guys do?" I mean, it's inconsistent.

**B. Lekstrom (Chair):** Byng, 15 minutes is definitely not a great deal of time, but you've done a tremendous job of putting across your ideas. Certainly in your written submission, if you do have any ideas as far as a template or if you put your mind to that, include them in that. The members of the committee will receive a copy of it. Thanks for taking the time.

Our next presentation this afternoon is from the Prince George Chamber of Commerce. Joining us are Shaun Clarke and Sherry Sethen.

Good afternoon. Welcome to the committee. How has your day been going?

**S. Clarke:** Just spectacular.

**S. Sethen:** First of all, I'd like to say thank you very much for taking time out of your busy schedules, and I do recognize how much time you put into these things. So thank you very much for allowing us to be part of this open process once again.

My name is Sherry Sethen. I'm the executive director of the Prince George Chamber of Commerce. To my left is Shaun Clarke. Shaun is our treasurer at the chamber of commerce. I have given you a presentation, along with an index on the front page. If there are any questions after we're through going through the formalities, I'd be happy to answer them.

Mr. Chair and distinguished members of the committee, this is, I think, the fourth presentation that the Prince George Chamber of Commerce has made to one of these committees. Some of what you see in here will sound very familiar, because we do believe in staying the course.

That is one thing that we would say right off the top. We believe that the government should stay the course on some of the initiatives and some of the things they are doing at this time.

The Prince George Chamber of Commerce represents 900-plus members in the Prince George area. The

members are from all different sizes of businesses as well as all different sectors. Debt reduction is still our top priority. We strongly recommend that at least 50 percent of any surplus goes towards paying down the debt.

Surpluses need to be directed to new programs. We recognize that. At that point in time, though, government spending is increased. One of the things we can do to make sure that we are in a better economic situation at the end of the day is look after that interest we're paying out, which could be used for other things. So we strongly recognize that that has to be looked at in this process as well.

We are also saying that enhancing literacy is very, very important. There are many reasons for this, and we've broken these down into subheadings. We're saying that through literacy enhancement and training enhancement, we are going to be able to better address one of the main problems in Canada and in the world at this time, which is attracting skilled labour.

Highly qualified personnel is something that we need to look at. Alberta and Newfoundland have extremely attractive programs for students, which eliminate or reduce tuition while simultaneously offering funding starting at the master's level. We feel that B.C. must be more competitive in this area to attract and retain these highly qualified, promising people.

[1625]

We are very fortunate to have the University of Northern B.C. in our community, and we recognize that one of the mandates when this was first put in place was that people who train in the north will be more likely to stay in the north. We need to make sure, though, that these opportunities for these young people and these students are competitive with other universities.

I don't think anybody in this room would argue that there's a shortage of skilled workers in the trades. Prince George sits in a unique position. I guess you could say we're in the eye of a perfect storm. The oilfields draw tradespeople northeast. Work on the ports and mines draws people northwest. Growth in the Okanagan draws workers southwest, and the tremendous investments from the 2010 Olympics and Paralympics continue to draw workers to the lower mainland.

The trades trailer that has been put in recently is going to be very helpful — and we thank you very much — specifically because that trailer is going to go into some of the smaller communities which would not be able to access the training needed to increase these skills.

Training tax credits — it was mentioned by the previous speaker as well — are something that we feel very strongly about. In the 2006 budget the government, in our opinion, wisely announced additional moneys available for training dollars and set aside \$90 million of it for a new tax credit training program.

We're pleased to see that industry would be included in the consultation process regarding the structure of the actual tax credit. Again, I'd like to compliment you. You've set the money aside, and then you're asking for input on how we're going to structure that so that business can step to the table and help with the large problem with regard to training our next generation of people.

We recognize that there's an opportunity to submit recommendations directly to another group who are going to be studying that. The Prince George Chamber of Commerce feels so strongly on this subject, and we also feel that it needs to come to your attention too.

Traditional training opportunities must be part of this discussion. We feel there is a larger role, however, for business to play in training our next generation. This credit should not be accessed for training that is mandated by either regulation or legislation. That is something that is a cost of doing business — those kinds of things. But we do believe there is a role that can be played there.

Many of our businesses are able to provide the necessary training for certification at their places of business. That's something that can be looked at. It can be the same training that might be put on, but they would have the equipment to share in, so there wouldn't be the capital expense at that point in time.

There's also an area that needs to be looked at, and it's not only trades. It is the training of the worker who is coming into the workforce in some of the softer skills. If you've looked at some of the wages being offered right now for somebody who's obtaining a job in the northeast part of the province at McDonald's, for example, it's up around \$18 an hour. That draws from the pool of people that businesses are able to attract into the entry-level positions and into the office. By offering a tax credit program that recognizes training in some of these areas, these people are also going to be able to upgrade their skills and pursue careers.

We feel that small businesses that are willing to commit to a formal plan — in other words, they're going to give you a plan; they're not just going to say: "Yeah, we're doing training. Therefore I want a tax credit" — of on-the-job training that will result in a meaningful degree or certification for their employees should also be able to share in the tax credit program.

This, we are sure, will encourage business to be a more active partner and may be one more tool — not the only tool — in that toolkit we need to help with the shortage of skilled labour in our province.

I have also put a reference to the budget in there. Again, I thank you very much for addressing that.

In looking at the skill training, we have to recognize that we are also short in the province when we look at the basic literacy of some of our communities. That cannot be forgotten either. As the current workforce retires, the government should place a priority on ensuring that all British Columbians can participate in society. All workers should be able to fill out basic application forms and read newspapers, and some of our people struggle with that. Some of our people are very shy to admit that. Again, we thank you for the work you've taken part in, in that area as well.

[1630]

However, don't lose sight of that. We need to address all levels of our citizens. That does impact on business, because when the person comes into business, we expect them to be able to have literacy skills at a certain level.

The priority on enhancing the provincial nominee program. We congratulate the government on their

announcement of the MOU in place right now. However, it applies only to the entry of entrepreneurs and, in our opinion, does not go far enough. We feel that it also has to be looked at with regards to facilitating the PNP program in order to allow skilled workers to come in from other countries. The paperwork around that is horrendous right now. That has to be streamlined. Something has to be done with that. B.C. definitely has a labour shortage, as I've said many times, and this could help reduce the worst effects of that shortage.

If we went forward as we are today and trained only our citizens, we would have a shortage of bodies. We do not have enough people to train. We have to figure out where we can tap in to get more actual people in our workforce as the citizens retire. This is going to be exacerbated. If we don't do something about it by 2015, we're not going to have the ability to continue with our businesses and our economy that could grow as a result of this.

We believe that the B.C. government should work to enhance the program to include trades and positions that require less than two years' apprenticeship — for example, construction, agriculture, trades. At the same time, the B.C. government should facilitate and increase communication and information resources, so that it is easier to access and so that people who want to take part in it can carry forward with their direction.

You know, there's nothing worse than trying to work yourself through some of these programs. At end of the day, you have a CEO of a company who is self-made and cannot work himself through the applications that need to be put in place. It makes them feel stupid. It embarrasses them, and they just put it aside and say: "Forget about it." So we feel that needs to be streamlined.

This one might be a little bit of a surprise to you, but the Prince George Chamber of Commerce feels that there should be no new funds allocated for health care until we have completed the process, which is ongoing at this point in time, to assess how we might more efficiently use the dollars there are and find out what we need to do to change. Throwing more money at the problem right now, in our opinion, is not going to result in the changes we're looking for. Health care is going to take up a full 71 percent of the provincial budget by 2017 if we continue on this path. We don't feel that's sustainable, and we don't believe that if you're planning, you should put any plans in place that are not sustainable.

We also believe that you should look at creating the revenue to enhance the surplus. Now, what do we mean by that? When you're investing your dollars — or the taxpayers' dollars — in programs, look at the result of those programs. Is it actually only an outgo of dollars? Or by doing that, as the other gentleman mentioned, are there some ways that it will actually create revenue? Through efforts to strengthen the forest sector and encourage mining, oil and gas explorations and the growth of transportation infrastructure in the northwest corridor, we feel the necessary revenues will be realized that will enable more program spending.

That's where we have to look at the social side of our programs as well. Without the revenue coming in, there just aren't the dollars available to support our

social programs, which are needed by our citizens — whether they are for the elderly, for child care or whatever. We recognize that this is all sums of the whole.

PST credits for diversification. British Columbia, as you all know and many of you have been made aware, is the only province in Canada that borders on three other jurisdictions that do not have PST. We border on Alberta, the Yukon and the Northwest Territories. So when we're looking at how we're going to work with our businesses and do exploration or diversification — you know what? — those borders look pretty good sometimes. So we ask that you would look at that.

[1635]

Central British Columbia will be undergoing significant changes to industry in the next decade. We suggest that the province should consider ways to encourage exploration and innovation by offering PST credits to industries that diversify the economy, so not necessarily in your area that you're working in now but maybe, as forestry diversifies, into mining or into something else — changes in the industry itself. So it has to be a diversification.

A time-limited tax credit for oil and gas and related industries, technology and related industries, and education and related industries should be implemented.

One of the other things that is on here — and you might say: "Well, why is that on a Prince George Chamber of Commerce presentation?" — is that we suggest you need to vigorously pursue the Kitimat break-bulk port. We've always said in Prince George that what's good for the north, the east, the west of us is also good for Prince George, and we feel that this particular initiative is one that will be one of the areas that will create revenue.

The direction outlined in the British Columbia ports strategy focused directly on the coming significant increases in container traffic. A next critical step will be to ensure that our west coast ports can meet the needs for these commodity exports. We feel that can be done and should be looked at through this Kitimat break-bulk port.

The necessary step is only a first step. Government should continue to pursue the opportunities of all of the initiatives that are on the table. We're very happy to be included in the initiatives that are going to be happening around the Prince Rupert port, and we believe that all of these issues will contribute to a strong economy.

Conclusions. In summary, we're excited by the optimism for the future of British Columbia and, in particular, business in northern B.C. We're satisfied with the current economic improvements. There's a short window for us to put our house in order because of the pine beetle epidemic, and we must diversify our economy. We have to plan in order to experience a bright future. We need to be fiscally responsible with the expense side of the ledger while being creative in ways to grow the revenue side.

The 2006 budget went a long way toward addressing many of our concerns, issues and suggestions that have been presented by the Prince George Chamber of Commerce at many of these.

It looks like I'm running out of time here.

We encourage you to stay the course, invest surpluses to paying down the debt as much and as soon as

possible. But remember that the overriding principle is meeting the long-term vision of our growing province. Thank you very much.

**B. Lekstrom (Chair):** You've certainly put a great deal of information, as we indicate to most presenters, in a short time frame. You have used the full 15 minutes, and it is our job to listen. I thank you for that. Unfortunately, there will be no....

**D. Hayer:** Can I just make one comment on this, a correction or something?

**B. Lekstrom (Chair):** There's no time right now, Dave. If I do, I'm going to have to open it up.

**D. Hayer:** I'm just making a correction on some facts.

**B. Lekstrom (Chair):** A correction?

**D. Hayer:** Yes.

**B. Lekstrom (Chair):** Dave, I think what we're going to do.... Otherwise, there could be corrections all over. If there is.... Possibly we could encourage the dialogue following this, if that's all right.

**S. Sethen:** Sure. Our address is in there. We'd be happy to....

**D. Hayer:** I'll talk to you outside.

**S. Sethen:** Certainly.

**B. Lekstrom (Chair):** Everybody's schedule, I know, is extremely busy, and I thank you for taking the time to come and present to our committee here this afternoon.

Our next presentation this afternoon. I will call on Svend Serup. Good afternoon, Svend.

**S. Serup:** Good afternoon. I don't make these presentations every day, but I have some concerns, and I thought I would like to bring them forward.

I'm involved with a woodlot with two other family members: my daughter and my daughter-in-law, as partners. We've been tending the woodlot about ten years. It's in the pine area, west of Prince George, and it's totally affected by the pine beetles. Now, we've taken some timber out the last two years under the salvage program, where there was a reduced rate, and we were able to make some profits on it.

Also, I may add that two areas were planted. We started planting within one month after the logging was finished, so the trees are out there growing now.

[1640]

Today the largest volume sitting out there cannot be done on a salvage permit. They will not allow salvage permits on the large volumes. I got a stumpage notice about a week ago saying that my stumpage rate is \$25.98. We have a small salvage patch now that we are getting ready to log. That seems to be the last one

we have any hope of getting. We can do that because although a stump is.... I've sold that timber, and we're getting \$68 per tonne. With the conversion figure today, that translates into \$45 per cubic metre.

So when you add \$45 to, basically, \$26, the logging cost.... We had a contract last winter, and the cost was \$35 per tonne, which comes to, I believe, \$23. I'll just look at my papers — \$23 per cubic metre. So you add these figures up, and we would be losing \$4 per cubic metre if we went and logged this timber at the rate we've been given today. Then we have to plant, which would be \$3 per cubic metre — something in that neighbourhood. There'd be management, and there'd be layout.

We've been told that the ministry is looking at making changes so that we have certainty about the stumpage rates. There were rumours that the Minister of Forests would come up to Houston to our annual convention and make an announcement, but that didn't happen.

Now, if I don't log my woodlot, then it doesn't get planted again, and then my grandchildren — I have five grandchildren, three in the Prince George area — wouldn't be able to harvest sometime in the future because we would not have trees planted. So it doesn't make sense.

The other problem, of course, with the woodlot program is that if we did get a rate, and we went out and made a million dollars, then we would probably pay half of that in taxes, and then we would wait 40 years before we could log again. We have a considerable amount of private land where the trees are 28 years old now. There's a nice stand of pine and some on the woodlot area as well, but it would still be 40 years before we could cut again.

If the ministry thinks that this guy shouldn't be allowed to make a million dollars, we still have to tend the forest for this time, and the thinking should be to set this rate so we can get the wood out and get it planted. I believe that the woodlot program is a good program. So I just say that we lack understanding of what's happening out there in the bush.

I would like to see respite used in such a way that we could get the wood out and plant the forest, and then I would like to....

I think, regarding the beetle situation, it's much more serious than many people realize. We are talking about — numbers have been put out — one million cubic metres. I think I heard that. I suspect that only 15 percent, 25 percent of that would be harvested at the rate we're doing it today. There should have been money spent on bringing some of that timber to other areas, like down on the coast or wherever they don't have the problems.

[1645]

This is a valuable heritage that we have in British Columbia, and I've been involved in the timber industry for many years. It looks to me like most of this timber, a vast majority of it, will not be harvested in a timely manner. Of course, the market may not absorb that, but today I believe we are cutting a lot of green spruce in the Prince George area. I don't believe it's been restricted. I believe that we could also take some of that beautiful timber and put it in lakes, where it would be preserved.

These are just some of my suggestions. I would suggest that you should take the message back that government should not worry about profits — targets — when you look at the beetle wood. You should look at setting it up so that people can get the wood moved and before it has been planted again.

I have been in the logging business up in Mackenzie for many years. I was in there working when the lake was coming up. We took some of the best stands out, and the rest was allowed to go under. That's nothing to be proud of. The same thing happened when they developed Kitimat, I believe. I also remember when the Bowron was attacked by the forest beetle. The huge area — they talk about it being visible from outer space — had been logged. There was one 50-tonne truckload per minute, 24 hours a day going out of there in the logging season.

That was all done at what was called minimum stumpage rates. I believe it was \$1.25 per cubic metre, and I think the companies made profits. The major companies were directed in there. But today you go out and look, and there's a beautiful forest. I don't remember the exact dates, but there's a beautiful spruce forest out there now.

That was a wise decision to forgo the huge stumpage that the government could have taken, allow them to have it cheap and get the job done and over with. I wish that you — I see there are several MLAs from the coast — would remember the importance of this issue, and take that back to Victoria.

I believe your Premier has done a good job promoting B.C. The Olympics is going to be a great boost for B.C., and the convention centre and your rapid transit, but we need people that will understand and deal with the industry in the north.

I don't know that I have a lot more to say. Anybody have any questions?

**B. Lekstrom (Chair):** All right. Thank you very much, Svend. I note that there are some questions.

**B. Simpson:** Thanks, Svend, for taking the time to come today and put that forward. My understanding was the AGM for the Woodlot Associations was this past weekend. That's when you were referring to the fact that the minister was supposed to make an announcement.

Do you know if a presentation — a formal one — will be made to this Finance Committee by the woodlot association on the issue of stumpage? Community forests got a global break in stumpage as of January 1 this year, so there's a precedent set there.

I guess I'm wondering if a business case could be put forward to this committee, because it has revenue implications, for the woodlot federation. If you can go back to Brian McNaughton and see if he's willing to put one in on behalf of the whole federation....

**S. Serup:** I would be happy to ask them to get in gear and do this. I don't know anything about it. What I have just sort of outlined.... The longer we leave the wood, the poorer the quality when it comes to the mill.

I can't spend money developing a logging plan. To do the layout, to get ready to submit it to the ministry,

would cost me \$40,000. I can't spend a cent because I don't know. Maybe it's going to be down to \$3 per cubic metre or \$5, but we don't know that. Nobody's coming and telling us that. Perhaps you can talk to the Minister of Forests and tell him that.

Why should we be allowed to get out there, do the planning, do the layout, get the thing ready to go and negotiate a deal with a sawmill, but we can't do that?

[1650]

**B. Lekstrom (Chair):** Are there any other questions of Svend here this afternoon?

If not, Svend, I can assure you that like all of the presenters who appear before us or put in written submissions, we will give full consideration to what you have said to us this afternoon. I appreciate you taking the time to bring forward your ideas on how you think we can improve things.

**S. Serup:** Was I within the time?

**B. Lekstrom (Chair):** You were well within the time. I'm very impressed.

Our next presentation this afternoon is from the Faculty Association of the College of New Caledonia. Joining us is Jan Mastromatteo. Welcome. Good afternoon.

**J. Mastromatteo:** Thank you, and good afternoon to all of you. Welcome to Prince George. I'm here to present the views of the faculty at the College of New Caledonia. We're one of B.C.'s 22 post-secondary institutions. CNC provides the opportunity for citizens in the central and northern interior region of the province to enhance their knowledge, skills and training.

It's an opportunity that we need to extend to more and more British Columbians if we want to build a high-wage, high-skills economy. It's also an opportunity that we need to greatly enhance right now if B.C. hopes to address the looming skills shortage. It's not just looming, I guess; it's here.

I want to talk about how your work in recommending priorities for the February 2007 provincial budget fits with the needs for better post-secondary education opportunities in this region, but before I do, I'd like to tell you a bit about CNC. We were established in 1969. We have a current enrolment base of close to 5,000 students. Many of our students are called mature students. They are returning to upgrade skills many years after leaving high school, for many of them.

Some of these students are looking to move into career and diploma programs, others are trying to connect with apprenticeship programs, and many others are looking to build credits in university transfer programs so that they can complete degrees in one of B.C.'s five universities.

For the individual post-secondary student the commitment to upgrade their education is a big one. Many are in their late 20s and early 30s. The average age of our students is 29. The commitment means adjusting family life and finances to enrol in our programs. It's a tremendous commitment for many of

them, and one that clearly benefits the broader community, because their new skills are what we need as a province to sustain our communities and our economy.

That's the positive side of what I see in my classrooms every day. In many ways it's certainly a privilege to teach students. They're keen to learn. They're looking to improve their skills. They're taking the first step in a long journey that makes them more engaged as citizens in their community. Against all the positives, however, I see a wall of barriers has been built up over the last five years in policy and funding choices of the provincial government — choices that have made access to post-secondary education more difficult and a lot more expensive for individual students.

On the funding side of this problem, the numbers speak for themselves. Operating grants on a per-student basis have simply not kept pace with minimal needs. If you look at the global budget for the Ministry of Advanced Education over the last five years, you will see just how much the system has fallen behind. Since 2001 the ministry's operating budget has increased by 9.6 percent; however, inflation over that same period has increased by 12.9 percent. Add in the fact that, system-wide, post-secondary institutions are trying to deal with more students, and you see how the funding crunch is undermining our ability to offer the programs and courses students need to get ahead.

At CNC that funding crunch is played out in many different ways. Since 2002 CNC has been eliminating programs in order to meet funding shortfalls. The cuts began in programs like developmental education. These are the important entry points for many mature students. Adult upgrading courses are needed to meet entry-level requirements for a variety of trade, technical, career and university programs. Without these programs, mature students don't make it, and their commitment to improving themselves is scuttled before it even has a chance to launch.

The funding crunch has also meant the loss of many of CNC's technology programs. We've lost our engineering design program, our electronics program, our computer information systems program, our geographical information systems program and even our wood technology and wood manufacturing programs.

[1655]

Think about this last one for a minute. In the geographical heart of B.C.'s forest industry, Prince George, the provincial government's underfunding of post-secondary education has meant shutting down programs developed to build the value-added skills that the provincial government says it wants the forest industry to incorporate. What's wrong with this picture?

Unfortunately, chronic funding is not the only problem facing the post-secondary education system. In 2002 the provincial government deregulated tuition fees. What happened next was entirely predictable and avoidable. Tuition fees skyrocketed. In some program areas the increases have been much higher than the doubling that most saw.

Skyrocketing fees have meant skyrocketing debt for students. According to the Canadian Federation of



Students, the average student debt stands at over \$25,000 today.

It's important to dispel a couple of longstanding myths about tuition fees. The first is that tuition fees do not cover the costs of post-secondary education — far from it. Tuition fees historically covered only about 15 to 20 percent of the cost of one's education.

What's unsettling about the government's current policy is that it has dramatically shifted those numbers. Now tuition fees account for about 25 to 30 percent of the cost of post-secondary education. Put another way, for many members of this committee who were lucky enough to get a post-secondary education in this province 20 or 30 years ago, the public purse shouldered a much higher share of your education than is the case for today's students.

I've also heard it mentioned that relative to other provinces, B.C.'s tuition fees aren't that bad. We're something like third- or fourth-highest among the provinces and just slightly below the national average. However, our Premier doesn't talk about mediocre when it comes to educational goals.

One of the five great goals for B.C. is to be the best-educated, most literate jurisdiction in Canada. I would be the first to support that goal, but you can't achieve it by underfunding. This system that we rely on produces the skills we need, and by raising tuition fees to levels that effectively price out thousands of potential students from low- and middle-income families, we're faced with another conundrum.

You also don't make those kinds of policy changes as your province is heading towards this looming skills shortage. In fact, sensible governments would do exactly the opposite. At a time when we know we need to increase the opportunity to enhance post-secondary education for so many, sensible governments would do a lot more to make that education more accessible and more affordable.

I know this committee is interested in solutions. I want to conclude with six suggestions that would go a long way towards fixing the problems we see in our post-secondary education system.

First, increase post-secondary institution operating grants to ensure that our public post-secondary education system has the programs and options necessary to support higher enrolments.

Second, make all adult basic education delivered in all of our post-secondary system tuition-free. As well, use targeted funding to support publicly delivered ESL or English-as-a-second-language programs for adult learners.

Third, reduce tuition fees. We support a proposal advanced by the Canadian Federation of Students, who are calling for a 10-percent reduction in current tuition fees.

Fourth, fund and use the capacity of the existing public post-secondary education system to deliver both entry-level and apprenticeship training.

Fifth, improve the student grant program so that students are not forced to take on more debt to access and complete their post-secondary education.

Finally, sixth, enable and fund colleges and university colleges to provide lower-cost university transfer

programs in their areas. That's certainly a service that the colleges have traditionally offered as opposed to the university sector.

Thank you very much for the opportunity to speak today. I would be pleased to answer any questions.

**B. Lekstrom (Chair):** Thank you very much, Jan, for coming here this afternoon.

[1700]

**H. Bloy:** I want to say a couple of things, and I'm going to ask you a question which I don't know the answer to. University enrolment's up — 425,000 full-time, part-time, colleges. It's the highest it's ever been. In trades training, there's over \$90 million invested. We've gone, in apprenticeship training, from 14,000 to 29,000. We have employers who are now 8,000-something versus 6,000 employers three years ago — training tradespeople.

There are not as many graduating because they're working, but the difference I hear between colleges.... It's much more negative than from universities, from the faculty associations. The universities say they're going to break even next year. So why did your school lose all those programs? There must be some underlying reason why it happened. It can't be all from the cutbacks, because if you had the student enrolment, it would happen.

**J. Mastromatteo:** I think to answer your question, this year we did see an increase overall in enrolment by 2.2 percent. However, our enrolment had been declining since 2002. Our concern is not just funding but a concern shared by students, and that's tuition increases. Particularly in a time....

**H. Bloy:** We have capped tuition. There's a freeze on it.

**J. Mastromatteo:** But not in 2002.

**H. Bloy:** No, but we had to catch up. But we're not here to debate.

**B. Lekstrom (Chair):** No, we're not.

**B. Simpson:** With respect to the funding approach, and we're hearing this from other locations.... The funding formula for offering the non-university transfer — you know, the bums-in-seats kind of approach — has been raised with us as one of the reasons why it's difficult to offer programs that have high operating costs.

You've listed a bunch of programs that strike me as programs that have high operating costs that are not necessarily taken into account in the funding formula. Is that part of what's going on here? If so, has CNC done any work around an alternate model for funding programs that have those high operating costs?

**J. Mastromatteo:** I can't speak on behalf of the college administration, but certainly I can answer your question with a positive yes.

Those technology programs, in particular, are high-cost programs. When we're funded per FTE student, it doesn't cover the cost in those higher-cost programs. I think that had much to do with the college administration and board's decisions to close programs in the technology areas.

**J. Kwan:** Thank you for the presentation. It was interesting. Earlier we actually got the Chamber of Commerce presentation from Prince George that also, amongst many things, recognized the need to invest in students.

For your particular school, some of the programs have been eliminated. Those programs — do they cost more to deliver because of the specializations of those programs, which I know is the case in my own college in my own community, for example? I'd like for you to provide that information to the committee.

The second piece to that is on the issue around funding that you think is required for your college. What kind of funding requirement are you seeking for the Finance Committee to consider for you to be effective in providing education opportunities for everyone?

**J. Mastromatteo:** Maybe to answer the second part of your question first — and I don't have the figures at my fingertips — the idea would be to go back even to the early 1990s where funding was much more significant and was linked to things like the cost of living and inflation.

In essence, we've lost funding because of the increased costs. I guess to connect that to the first part of your question, it put expensive programs in increasing jeopardy. At the same time, we're faced with this very odd situation where those are exactly the programs that are in the highest need right now.

**J. Kwan:** Is it possible for you to provide that information in writing to the committee at a later time?

**B. Lekstrom (Chair):** I was going to ask Jan that upon closing. We have one more question, and then I'll ask her. Good idea.

**D. Hayer:** Jan, thank you very much for your presentation. It's a very good presentation. I used to serve on the board of governors for Kwantlen University College in the '90s until the 2001 election. I have four kids — three of them are post-secondary, so I can understand — and they all work part-time, because there are a lot of jobs available.

[1705]

My question is.... There have been 25,000 new spaces created with this government that will be finished by 2010, and most universities and colleges.... Do you think that was a good idea, to create 25,000 new spaces, or do you think it's too ambitious?

**J. Mastromatteo:** I think, in general, it's a wonderful idea, but the idea is you have to adequately fund those spaces. Otherwise, you face program cuts, as we have, in order to try to maintain comprehensiveness at a college. Boards have been forced to look at skyrocketing

tuition increases. So, yes, the increase in seats is fabulous, but they were inadequately funded.

**B. Lekstrom (Chair):** One final from Richard for clarification, and then we must move on.

**R. Lee:** I just wanted to see if you can clarify the 2.2 percent increase in enrolment this year. Is that including foreign students? How many foreign students do you have, percentage-wise?

**J. Mastromatteo:** Well, that's a good question, and I can't answer that off the top of my head, because I run the risk of being inaccurate. We do have what's been a growing English-as-a-second-language program, and the majority of students enrolled in that program are international students. But I don't think they're counted in the overall numbers. That would be my answer to that.

**B. Lekstrom (Chair):** Well, Jan, possibly just before we close.... If you have the opportunity with your presentation to get it to us in writing, it would be very much appreciated.

**J. Mastromatteo:** Certainly.

**B. Lekstrom (Chair):** If you could include the information that Jenny has spoken about in her questions, as well, and if it's possible for what Richard has raised here, that would be very much appreciated. I thank you for taking the time out of what I'm sure is a very busy schedule.

Our next presentation this afternoon comes from the College of New Caledonia Students Association. Joining us are Rob Mealey and Valentine Crawford.

Welcome.

**V. Crawford:** My name is Valentine Crawford, and with me today is our resource coordinator, Rob Mealey. Once again I appreciate the opportunity that you've given us to present to you. I know that we've presented several times in the past, and this year is no different. Our goal here is to make post-secondary education more accessible for all the students in B.C.

We've had the pleasure of presenting for many years, and I'd like to start by briefly describing a little bit about our association. Our association represents approximately 4,500 students now. That's down from 4,900 last year that we reported to you. We represent Quesnel, Burns Lake, Valemount, Mackenzie — and I found out there's a little one in McBride, too, as well as Fort St. James. Those are our campuses, and we finally have started reaching out to them.

People attend CNC because not only it's the centralized, comprehensive college in the north, but it's our home. That's why we get a lot of the students from our community. However, it has become apparent that many individuals in the community can no longer fully realize their dreams and reach their goals. On September 1, 2006, StatsCan released a report regarding tuition fees across Canada. An undergraduate student enter-

ing classes this year is now paying triple the average of tuition fees since 1990-1991.

The report also noted, in particular, that British Columbia had lifted a six-year tuition fee freeze in 2002-2003, after which there were three years of double-digit increases. As seen at other institutions starting in 2002, tuition fees at CNC rapidly increased — in our particular case, by approximately 98 percent. This skyrocketing increase is tragic, as this has prevented many British Columbians from attending public post-secondary education colleges and universities to give themselves a better future.

[1710]

The updated charts that Rob will be presenting in a minute show that enrolment at CNC is continuing to drop. This trend is not surprising. As we have warned this committee in the past, for several years: once fees go up, more and more students are shut out from post-secondary education and no longer are able to afford it. For most cases now, they're not willing to take on the debt load that is required to obtain a post-secondary education.

**R. Mealey:** Good evening. Thank you for allowing us to present again.

I just want to walk the committee through the set of charts that is on the mostly green paper — we had a recycling issue earlier — to explain really quickly why we're claiming that enrolment is down again when the faculty association just reported it was up.

Until yesterday college estimates were that enrolment was stabilizing and increasing. However, as of yesterday the college revised its estimates. Although this is still an early number and has yet to be verified by the college over the next couple of weeks, the college is now estimating an enrolment drop of between 4 percent and 6 percent, which is basically the same as the 6 percent, on average, drop we've seen over the last few years, since 2002.

The first chart I'd like to walk the committee through, actually, just to make the point.... The first one — enrolment levels, all CNC campuses. The 2006-2007 and 2005-2006 numbers are still being verified by the college, but as you can see, starting from 2002-2003, which is when the tuition fee freeze ended, tuition increased — in our case, 35 percent. You can see that enrolment has been dropping steadily, as we've told this committee in the past.

Enrolment was at a high of 5,780 full- and part-time students. We're now down to an estimated 4,391. That's approximately a 24 percent drop in enrolment over the last six years or so.

[B. Ralston in the chair.]

That chart is a chart you've seen before, which we've updated. Since the committee was here last, we've actually modified our charts, and we've done more research. We want to give a couple of examples of specific campuses. We picked the two largest campuses for CNC.

The next chart is enrolment levels for the Prince George campus. You can see it is a particularly huge drop in this coming year, if these numbers are correct. Again, the college is still verifying them. But if the enrolment drop as estimated by the college is correct.... As you can see here, only last year we had about 3,700 students, but now, according to this, we're at 2,500, just for the Prince George campus.

The Prince George campus actually has not had as huge changes in enrolment as other regional campuses. The Quesnel campus is the second-largest campus in the CNC system but is considered a regional campus because it's smaller and doesn't have as many facilities. There we can see major differences over the last couple of years.

The chart for the Quesnel campus, you'll notice, increases greatly, because there was an influx in Forest Renewal B.C. dollars for workshops then. Enrolment stabilized around the end of the tuition fee freeze but has been dropping somewhat since. In 2001-2002, the last year of the freeze, enrolment was about 446 individuals, full- and part-time. We're now down to just over 250 full- and part-time.

As we've been explaining before to the committee, this is directly linked to tuition fees. Really quickly, just to show where tuition fees are compared to where they should have been with the rate of inflation — these charts here. We have been also focusing, particularly, on trades, because one of the questions from the committee last year was: how are trades tuition fees being influenced? This was one, in particular, that I want to point out.

For an average welding student, full-time, tuition fees were about \$1,121 in 2001-2002, according to the College of New Caledonia. As of this year, tuition fees for the same class — and there has been no improvement to services or equipment; it's the exact same class and classroom — are now costing \$3,060.

[B. Lekstrom in the chair.]

The change in enrolment has occurred at exactly the same time as tuition fees have gone up in B.C. Tuition fees at CNC, as Valentine has mentioned, has gone up 98 percent. And at some institutions, such as North Island College, we've noticed tuition fees have tripled. The effect is the same: enrolment is dropping at the same time that tuition fees have gone up.

[1715]

**V. Crawford:** We still hear the suggestion that maybe enrolment has dropped because more people are working. This is simply not the case. Yes, the reality is that there is a boom in jobs; however, these are minimum-wage jobs. The rising cost of living has impacted one's ability to afford a post-secondary education on top of feeding oneself.

British Columbians here in the north and across our great province need the opportunity to succeed and participate in building a strong local, provincial and national economy. One great step that the government

decided to do was to cap tuition fees at 2 percent and recently to include that 2-percent cap on ancillary fees that are mandatory by the institution. This cap has shown students across many institutions how important they are to the government and to our province.

However, now is the time that the province needs to take further steps to reduce tuition fees for fall 2007. A reduction of at least 10 percent will cost the provincial government \$92 million, which in turn will save individual students across the north hundreds of dollars a year. Reducing tuition fees and making it easier for people to get a post-secondary education is vital for the long-term investment of the province and makes an immediate impact. Otherwise, people here in the north will be behind during this economic boom.

As we all know, B.C. is facing a shortage in skilled tradespeople. While the tax-credit program is a sign that the government recognizes there is a problem and steps are being taken to address the issue, it fails to recognize B.C.'s colleges and college-university system. It is colleges like the College of New Caledonia and Northwest Community College that provide the north with the skilled tradespeople in our communities.

The shortage in skilled tradespeople is a challenge for not only the north but for B.C. in general, as we are also seeing a shortage in health sciences, such as doctors and nurses. At the same time, wait-lists at the colleges and the universities have limited seats to fulfil those waiting lists.

Post-secondary education also has a direct impact on our region. In 2005 Initiatives Prince George released a report called *Economic Impact of Public Post-Secondary Education in Prince George*. You will find a copy of it in the packages given to you. The total direct economic impact for 2004-2005 was \$721,449,510. That was CNC and UNBC students, teachers, alumni and currently enrolled students spending that money in our economy.

One minute?

**B. Lekstrom (Chair):** Roughly.

**V. Crawford:** Okay. I will leave it at that, then.

Our recommendations are (1) increased funding for post-secondary education and reduction of tuition fees by 10 percent for next year and (2) elimination of tuition fees for adult basic education. Implement a system of non-repayable grants in B.C. that provides upfront funding, and increase per-student funding to all post-secondary education institutions.

Also, before I end, we held a campus meeting last week and presented a petition to our members. In a period of one hour, 216 students signed this petition, which we are presenting you with today.

**R. Mealey:** Really quickly, the petition calls on the committee to call on the Minister of Finance to allocate at least an additional \$100,000. The College of New Caledonia is looking at increasing tuition fees again for next year by 2 percent, which would equate to between \$80,000 and \$100,000. So at a minimum, to freeze tuition fees at CNC.

The petition also calls on the government to increase operational funding for the entire system. We're also calling on the B.C. government to work with student unions, faculty unions, support staff unions, college and university administration and municipal governments to lobby the federal government for increased transfer payments for post-secondary education and other social programs.

[1720]

**B. Lekstrom (Chair):** All right. Well, thank you, Valentine and Rob. It's a great deal of information in a short period of time. We have about two minutes left. I'm going to begin. I have a list of questions coming.

**D. Hayer:** I have four kids in the school system — one in high school and three in post-secondary. One thing. When I served on the board of governors at Kwantlen University College, the government had frozen the fees. There was no extra money coming. We kept cutting the number of classes. Most of the students I talked to said there were no jobs around; they were all going to school.

I'm looking at your graph. It seems like as the number of jobs created in the province goes up — right? — the number of students going to school seems to be going down. Many of them are finding jobs. You have said that at minimum pay.... I have visited about eight communities. Everybody said they can't find people for high-paying jobs — \$15, \$20 an hour, which isn't too different.

Do you think that the 25,000 spaces the government is creating over the next ten years and also the doubling of doctors and the 50 percent increase in the number of spaces for nurses were good things to do, or do you think we should have done something different with that money?

**V. Crawford:** I'm actually glad you brought that up. It was further in my presentation. But anyway, our reality here at CNC and UNBC is that out of those 25,000, we're only getting a thousand up here, and we have to share those between the two institutions. We are still unclear on how the division of those seats is going to occur. The other issue we have run into is that they are only being partially funded.

Again, they will meet some of the needs, but we don't know how. That's all I know about it at this point.

**B. Simpson:** Terrific presentation. Thanks for the visual aids that we've got here. I'm just going ask for two more things, if you've got the resources to do it. I know you've done this with limited resources that would have helped address some of the questions that are there.

First, you mentioned the wait-lists, and I'm glad you did. I think that goes to the question of: is it just a whole bunch of people getting jobs? Wait-lists, actually, speak to that — if they're sitting there waiting to get into the program. So it would be nice for us to know, if we can get those figures, what the kind of numbers in the wait-list might look like.

**V. Crawford:** I can get those, and I can say offhand that CNC alone has a high wait-list in trades.

**B. Simpson:** Okay. That's one. The second one, on the breakdown for the trades would also be very helpful, because there's quite a difference in the regional campuses. I'm aware, for example, that the welding course offered in Quesnel is almost \$3,000 more than what's costed here. That's a significant burden in those smaller areas. So if you could do the same thing as you've done for the others but give us a regional look there, then we know what's happening in those smaller communities. That would be very helpful.

**R. Hawes:** I come from a banking background. You know, I understand that investment in any kind of an educational program is exactly that — an investment. So I'm trying in my mind to envision.... The 10 percent cut you're talking about is about 280 bucks a year per student. I'm trying to envision which student would give up his education for \$280 a year. I can't fathom.... I'm sure all of the people who are going to your college understand they're making an investment in themselves. I'm just trying to figure out how \$280 a year per student would stop the reversal you're talking about.

**V. Crawford:** Can I quickly answer that?

Two people walked into our office today and emptied out their lockers, and they left school because of their financial burden. Unfortunately, we were unable to get their names, as they wouldn't provide any information, because they were embarrassed. That's the type of student. We see it on a regular basis. When we presented last year we had two members come in prior to this presentation and say the exact same thing.

**R. Hawes:** Then I guess it's just down to the \$280 a year you're talking about. Would that change that?

**V. Crawford:** It does make a substantial difference between whether or not you can afford to eat.

**R. Mealey:** Our campus food bank simply cannot handle the load anymore. We have to refer students to off-site food banks. We have a number of students who can't even afford basic services like locker rentals or what have you on campus. Even a hundred dollars would go a long way for a lot of students, just to be able to afford to survive — bare-basic food, a bare-basic place to live and bare-basic school supplies.

[1725]

**B. Lekstrom (Chair):** Well, Rob, Valentine, again, it's a short period of time. Just in closing, I think the 25,000 seats that are being developed by 2010.... I think there are about 14,000 now, ballpark, that are fully funded additional seats.

I know that you'd questioned that, and hopefully that helps. But I appreciate you taking the time to represent the people who have asked you to come forward on their behalf. So thank you for your presentation.

Our next presentation this evening, or late afternoon we could say it is, is from both Initiatives Prince George and the Prince George Airport Authority. Joining us are Gerry Offet and Stieg Hoeg.

**S. Hoeg:** Just while we're getting set up, I will hand out some nice pine beetle-kill business cards that will illustrate some of the uses that we have....

**A Voice:** Oh, you mean denim wood.

**S. Hoeg:** Denim wood.

**B. Lekstrom (Chair):** His Worship has done a good job in Prince George of promoting that, hasn't he?

**S. Hoeg:** He's an intimidating force.

**B. Lekstrom (Chair):** Welcome to the committee.

**G. Offet:** This is the fourth year, I guess, that I've had the opportunity to address this august group. Things have changed significantly for north central B.C. and northern B.C. in those four years. To some extent, we're going to talk about some good news, but we're also going to talk about some clouds on the horizon. They're not just clouds that are going to affect us; they're going to affect your income stream.

We think that it's imperative that the province assist us in addressing these issues. I firmly believe that you're as addicted to the resource revenue that flows south as we are to the jobs and the business opportunities that come out of that resource revenue.

All of the economic indicators for our region — housing starts, new business creations, building permit values, employment rates and unemployment rates — say that we're doing so much better. Our success is British Columbia's success. The forecasts for the future look even better in northern British Columbia: pipelines, oil and gas development, mining, port and intermodal facilities and manufacturing. The major projects inventory keeps climbing, and only part of that is construction cost estimates climbing, but it's in the \$10 billion to \$20 billion range at the present time.

The private sector is driving this. New companies are coming to British Columbia. Capturing these opportunities can provide a sustainable revenue stream to the province and diversify all of our tax bases. We have to build on these opportunities and capture the wave of investment interest in northern British Columbia, which is unprecedented.

There is a cloud on the horizon, and that cloud is human resources. The prevailing growth theory in Prince George and most of northern British Columbia has been that if you created the jobs, they would come. They're not coming.

[1730]

It's certainly not helpful to see the province funding job fairs, where they come to our communities to assist companies in enticing people to other communities in the province. That isn't addressing the problem. A

lost skilled job in Prince George is a lost skilled job, whether it goes to Fort St. John or it goes to Fort McMurray. It's still at one of the Forts, and it's not contributing to our economy. We believe that it's imperative that you partner with us and address the worker shortage.

The worker shortage — you'll hear more about it from the construction association — ranges from skilled workers to labourers to retail workers to service workers. It is across the board. Investors tell us that until they can know with some certainty that they'll be able to open the plants they're planning to build, they can't make the investment commitment. It's that uncertainty that we're facing and that lack of opportunity which will result in reduced tax revenues.

This is not an expenditure. This is an investment in a future revenue stream. Certainly your member who comes from a banking background will understand the difference between an expenditure and an investment to secure even more revenue.

We have to accelerate the rate at which we deal with the first nations issues. As probably most of you know, this region is dependent to a fair extent on the mining industry, and we've currently got a mining project in northwestern British Columbia that's in the throes of a dilemma. The joint federal-provincial environmental hearings are about to start. We have the first nations on one side, the company on the other side and the communities that benefit from this economic activity caught in the middle.

We have to address the electrical power issue. Just saying that we intend to address it does not provide the level of confidence in our ability to service the industries that we're trying to attract, under the current circumstances. We're already a net importer of power. The reality is that northern British Columbia is an industrial area of our province, and you don't build an industrial economy on imported energy sources.

The province has an opportunity to partner with us and realize on these opportunities if it makes the investment in recruitment and retention of human resources, both out of the province and internationally. On the international side, the current success in attracting immigrant investors from Asia to the communities in the lower mainland does not build our resource economy. It's important that we focus on recruiting the type of immigrant that is needed throughout the province. If you ignore the revenue-generating regions of your province, you're going to have all restaurant patrons and nobody in the kitchen preparing the food.

Transportation infrastructure is growing at a good rate, but I think that we need to show long-term commitment and dedication to our highways, our ports and, particularly, our airports in order to ensure that investor interest is converted into investor commitment.

[1735]

We would suggest strongly that the export tax from the implementation of the softwood lumber agreement should be reinvested in the areas in which the revenue is generated and in diversification projects and infra-

structure that will sustain our economy and not let it suffer.

We think that key programs such as the transportation partnership program with the Ministry of Transportation must be enhanced. The economies of Alberta and British Columbia, particularly in the northern tier of Alberta and British Columbia, are moving at such a pace that if we want our share, we're going to have to be there.

With that, I'll turn the rest of our time over to Stieg.

**S. Hoeg:** Apparently, that's less than five minutes.

**B. Lekstrom (Chair):** I think I could stretch it to a full five for you this evening.

**S. Hoeg:** Thank you, Mr Chair and committee members, for this opportunity.

I'd like to highlight an opportunity, a specific project that has arisen out of the corridor project, which basically is driven by the Prince Rupert port and the flow of logistics through Prince George and the corridor through to Chicago.

One of the largest cargo operations in the world is based in Anchorage, Alaska. Primarily that's due to a convenient location that attracts cargo aircraft going overseas, servicing the United States and Asia. They refuel en route to maximize their payload. That particular port is very congested. It has incurred a lot of delays. They're encroaching on one-hour delays per flight, and that's very inconvenient to a number of operators. There are many different cargo operators looking for alternatives.

Unfortunately, due to the range limitations, there's a limited number of airports in North America which can service this market. In fact, Prince George is likely the most convenient and most practically located airport to take advantage of that, with a minor investment.

What we have done in the last few years is explore the opportunities, and we've discovered that in the long-term 20-year picture or horizon this particular market will continue to exist. It's not as sensitive to fuel as you might expect. Cargo growth is phenomenal. Anchorage grew at 14 percent last year. It's growing at eight times greater than world GTB — the cargo growth in aviation. The mix of fleet — the 747-400s that are coming on board — will remain for about 20-plus more years.

We've looked at all those factors, and we've decided that our business case is rather strong. Anchorage has about 60,000 aircraft movements a year. We need to attract about 1,000 to 1,500 of that. They grew at 14 percent last year, and that's projected to continue to grow for the next many years, so over the next ten years we have to attract 1 percent of that growth to make our business case a reality.

What's going to happen once you attract these types of tech stops is that because of our convenient location on the corridor, it will then be able to grow other opportunities, such as transshipments, where you move cargo between aircraft or cargo between other modes.

We have spoken to many of our different industry partners and discovered that the airlines have large appetites for this type of opportunity. We've also discovered that some of the businesses associated with cargo — the logistics companies, the warehousing — are also very interested in this particular location.

I have included in the package an economic impact analysis which we did, based on a very, very reasonable business case of about 1,000 to 1,500 aircraft a year, and it shows we'll generate over 200 to 300 jobs annually — good, high-paying jobs.

As I said, we're very competitive. We have no congestion in terms of airspace, no noise restrictions. We have adequate access to other modes of traffic. Certainly, the four-laning south helps our business case tremendously — the access to the rail corridor and the container port.

Every gateway in North America has an international airport associated with it. Right now that international airport is Edmonton. If B.C. wants to take advantage of this corridor, it needs to invest in this particular project.

[1740]

We have, as I said, done intensive, extensive industry discussions over the last six months. We have likely met with about 30 airlines, and without exception, they have signed off on this project. We're just starting to get the letters of interest, but we have two letters of support from the two largest air cargo companies in the world: FedEx and UPS, who see some of the benefits of this particular program. In addition, I have just done preliminary discussions with industry, and I have about \$60 million worth of private investment ready to come on board and invest to take advantage of some of these growth possibilities.

This particular project started out originally as a tourism project. Because of the smaller numbers of aircraft associated with tourism and charter business — in particular, servicing Britain and Germany — it wasn't practical to build a runway long enough just to handle those aircraft. So we'll have to extend it to bring in the cargo aircraft, which bring incremental revenues. But we are talking right now to two German carriers who are prepared to come into this region, thus growing tourism once we have a longer runway. It's not a market we would go after by itself, but it's certainly an added value to this particular project, which would help us diversify and grow existing markets.

We do need partnership funds. The reason for that is that we're a very small business, and we can't afford to assume this risk all by ourselves, because most of the benefits accrue outside our fence. Most of the tourism operators and logistic companies and most of those freight and cargo carriers are outside the fence.

Without further ado, I hand it back.

**B. Lekstrom (Chair):** Thank you very much. You've put a great deal of information into that 15 minutes and 30 seconds, actually. It doesn't leave any time for questions from members, but our key job here is to listen to the ideas that are brought to this committee for our consideration in the development of our reports.

**S. Hoeg:** Well, you do have my wooden card.

**B. Lekstrom (Chair):** I do. Have a great evening.

Our next presentation this evening is from the city of Prince George, and joining us to present is Councillor Don Zurowski.

**D. Zurowski:** Good afternoon — and rapidly becoming evening.

**B. Lekstrom (Chair):** Hi, Don. How are you?

**D. Zurowski:** I'm very well.

On behalf of the citizens of Prince George, I would like to welcome you back to the city and thank you for the opportunity to make this presentation to the select standing committee.

This afternoon, Mr. Chair, I would like to present three main areas of concern for the city of Prince George. The list could be longer, but these are the points in the allotted time.

Issue 1: transportation infrastructure. The city of Prince George has an immediate need for road and bridge rehabilitation funding. Prince George appreciates that the Union of B.C. Municipalities has entered into an agreement with Canada and British Columbia to establish a community works fund to transfer a portion of the federal gas tax revenues to local governments.

The community works fund agreement between the city and the Union of B.C. Municipalities estimates that from 2005-2006 to 2009-2010 the city's gas tax allocation will be approximately \$7.78 million. Prince George's road and bridge rehabilitation funding challenge would be mitigated if the city could use some of this allocation for road and bridge rehabilitation. The city recommends that for the tier 1 communities, the community works agreement be amended to include rehabilitation of roads and bridges as an eligible project category. That's a reallocation, rather than an increase in funding.

Additionally, in a February 24, 2006, news release Minister of Transportation Kevin Falcon announced that the ministry would be investing \$30 million a year for the next three years for the rehabilitation of interior roads affected by the increased number of logging trucks carrying beetle-infected wood. Minister Falcon said: "The increased heavy truck traffic means portions of the highway road structure will require resurfacing much sooner than originally planned."

[1745]

Also in the release, Prince George MLA and Agriculture and Lands Minister Pat Bell said: "We recognize that the impact on our roads is a consequence of an increase in the cutting of pine beetle timber. That's why we believe it's important to take steps and commit funds to ensure that the impact of the pine beetle epidemic does not affect the safety of our roads."

Like the interior highways, the increasing number of logging trucks carrying pine beetle wood has adversely affected the city of Prince George's roads. The city recommends that a portion of the above-mentioned \$30 million a year be allocated to the city of

Prince George for the rehabilitation of municipal roads affected by the number of logging trucks carrying pine beetle-kill wood.

Issue 2: the beetle epidemic and fire hazards. The mountain pine beetle epidemic has killed the vast majority of the city's pine forests. There are extensive stands of red, dead pine trees which have significantly elevated the forest fire hazards within B.C. and certainly the city. The majority of the city parklands, greenbelts have been impacted. Mitigating this national disaster includes tree and stump removal, site remediation, new park design plans and replanting, with the cost to the city: \$330,000 in 2004, \$800,000 in 2005, \$800,000 in 2006 on city lands alone.

We appreciate the \$1.2 million the province has provided the city to manage the province's forest Crown land in the city with respect to the beetle and fire issues. We also appreciate the community forest agreement between the province and the city has been approved. However, the city will require significantly more funds to manage the infested forest on yet untreated city-owned lands. With Prince George being Canada's largest urban forest, the risk of increased fire hazard resulting from the epidemic must be dealt with in a proactive manner.

This is not just a municipal government problem, as residential property owners face the same problem. Residential property owners' safety is also at risk because of the dead and dying pine trees. Many residential owners including seniors and those on fixed incomes cannot afford the tree and stump removal.

The following resolution was adopted by the Federation of Canadian Municipalities national board of directors at a meeting of March 2006: "Be it resolved that the Federation of Canadian Municipalities will request the federal government enhance the current beetle support programs by developing a comprehensive beetle strategy and funding support package for local government."

The city of Prince George asks that the province of B.C. work with the federal government to ensure that funding is provided to the city and its residents to cover the complete process from removal of dead, infested trees to replanting to ensure safety and fire hazard reduction and that quality of life is maintained within the city.

Issue 3: an economic opportunity, pine beetle epidemic and the economy. Prince George is the centre of the province's forest and major biomass supply. Through milling residues, logging debris and non-forest biomass potential on a global basis, the biomass supply in this area exceeds most jurisdictions. The increase in cost of fossil fuels, close proximity to major biomass resources and the existence of proven and emerging biomass-based technology, together with Canada's Kyoto strategy, provide a rapidly growing potential to locate a viable bioenergy centre in Prince George. There's a ten-year window of opportunity during which a surplus of biomass supply and enhanced fibre sale from this area, if properly managed, could contribute to a bright future for the city and the province of B.C.

The additional timber harvesting revenues and a portion of the \$100 million received from the federal government to mitigate the effects of the pine beetle

epidemic would assist the funding and the production of bioenergy in Prince George, helping to alleviate the provincial deficit. Financial support for the proven cogeneration of electricity and heating of pellet production for sale should be the first move in this direction.

Financial support should also be provided for the plant construction and, in partnership with UNBC, bio-oil and biogas research program development. Infrastructure in these emerging technologies would provide a platform for the city of Prince George to benefit from the renewable bioenergy as an internal energy and revenue source. Proceeds with this direction now would also provide the opportunity to select species for replanting that would provide fibre for bioenergy after the beetle, when the fibre and biomass supply will be reduced. Selecting the species now would ensure the continued supply required for, and the bright future of, bioenergy and energy production within this region.

[1750]

The city of Prince George recommends that the province quickly refine the mountain pine beetle emergency response of the Canada-B.C. implementation strategy and inform municipalities of the application process for funds; additionally, encourage B.C. Hydro to give preference to biomass-based cogeneration projects and green energy calls for proposal; and remove the barrier that allows industrial customers to sell power to themselves but that does not allow municipal customers to sell power to themselves. The above would assist the city of Prince George to achieve its potential to become a community that successfully provides environmentally beneficial energy products, green electricity and sustainable non-timber forest revenues to this region and province.

This concludes my presentation, and I would like to thank you for the opportunity to provide my comments. I look forward to receiving the continued commitment from the province of B.C. as we advance this region. Thank you.

**B. Lekstrom (Chair):** Thank you very much, Don, for coming before our committee. We thank you for the warm welcome we've received here in Prince George.

I'll begin with Bob for questions.

**B. Simpson:** Thanks, Don. I appreciate that — lots of ideas in there. You and I have had discussions about the future of not only this community but of other communities impacted by this.

One of the cases in particular, when I was here last time, was the Cameron Street Bridge as an example of a bridge that has to be taken out because it was never built for the kinds of loads that are coming on it. Estimates that I've seen are that your municipal infrastructure's looking at logging truckloads of 300,000 or so — those are the numbers that are being bandied about — by 2009.

There are great ideas in here, but it would be very helpful if we had a sense of what kinds of numbers the city might be looking at. For example, of the \$30 million assigned to road infrastructure, what kind of numbers is the city of Prince George looking at? That



may help us understand what we may be looking at in other communities. Do you have a sense of that, and is there a possibility of us getting that next little layer of detail on some of these things?

**D. Zurowski:** Absolutely. Certainly, the city of Prince George is prepared to take up some debt with the Cameron Street Bridge, remembering that it's a rather unique situation. It is, in many ways, an industrial bridge. It handles other traffic as well, but if we look at the history, in a weak decision by a council many years ago, they accepted that bridge as a gift from the provincial government. What they, in fact, accepted was a liability which is imperative to the community and the region's transportation infrastructure.

The city of Prince George is prepared to accept a third of the responsibility for rebuilding that, with some adjustment to existing programming. Like the gas-tax revenue, we discover a piece of it. Also, the \$30 million that the provincial government so astutely assigned to road infrastructure being invested in rehabilitation on roads impacted by the beetle infestation.... They put a clause in there that was too limiting which did not allow local government participation, and it should.

We know we have to inherit a lot of municipal debt to replace that bridge, and we're prepared to do that for a third, which is just under \$8 million. That means \$8 million from you folks and \$8 million from your federal counterparts. Is that enough, Bob?

**B. Simpson:** There's more to it than that. If you could give us a sense of what you are looking for when you talk about some money from that \$30 million.

**B. Lekstrom (Chair):** We're going to have to be relatively quick. I've got a list of speakers.

**D. Zurowski:** Okay. There's more to come on that. I will get you one.

**B. Lekstrom (Chair):** We try and limit it to one question. If we run out, we'll go back.

**R. Lee:** Can you clarify? You mentioned that B.C. Hydro doesn't allow municipal customers to sell power to themselves. We know that with power generation all over the place, the transmission lines are very important infrastructure and also policies. I don't understand why there's this graduation.

**D. Zurowski:** There's a term that's used in the distribution of electricity called "wheeling." Quite dissimilar from the private sector, they often consume the power at the source of production. In other cases there have been agreements and changes in hydro policy, where they can distribute that power to other plants using the hydro grid.

In local government, for example, if we develop a community energy system, Hydro will not redistribute that power to other municipal facilities within the city. If we had a plant in an industrial area, which we're

very interested in doing, they would not distribute that power to the aquatic centre, civic centre or city hall or any municipal facilities.

[1755]

That, to us, is simply a policy issue that would contribute to the reduction of the 14-percent electricity deficit that we have in this province. Flexibility in power distribution through Hydro would be very productive.

**R. Hawes:** I'm following along with the same part of your recommendation. That's with respect to the biomass cogeneration.

I'm just wondering: what are you doing with your putrescible waste stream here? If this were to be allowed and if you were to build such a co-gen plant, would you be looking to move your waste stream into that co-gen plant? I'm asking that partly because, as you may know, GVRD is struggling now with what they're going to do with their waste. It just seems to me that that is perhaps a solution.

**D. Zurowski:** You're right in the fact that our regional district's landfill is extremely innovative. We have a very strong composting program. It's environmentally strong. We are flaring the waste right now rather than using it.

We have other things under discussion for that site, such as greenhouses and hothouses, that the regional district is looking at. It's not the best location for a community energy system — too far removed. But we want to address the waste there, in the long haul.

Biomass is where the real opportunity is in this region — a tremendous amount of wood waste. It can be capitalized on, starting tomorrow, if we had the facility. We have a plan. We need a federal and provincial partnership.

**B. Lekstrom (Chair):** That brings us to our 15-minute mark, Don.

I know there are a number of other questions. I encourage the members, if they could, to dialogue with Don following the meeting or at a later date.

I want to thank you for coming out and representing your city and bringing your ideas forward for the Finance Committee here this evening.

**D. Zurowski:** My privilege. Again, welcome to B.C.'s northern capital.

**B. Lekstrom (Chair):** You're trying to get the Chair going, are you, Don?

Our next presentation this evening comes to us from the Northern B.C. Construction Association. Joining us is Rosalind Thorn.

Good evening, Rosalind.

**R. Thorn:** Good evening, Mr. Chairman, members of the committee. I again welcome you to our fair city. I'd like to thank the committee for the opportunity to participate again in your prebudget consultation. I'd like to take just a moment to introduce to you our association and also our affiliations.

Northern B.C. Construction Association is an umbrella organization of seven locals operating throughout northern British Columbia — Fort St. John, Dawson Creek, Terrace-Kitimat, Smithers, Williams Lake, Quesnel and Prince George — as well as a plan room in Prince Rupert. We represent about 260 member firms, both union and non-union.

Those firms operate as general and trade-specific contractors, as well as manufacturers and suppliers, who are involved primarily in what we call the ICI sector of the construction industry — industrial, commercial and institutional — although there is some crossover to the residential sector, particularly in the smaller communities outside of Prince George. Our members are responsible for putting into place the infrastructure of the province, whether that's civil, earthwork or building construction.

We are one of four regional associations that comprise our provincial organization, called the British Columbia Construction Association, which is the largest and most inclusive construction-related organization in the province, with some 1,800 members. Together we represent provincewide viewpoints.

We feel that the construction industry is a pretty significant driver of the B.C. economy. It's a multifaceted sector, building the infrastructure required for a prosperous and competitive province that plays a major role in contributing to the economic well-being.

In 2004 the construction industry contributed 5.9 percent of the province's GDP. That is more than forestry and logging, mining, and oil and gas industries combined. Our industry directly employed 166,000 people in 2005. That's more than agriculture, fishing, forestry and mining combined. We added about 40,000 to that workforce during the period from 2004-2005.

[1800]

We applaud the provincial government on the fiscal management of the province. We've gone a long way from the worst to the first province in our union. Moving forward, we need to ensure that British Columbia continues with that strong economy. Only through continuing investment in our province will we be able to maximize our revenue streams and thus be able to continue to enjoy the health, the education — of course, those are the two major areas of expenditure for the provincial government — and all those other government services that we have come to expect as society.

As B.C. continues down the road of substantial growth, the construction industry is a key partner with the province in order to realize the potential of the investment poised to occur. Currently there is some \$102 billion worth of projects, which you heard earlier, either underway or in the concept or design stages on that major projects inventory list.

What's interesting is that that represents projects that are in excess of \$20 million in the lower mainland area and \$15 million outside of the lower mainland area. When you really think about the projects we experience up here in our area of the province, the majority of them are under \$15 million. So that \$102 billion will mushroom substantially.

Increasing investment in the province translates into additional revenues. Therefore, we feel it's vitally important to invest in areas that will bring that proposed investment to fruition. Additionally, the dollars that are spent need to be done so prudently. Therefore, a review of all systems needs to be undertaken on a regular basis, not just in the actual delivery of services such as health and education but also in administration and other peripherals within ministries and agencies.

We want to continue to encourage private investment. The government is to be commended for fostering a positive business climate, and continuation of this is vital. We are in competition with many other jurisdictions for that private investment; therefore, our regulatory climate and taxation systems must be competitive.

We'd like government to continue to enhance industry training initiatives. Last year we advised you that we had applied to the ITA to approve the establishment of a construction industry training organization as the industry-driven training leader and coordinator within the B.C. construction industry.

We undertook our trades-training, fact-finding initiative to New Zealand last November and came back with a wealth of information on a similar system, as B.C.'s was being fashioned after that. We shared this information with industry and government and continue to press for the creation of CITO. I'm most pleased to advise that CITO has now been formed, the board populated and the search is underway for a CEO. We believe that CITO will become the hub of the training system for construction-related trades, connecting, aligning and integrating all the stakeholders involved and those interested in creating and retaining a skilled workforce for a changing and growing B.C. construction industry.

I mentioned earlier in this presentation the \$102 billion worth of major projects and wish to point out that about 20 percent of those fall into our northern region of the province. Looking at that, we have only approximately 7 percent of the population of this province, so it's certainly going to present human resource challenges.

Our partners in training, the community colleges, have many long wait-lists for the few trades courses available in our region. You heard that earlier from the students of CNC — 600-plus on the waiting list are for trades-related programs at the College of New Caledonia. Most of those, I believe, are for apprenticeship courses. They're technical training where the apprentices are in class for four, six, eight weeks of a year only. So those are people that are out in the workforce earning dollars the rest of the time and that are taxpayers.

We believe it's critical for government to invest in additional seats to bring the apprentices through the system in a timely manner to become journeypersons. If this situation isn't addressed, it will compound, and the system will only get further behind.

[1805]

I'm hearing now about some apprentices that are not getting their technical training for 18 months, whereas they should go to technical training once every 12 months normally through a four-year period.

If that continues, it's only going to escalate and put us further behind.

Utilization of our existing facilities should be maximized, and we believe there should be two shifts of classes run. Additionally, it's recommended that funding to provide training in the north for additional trades be considered. Not only is it costly for apprentices to travel to Vancouver and other southern locations for their technical training, but often they're poached by employers in those particular regions, and they don't return to the north.

As has been demonstrated in other career paths, such as doctors — thus the establishment of the northern medical program — the individuals that get their training tend to remain in the area that they were trained in.

The province of B.C. requires a solid population base in the north not just to support the establishment of the proposed business developments — the construction of them — but to sustain them. You heard Gerry from Initiatives Prince George talk about that.

The more of these investment developments that occur and proceed, the more revenue the province will enjoy. We feel that, again as Initiatives pointed out — we're using the same terminology — it's an investment in our future to create more revenue streams.

We certainly commend the province for introducing the training tax credit in the last budget. We feel this will have a positive effect on employer participation in apprenticeship and trades training. A few weeks ago we held a meeting of industry representatives from throughout the province, where consensus was reached that the tax credit should be applicable to all training programs accredited through the Industry Training Authority, with the proviso that industry groups have the opportunity to make application through the ITA or the pertinent industry training organization to have their particular training program recognized, rather than it just being looked at for the Red Seal trades.

The tax credit should support completions in apprenticeship and industry training, and we're really keying in on completions. That certainly has to be improved. The tax credit should be tied to payroll information.

We recommend that government work closely with industry in the development of that training tax credit to ensure direct buy-in by employers and to ensure that the tax credit hits the mark and achieves the objectives for which it was intended.

Recently the Construction Sector Council released an analysis of the B.C. construction market and the demand on a trade-by-trade basis for skilled workers projecting to 2013. The scientific analysis of labour market information indicates a huge demand for skilled tradespeople, representing some 50,000 new workers across the construction industry in the next eight years. About 20,000 of these will be replacements for our aging workforce, and some 30,000 will be required as a direct result of future economic growth in the construction industry. Those are in the skilled trades, so there are other positions and career paths within the construction industry. It's not just the skilled trades that we're looking at. Many of our members

require labourers, estimators, project managers, administration staff, etc. The numbers are huge.

We also note that in the next 12 years there are going to be about a million jobs available in the province. We only have 650,000 in our secondary school system, so we are going to have to augment that from somewhere. We believe that immigration and temporary workers are key. I'm not going to go through all of that, because I want to talk about procurement as well.

We've detailed it in the paper — our initiatives. We have an immigrant initiative going on right now, where we are identifying skilled immigrants within our communities. We'll upgrade them and then match them with employers. We do need help with the provincial nominee program, and we need to work together to supplement that.

[1810]

Gerry talked about our infrastructure. We talk about very similar issues. In order to attract that investment to northern British Columbia, we have to ensure that the infrastructure is there. Again, we are recommending, because of the added traffic with the logging trucks and the pine beetle.... Have a look at the additional dollars being brought in by stumpage, and consider having some of those dollars spent on our highways infrastructure.

We really need to ensure the fiscal responsibility of our publicly funded construction. Each year we've expressed concerns about the provincial government moving away from established, equitable, province-wide, standard tendering policies and procedures — and the standard contract that we used to have — and providing greater autonomy to ministries, agencies and local government in the expenditure of those funds.

With decentralization and no particular standards in place for construction procurement, many of these agencies have established procedures that are less than satisfactory for the construction industry.

We refer the committee to the issues raised during, I believe it was, August: the *Vancouver Sun* detailing those poor business practices and questionable tendering processes that were revealed through an audit on publicly funded municipal projects. Offside tendering practices, such as sole-sourcing multi-million-dollar contracts, simply are not acceptable, nor is the province getting the best value for the dollar that's spent.

Standard practices and procedures mean good business. They provide equity for all parties by appropriately apportioning the liability and, also, by ensuring the most transparent and accountable use of public moneys. So we really ask government to have a good look at that. We are in discussions with the Ministry of Finance, but we really believe that some proper and consistent policies need to be reintroduced.

We believe that it will bring you more tenders. In today's marketplace our contractors have a choice on what they're bidding on. There's a lot of work out for tender all at once, and there's a project with.... The budgets aren't accurate. A poor bid document, unclear requirements in the bid documents, unrealistic schedules, timing of those tenders.... Then they may not bid your work. We're hearing from some government

agencies: "Gee, we're only receiving one bid." You're not getting competitive tenders. In order to bring in and save dollars, then, we believe that you should have a good look at your processes.

Planning is also key. We've finally convinced the Ministry of Transportation that they should come out for tender during the winter months, when it still is a little bit slower for contractors, and then you're off the mark first thing in the spring. That also needs to be done for health and education projects, other types of projects.

We encourage you to continue to outsource.

I'm going to conclude — it's in our paper, Blair — and again we express our appreciation for this type of a consultation. We really do appreciate it.

We feel that with investing some of the dollars of the province in the way that we have recommended, it's going to bring you more revenue streams. By looking at some of the regulation side.... If you make some of those changes, it's going to save you dollars and bring you some more competitive bids.

**B. Lekstrom (Chair):** Rosalind, thank you very much. I know that there would be numerous questions, time permitting. But you have certainly, as I indicated to previous presenters, utilized the 15 minutes. Our job is to listen. That is what we're here for.

**R. Thorn:** I realize that.

**B. Lekstrom (Chair):** I appreciate the effort and time you've put into your presentation before our committee.

**R. Thorn:** Thank you very much. My business card is in here. If anybody has questions or needs more information, we'd be very happy to provide it to you.

**B. Lekstrom (Chair):** All right. Well, thank you so much.

For our next presentation this evening, I'll call on the College of New Caledonia, and joining us are John Bowman and Art Robin. Good evening, gentlemen. Welcome to the committee.

[1815]

**J. Bowman:** Thank you. It's a pleasure to be here. My name is John Bowman, and I'm presently serving as interim president of the College of New Caledonia. With me is Art Robin, the chair of our board of governors. I'm going to invite Art to kick off our presentation.

**A. Robin:** Do you want to wait for the remainder of the panel?

**B. Lekstrom (Chair):** No, they will be coming and going, but I can assure you that they will read your presentation if they aren't here for the full part of it.

**A. Robin:** Good. Thank you.

Good evening. As John said, my name is Art Robin, and I'm the chair of the board of governors for the College of New Caledonia.

First of all, thank you for coming to Prince George. We really appreciate the opportunity to share with you our thoughts regarding provincial funding for post-secondary education.

The College of New Caledonia is a comprehensive, publicly funded community college serving the central interior region of British Columbia. The CNC catchment area includes the geographic region comprised of Prince George school district 57, Quesnel school district 28 and Nechako Lakes school district 91. Approximately 154,000 people reside in the college region.

In 2006 CNC will serve approximately 6,000 students in credentialed programs and an additional 12,000 registrants in community and continuing education. The college employs approximately 600 full-time and part-time instructors, staff and administrators at campuses and learning centres in Prince George, Quesnel, Mackenzie, Burns Lake, Vanderhoof, Fort St. James and Valemount.

The value of community colleges is well established. Graduates from a community college have increased earning power. Local employers have access to a more qualified and competent workforce, and the province has a business sector that is more competitive nationally and internationally.

While we appreciate and will participate in the Campus 2020: Thinking Ahead initiative, action is urgently required now. Our view is that the Ministry of Advanced Education, and the provincial government as a whole, must attend to the following areas in the next fiscal year. Those areas are: the *Post-Secondary Budget Review Phase 2* recommendations, trades training and skill development, and aboriginal education.

John Bowman will elaborate briefly on our ideas and recommendations regarding each of these areas.

**J. Bowman:** Thank you, Art. The first area is the *Post-Secondary Budget Review Phase 2* recommendations. The College of New Caledonia, along with, I think, all of the other community colleges in B.C., is pleased with and endorses the recommendations made by the report *Post-Secondary Budget Review Phase 2 for University Colleges, Colleges and Institutes*, prepared by Perrin, Thorau and Associates Ltd.

The Perrin phase 2 report, as it's called, has recommended base adjustments to institutional funding. We support the proposed increases contained in the report's recommendations. These are, in particular, for the delivery of existing programs and services. We urge the provincial government to implement these adjustments to the base funding provided to colleges and institutes in 2007-2008 budget.

We also believe, as Perrin has indicated, that there are special circumstances and needs pertaining to our rural colleges and these should be addressed. We ask that the Ministry of Advanced Education continue its efforts in this area.

The secondary theme — and you've already heard it from our predecessor, Ros Thorn — pertains to trades training and skills development. We are asking for, and believe there is a clearly well-established need

for, improvement to infrastructure and operating funding in order to close the skills gap.

The public community colleges have a large and important role to play in preparing B.C.'s workforce, and equal attention to entry-level trades training and technical apprenticeships is necessary. At CNC we are working with the ITA, ITOs, local industry and trainers to ensure we help address the significant needs in this region and the province as a whole.

We all know that the province faces a current shortage of skilled workers, and the forecast calls for an even more serious shortage of skilled labour in the decade ahead. As Ros Thorn mentioned, at CNC we currently have more than 600 prospective students on wait-lists for apprenticeship courses and entry-level trades training programs. Without additional funding in the 2007-2008 fiscal year, these wait-lists will inevitably continue to grow.

[1820]

However, we believe that the following actions by the provincial government will provide some short-term relief to the problems at hand while not preempting the recommendations that we expect to come from Campus 2020: Thinking Ahead.

Our first recommendation is that there must be further capital investment in the upgrading of facilities and for the replacement of out-of-date equipment in the coming year. We recommend that an initial \$10 million be provided to the college system to fund trades training equipment replacement and upgrades. Our college's share of that provincial fund would be approximately \$530,000.

Secondly, the trades training capacity within the province's community colleges must be increased. It is recommended that an additional \$1.5 million in funding be provided to CNC to expand entry-level trades and apprenticeship training across the central interior region. We estimate the \$1.5 million we're proposing is the amount that would be necessary to eliminate our current wait-lists for apprenticeships and entry-level trades training.

The last area we'll touch on is aboriginal education. Improving post-secondary education participation of aboriginal learners is a high priority for the College of New Caledonia and, we believe, for community colleges across the province. This can only be achieved through increased capacity in programs and services, developing base funding mechanisms to increase student support services for aboriginal learners as well as looking at improvements to the aboriginal special projects fund within the Ministry of Advanced Education.

We also believe a special aboriginal trades strategy should be established to ensure that aboriginal apprentices comprise a larger portion of the total apprentices in the trade system. We at CNC are anxious to work with government, the ITA, industry and the aboriginal community in developing such a strategy.

The College of New Caledonia further recommends that the Ministry of Advanced Education establish a base funding mechanism to which institutions can apply to increase student support services and for ongoing support of initiatives that have successfully been piloted under the aboriginal special projects fund program.

The Ministry of Advanced Education should continue its recent practice of annually increasing the funds available for aboriginal special projects.

The ministry should review the project funding caps and the single-year funding limit to the aboriginal special projects fund to determine if they are still effective funding tools or whether they need to be reviewed or modified.

Lastly, we recommend the ministry work with the ITA, the Trades Training Consortium of B.C., other trainers and the community colleges to have funding from the first nations New Relationship trust directed toward apprenticeship and trades training for first nations people.

Thank you very much. I'm going to turn it back to Art now to conclude.

**A. Robin:** It is clear to B.C.'s community colleges that if the province is to maintain its strong economic position, we must look to full utilization of the potential and the energies of our entire population. This means we must find ways and means to prepare those with poor literacy and numeracy skills for productive participation in the provincial economy. In short, it is evident that within British Columbia there are several population groups who are not participating in the current strong economy and, in fact, are not able to participate because they lack the necessary skills.

The community colleges are available and prepared to help meet this challenge. Community colleges make considerable contributions to the social, economic and educational development of the people of our province. Back in the '60s when the community college movement was just beginning in the province, the colleges were often described as an institution of second chance. But today a large proportion of British Columbians see them as institutions of first choice.

Community colleges see themselves as organizations dedicated to serving the educational needs of the communities in which they are located. The overall improvement of social and economic conditions in our communities is an important reason for the colleges' existence. This is why colleges have a very close relationship with the many businesses and not-for-profit organizations in our communities. This is why many of our faculty and staff serve as volunteer members of community boards and why colleges as organizations often work with local community organizations in helping them fulfil their mandates.

[1825]

B.C.'s community colleges, including CNC, provide the province with an extraordinary return on the investment made in them by the provincial government. We are very proud of that and declare our readiness to continue to work with the provincial government and the post-secondary system as a whole to make what is good even better. Thank you.

**B. Lekstrom (Chair):** Thank you, Art, and thank you, John, for your presentation here this evening before our committee. We do have some time for questions.

**B. Simpson:** Thanks, Art, and long time no see, John. It's been a while.

The question around trades training and skills development.... We heard the students association make a presentation about some of the costs associated with that, the wait-lists, and some of the program-cut choices that were made by the college. I asked the association a question, in fact, that they couldn't answer, so I'll ask you: is part of the issue the funding formula for the colleges on that bums-in-seats FTE approach? Do we need a different funding formula for trades and technology, recognizing the differential costs in offering those programs?

**J. Bowman:** I think the answer is probably yes. The challenge the college has experienced is that we haven't seen an adjustment to base funding in many years. That's why the college system is attaching some hope to the Perrin report: it recognizes that our spending power has been eroded over the past decade. We've been forced to basically reallocate resources, trim supports and cut back on programming just to balance the bottom line. That's a big part of our challenge.

Trades training is more expensive than traditional classroom-based-type programming. We have experienced a lessening or a slackening of demand for more academic programming. Students are more interested now in trades and applied programming. But it's not a one-for-one kind of reallocation. We have to basically eliminate two seats in an academic program — or more — in order to fund a trades seat.

Yes, we think the funding for trades training needs to be reassessed and, certainly, increased.

**D. Hayer:** I used to be on the board of governors for Kwantlen University College. I remember going through when fees were frozen, the issues we had at that time — no extra funding for education — and the challenges we faced.

My question is: they say that because the economy is really good a lot of kids are getting jobs outside instead of going to university or college. On the other hand, in trades.... There seems to be a lot of demand and a waiting list. Maybe it's time to sort of take a look at taking some of the funding from where you have people who don't want to go, and provide the funding to the trades and technology with a waiting list.

I talked to one of the students in Surrey. He said he went to BCIT for a nine-month course — right? He said he's making \$60,000 a year now. So in trades, you can make very good money while spending less time learning the skills.

**J. Bowman:** I think your point is very well taken. In fact, CNC has been doing that during the past two years. We have been reducing program offerings where there are fewer students interested, and we've reallocated those dollars to add additional sections in trades training.

We don't really have empty seats at the college. We have been moving resources to follow where the student demands are.

**J. Kwan:** I guess part of that planning, long-term vision, would be to ensure that we not only have seats available and training available for people to meet the demands that are in the market now, but also with a future view to see what is needed. I worry, of course, from the point of view that if you take programs in one area for today, then tomorrow we are going to be short somewhere else. I certainly would put that on the table for your consideration.

Having said that, though, my real question — I'm only allowed to ask one — is around the Perrin Report. In fact, others have actually mentioned this Perrin Report. We as a committee have yet to see it. It seems to me there are many recommendations that we should be looking at. Do you have a copy of this Perrin Report so that we can actually take a look at it as a committee?

**J. Bowman:** We do. I don't have it with me. I'm not certain whether it's been released publicly. I suspect maybe not yet, so I didn't mention any specific numbers. But I believe it is known that the report has been made, and I would encourage you to seek it from the Ministry of Advanced Education and the Ministry of Finance.

**B. Lekstrom (Chair):** We actually have that request in now, and I believe we haven't heard back yet. It just went last week.

**J. Kwan:** I do think that is actually vital for this work. Several presentations have been made around this report. With no other details of it, I don't know how we as a committee can actually look at these recommendations and then be able to consider that for the report. I would appreciate it. Thanks.

**B. Lekstrom (Chair):** Just in closing, and we are out of time, if I could indulge you with one further question. The issue of the trades and apprenticeship training that we talk about, and the trades seats.... Right now I understand that there are roughly 600. I think that's the number that I've heard here this evening, and that if there were more seats we would be able to put more people in.

[1830]

There are colleges around the province that do have openings in some of those trades training seats. Give me your thoughts briefly, if you could, on assigning students to these seats. It seems to me that if you have an opening over here, and you have a lineup over there, it would make sense that these people, or some, may go to another institution for that training. Have you put some thought to that?

**J. Bowman:** I think that probably does occur on a limited basis. Geography and the cost of being away from home is obviously a major barrier, particularly for people who are working and have families. We really think that expanding access across the province where the demands are, is the solution. I'll just leave it at that.

**B. Lekstrom (Chair):** All right. Art and John, I want to thank you again for coming out and putting your

ideas forward to our committee. Certainly, they will be given full consideration.

Our next presentation this evening is from the People's Action Committee for Healthy Air, Prince George. Joining us is Betty Bekkering, who has brought quite a crowd this evening.

Good evening, Betty, and welcome to the committee.

**B. Bekkering:** Thank you very much. Nice to see some friendly faces.

Good evening, and thank you for this opportunity. My name is Betty Bekkering, and I come to you in my role as president of the People's Action Committee for Healthy Air, which I will now refer to as PACHA throughout my presentation.

I'm presenting to you to try to convince you how important it is for the provincial government to allocate some funds from the upcoming budget to the improvement of Prince George's airshed. We have been granted the distinction of having the poorest air quality in the province and third-worst in the country. I hope that by the end of my presentation, your committee will understand why your consideration of our request is long past due for the citizens of Prince George.

To begin, I would like to share a brief anecdote about my arrival in Prince George a little over 16 years ago. My spouse had accepted a position here, and we were making plans to move from Vancouver. My first trip to Prince George was by air, and as we were descending, a horrible smell filled the cabin of the plane. I asked my fellow passenger what the smell was. Their comment was: "Welcome to Prince George. It's the smell of money."

It took me a few years to realize that the money the person was referring to was actually a two-sided coin, with the economy on one side and the citizens' health on the other.

PACHA formed as a non-profit society just this past spring. We formed because we are very concerned about the number of air quality advisory days that we must contend with.

We have an Air Quality Implementation Committee here in Prince George, and it has representation from every section of our city that should be on it. In their progress report of June 2004 they stated that we have an average of ten air quality advisory days a year. Well, we've surpassed that this year already, and we are entering what is usually our worst air quality time of the year.

Our committee is very aware of the pressure being put on your committee to find more dollars for health care. What we would like to emphasize is the need to keep people healthy instead of focusing on treating illness after it sets in. Preventing pollutants and toxins from entering our air, water and food chain would have a profound effect on public health.

Air pollution contributes to premature death for thousands of Canadians each year. Nowhere is that more apparent than here in Prince George and region. I've included some statistical graphs to illustrate this fact. If you'll bear with me, what I've included are comparisons throughout the province.

The statistical graphs are on the premature deaths in northern British Columbia, the potential-years-of-life-lost index, deaths in northern British Columbia, the standardized mortality ratios — these are all from the Ministry of Health — and more comparisons to Prince George in relation to the rest of the province. You'll see that some of our mortality is way higher than anywhere else in the province.

[1835]

I'm sure that some of your photocopying may be black and white, but what I was trying to show on these is that red is an indicator of poor, and I wanted to show you how much red there is in our area.

The provincial health officer's annual report of 2003 estimates the health burden from outdoor air pollution in B.C. to be approximately \$85 million. With the B.C. Lung Association ranking Prince George as having the poorest air quality — especially the 2.5 small particulate matter that you can breathe deeply into your lungs — in the province and third-worst in the country, chances are that our portion of the \$85 million burden is significant.

PACHA is aware of the efforts of the Ministry of Environment, the city and industry to conduct ambient air quality in meteorological monitoring to establish the relationship between air quality, source emissions and meteorological conditions. We are aware of the air quality research being conducted at UNBC. What we are not aware of is any action coming from these studies. The most definitive statement we can get from these studies is that such and such and so and so is most likely to be causing our air quality advisories.

PACHA's opinion on trying to identify the sources of our pollution is that we will probably never be sure. It's sort of like chasing the elusive rainbow. What we would like to ask is: when will we have a definitive enough answer to the question of cause to realize it is time to take some action to reduce the impact of emissions? We feel we are studying our pollution problem to death, literally.

It is estimated that we each breathe 11,000 litres of air per day. It is not surprising that air pollution can have a huge impact on the human body. Anyone who suffers from asthma knows that smoke or dust can bring on an attack. Prince George's airshed has a predominance of both smoke and dust. Less obvious are the impacts of air pollutants that are not readily visible or that affect people with heart problems, cancers and other non-respiratory ailments.

PACHA is not interested in who is to blame for our poor air quality. We want all levels of government and industry to take some tangible action on improving the air we breathe. We need the Finance Committee to see the importance and urgency of injecting some extra money into our regional environment budget so that they can develop a strategy within the Environment Management Act to implement actions that cost money to reduce emissions from industry, motor vehicles, fuel quality, and to develop regulations on wood stoves and prescribed burning and open-burning smoke.

We've heard about how costly it is to chip the mounds of debris from our beetle-killed pine, but

aren't the health costs of burning it all and adding to our overpolluted air just as costly? We need the Finance Committee to see that allocating dollars to prevention of our air pollution is balanced in the end by a reduction of health care costs.

Our local government has been sitting on implementing some strategies to improve our airshed because of the lack of funds. They include setting priorities for emission reduction, taking a staged approach to some of the emission management actions, monitoring these approaches and establishing effective research to anticipate and take steps to prevent new air quality problems from developing.

It bears repeating. Air pollution, primarily from burning fossil fuels, involves many compounds that hurt our health: carbon monoxide, nitrogen oxides, sulphur oxides, volatile organic compounds, small airborne particulates and more. These pollutants can cause impaired lung function, shortness of breath, wheezing, asthma attacks, cardiovascular disease, cancer and premature death. A recent study has determined that air pollution may also play a role in adverse outcomes at birth, such as fetus loss, pre-term delivery and lower birth rate.

[1840]

In a committee dealing with finance, the economic impact should be of interest. Thousands of days absent from work and school, hundreds of premature deaths, thousands of emergency room visits all translates into millions of dollars lost to treating illness instead of health. Let's get into the business of prevention and making the health of Prince George match the optimistic economic future that seems to be looming for us.

One of the very best things we could do for ensuring Prince George's economic future is to get the word out to investors, skilled tradespeople, professionals and families, and reassuring our existing population that all levels of government are actively involved in improving our air quality. Let's focus on keeping healthy people healthy.

We possess the capacity to improve our health and our children's health. To guarantee a clean, natural environment and healthy citizens, we require adequate systems, laws, policies and commitments by government. Individuals are not without responsibilities, as well, but we need strong leadership from government to lead the way. A healthy environment with clean air is a vital cornerstone of a sustainable, prosperous future.

**B. Lekstrom (Chair):** Well, thank you very much, Betty, for your presentation here this evening. I'm going to look to members of the committee if they have any questions.

**B. Simpson:** Great presentation. Thanks for taking the time to come. Just a couple of things. I'm not sure; are you aware of...? You can't answer, because then I can't continue with my questions. You have to answer them together.

I'm wondering if you're aware of the Quesnel air quality round table, which, of course, established voluntary targets, and then they all have to sit at the table

and use kind of peer pressure to get on with the job. There are some people suggesting that may be a model that ought to be funded for other communities. I'm curious if you're interested in that.

Secondly, is there anybody who has quantified, kind of, the dollar figure for the city's implementation strategy that you talked about? That would be helpful to us — if there's a dollar figure there.

**B. Bekkering:** I'm sure there is, Bob. I know that the last progress report from the implementation committee had a number of their strategies as ongoing. I was just reading that the other night in preparing this. I'm not sure of the exact figure, but I'm sure that's findable.

**R. Lee:** My question is on what other solutions... You have industries here. Should they be relocated somewhere else, or should they upgrade...?

**B. Bekkering:** Oh, that would be wonderful. Let's relocate them all.

**R. Lee:** Just a moment. Should they be, say, improving their technology — using more technology to reduce pollution, that kind of thing?

**B. Bekkering:** Well, I think there are a number of strategies just waiting out there for implementing for industry to reduce emissions. What I would really like to see is an active, sort of, committee — or probably the implementation committee here in Prince George — that could start the process of moving. I don't say all at once, but realizing that the industry, where it was built here in Prince George, is all within the emissions hanging here in the downtown area — we need to realize that.

We need to realize that our geography predetermines that that will always happen, and we need to start making steps to move that. So if there was any way to start that process, small steps... I quite believe in small steps.

**J. Kwan:** I think you mentioned in your presentation about the city of Prince George having a set of initiatives that would be a good start to sort of addressing this issue. Can you tell us more specifically what those initiatives are?

**B. Bekkering:** I didn't bring the implementation plan with me, but the ones that I stated in my presentation... I'm hoping you all have a copy. They were going to photocopy it at the table. I only brought a couple for you.

[1845]

In there are the three or four that they would really like to move on. Some of that is: reducing emissions, for sure; putting some controls on new development coming in; that they require a permit to build their company and put some controls on it. Start, I guess, with any new, and then hopefully update some of the older industry that's been here and is just really putting out the emissions in still very high numbers.



**B. Lekstrom (Chair):** Well, Betty, I want to thank you for coming out and presenting to our committee. I think you did a marvellous job. Thank you for taking the time. And thank you to your support group, who you brought.

Our next presentation this evening is brought to us by the British Columbia Teachers Federation, and joining us is Susan Lambert.

Good evening, Susan.

**S. Lambert:** Hi, good evening.

**B. Lekstrom (Chair):** How are you?

**S. Lambert:** I'm well, thank you. Do you ever get a dinner break?

**B. Lekstrom (Chair):** Oh, don't bring that up; my committee members are mad at me already.

**S. Lambert:** Don't go there.

**B. Lekstrom (Chair):** I work them through to the end and then let them eat later.

**I. Black:** Go with the cheese and crackers.

**S. Lambert:** I hope everyone has a copy.

**B. Lekstrom (Chair):** Yup, we will have one.

**S. Lambert:** I think we can all agree that the public education system in British Columbia is second to none in the world. We're all very, very proud of it. This presentation has identified some challenges. But that doesn't go to the heart of our situation, which is an excellent public education system — second to none in the world, I would say, because we teach to such a diversity of children, and on any measure we can be proud.

However, there are some challenges that we face, and this presentation will outline some of those. We will make a case that there is room to improve our system and increase education funding, especially when we look at the full economic activity of the province.

We're looking at seven areas of funding that we would like you to examine. In summary: fully fund Bill 33; provide more funding for students with special needs; fund English-as-a-second-language support for seven years; provide funding to ensure that specialists' supports, including counsellors, teacher-librarians and, I would add, learning assistance teachers, are provided; provide funding to support children who live in families in poverty; fund the real costs of the BCESIS system; and provide sustainable education funding now and into the future. I'll go into each one of those in some detail.

Bill 33. The public education system has a history — somewhat checkered history, I would guess — of new government mandates that are not fully funded. So we had the teacher collective agreement in 2001, we had BCESIS, and now we have Bill 33. Consequently,

when the new policies are followed, as they must be, some other part of the system pays a price.

Underfunding over an extended period of time has resulted in the reduction of many programs. For example, multicultural workers, translation services, language assistance programs for new immigrants, library technicians, library aides and a host of other programs have already been lost to the system. Bill 33, which was introduced last spring, sets class-size limits for grades four to 12 and caps or limits of three students with an IEP for special needs.

We applaud the recognition in that bill that there is a relationship between the working conditions of teachers and the learning conditions of students. We have to say at this point that Bill 33 represents a very, very small step toward providing optimal learning conditions for students, but it does provide that small step. Those limits, we believe, are in the best educational interests of students.

[1850]

The ministry assures us that there is adequate funding for Bill 33, that student decline will allow enough in the system to provide that funding. However, we're skeptical. Overall student decline does not generate a proportional savings in the system. I guess any of us who have had children leave home.... The population in my house has decreased by 50 percent over the last two or three years, and my expenses have not decreased by 50 percent. It costs as much to bus 20 children to school as it does to bus 30 children. We don't save proportionately, in the same ratio as the decline would indicate.

There are administrative costs, and in this paper the Canadian Council on Learning has given a good explanation of how that occurs. There is not a proportional saving relative to the student decline. In fact, when student decline is such that it generates administrative costs, there are sometimes increased costs to service those same needs. We can't rely on declining enrolment to generate the cost savings that will adequately fund Bill 33, so we're asking that this committee look at the adequate funding of Bill 33.

The other announcement that has been made is the \$20 million funding increase that was generated initially — we're quite proud of this — through our collective agreement negotiations last year. That \$20 million was provided last year halfway the school year, so it funded for five months of the school year approximately 600 or so teachers. However, if you spread that same \$20 million over the full ten months, you can only provide for half that amount, which is, in effect, an actual reduction in provision of services for kids.

Last year there were many classes in schools with more than 30 students and a large number with more than three students with special needs that require IEPs. Bill 33 should reduce and has reduced the number of classes over 30, which is a very good thing. However, early reports from school districts are showing us that by no means do all classes in the province meet the guidelines in the bill. In fact, I think we can look to the cap, at three, of students with special needs

as something that has not been achieved through the non-implementation of Bill 33.

There are, I believe, 1,400 classes in Vancouver alone with more than three children with special needs. Some districts, of course, are facing a disproportional challenge. For example, Prince Rupert, where there's a higher incidence of children with IEP designation, requires extra funding to meet those challenges. I was talking to a friend of mine who said that last year there were many, many classes in a particular school with eight, nine, ten children with designations. Now, she says, those have been reduced to five or six, but that's still an untenable learning situation for those kids.

Some of the specialist teacher positions, already reduced in number by chronic underfunding, are being used to create classrooms. In fact, there is a ministry directive to superintendents to say that if you are strapped for money, use a non-enrolling teacher. Non-enrolling teachers are there to provide extra support for children with special needs, children with learning disabilities. If they are then moved over to taking enrolling classroom positions, they cannot provide that support. It exacerbates the situation.

We need more funding to meet the requirements for class size and class composition set out in Bill 33. Shortly, when all the class size and staffing data are available, we'll be able to determine exactly how much funding will be required. Of course, the ministry is requiring, as you know, that data be collected at the end of this month, reported by the 15th of October and analyzed through to the end of October and into early November. At that time we'll be able to generate a more detailed report as to how much it will cost to fully implement Bill 33.

[1855]

We are absolutely sure at this point that there are extra costs. I don't know whether you have been able to get out of this room at all this day, but there was a report here in Prince George this morning where a parent was complaining that her student with Down syndrome, who hasn't been able to access a program, is in a school and is sitting in the principal's office. The report says — it's from the Prince George *Citizen* from today, Wednesday, October 4 — that the assistant superintendent has admitted that there's never been enough funding for children with special needs. He said funding for special needs children comes from the provincial government, but the practical reality is schools need more than that allocation to properly integrate many special needs kids. So that's part of the mix.

In setting the budget for education for the next school year, we urge you to fully fund Bill 33 provisions. We urge you to also consider providing more funding for students with special needs. The B.C. Teachers Federation and teachers throughout the province are absolutely adamant in support of the integration of all children into our school system. It's an educationally sound practice for children with special needs and for every child in the class. However, when we integrate children with special needs, we must provide them with adequate support and help so that they

can not only access the facility, the school building, but can enjoy the provision of a quality education program and meet their full potential as learners.

Teachers have long made the point that inclusion only works when you have the classroom and support resources to be able to meet the needs of students with special needs as well as the others in the classroom. In some schools that has been possible without much difficulty, but in other schools there are far too many students with special needs to make it possible. I have a friend who teaches in Burnaby who has a class of grade 7 students with 28 children in the class — five children with provincial special needs designations and 13 ESL students. It's more than a challenge to teach a class like that — more than a challenge.

Some districts have — in the face of the kind of crunch that Mr. Little describes here in Prince George — come up with some bureaucratic mechanisms to cope. For example, we've heard of additional segregated classes being set up in some districts. This is a backward step. We're always had some segregated classes for children with special needs, because at times they need to be pulled out of the classroom setting and be given one-on-one instruction or one-in-small-group instruction. But a proliferation of segregated classes is a step back out of integration, and it's not a step we should be taking in this province. That's one mechanism we've seen arise from the underfunding of Bill 33.

A second example we've seen is the delisting of children with special needs. This is the practice where children who have had a designation in the past have miraculously been cured and lost their designation. Sometimes it happens when a child moves from one district to another. Sometimes it happens when a child moves from one school to another. Sometimes it happens within a school. It's another mechanism for coping with an unfunded bill.

A third is the wait-list. Last year in Vancouver alone there were 1,200 students on a wait-list for assessment for designation. Wait-lists in Vancouver are growing. They're growing throughout the province. Another reason for that is a lack of hiring diagnosticians. In one school district in the province there's a quota. Every school is only allowed so many assessments per year.

These wait-lists have a real consequence. Research shows that early intervention is the key to maximizing student potential. Intervention is provided when assessment determines the necessity. Currently children in many districts must wait for three or more years for an assessment or diagnosis. If students need special supports to succeed but they cannot get them because of a limit on the assessments, then those children face a very real loss that is very difficult to make up, if they ever do so.

[1900]

In addition to these, a major problem that hasn't been addressed by Bill 33 is grey-area kids.

Am I going over time?

**B. Lekstrom (Chair):** One more minute. You still have time.

**S. Lambert:** One more minute? I'm only halfway through.

Grey-area kids are a real problem. We urge you to provide funding for them.

Recommendation 3, ESL. About seven years ago — I can't remember; a long time ago — we capped ESL instruction at five years. That's a mistake. Every bit of research that we can find around ESL learning is that you need seven years to acquire sufficient fluency in a language to be able to learn in it, especially in specialized areas in high school. We need to increase that cap to seven years.

I'm going to go real quickly now. Maybe I'll take my question time. Don't ask me questions.

Recommendation 4, teacher-librarians. I'm a teacher-librarian. We've cut 25 percent of teacher-librarians in the province. Some schools don't have a teacher-librarian — high schools. We've cut resource budgets for developing collections in the province. We've cut counsellor time. If we want to talk about the social — you wanted me to go fast, so I'll go fast — and emotional health of kids, we need to get restoration of those kinds of services, non-enrolling services, and they can't go into the classroom. We need to have the support.

Moving on to recommendation 5, children in poverty. Children in poverty cannot learn. We've found from recent reports and research that poverty is a particular problem here in British Columbia, especially for working families. If we have a child who's stressed at home — he's not sleeping because there's no adequate bedroom at home and no food — he or she cannot learn. We have to address that. We support the CCPA recommendations to increase welfare rates; bring in new social housing units; implement comprehensive, early childhood learning programs and child care programs and enhanced family supports, especially for inner-city schools where these children are coming from.

Recommendation 6, fully fund the cost of BCESIS. I was just talking to teachers here in Prince George. Can you imagine the frustration when you've just input all your marks, and the entire system crashes?

**B. Lekstrom (Chair):** I'm sorry, Susan. If I could ask you to wrap it up....

**S. Lambert:** I will wrap it up. We're on recommendation 7, maintain funding on a sustainable basis. In this province the proportion of education funding to gross domestic product has declined over the last ten years or so. In 1991 it was 3.6 percent of GDP. In 2005 it was 2.4 percent. When we have a sustainable economy, a growing economy, that's the time when we have to invest in the future of our children. I ask you to do so. Please pay attention to public school education in this province.

**B. Lekstrom (Chair):** Thank you, Susan. You have put a great deal of information into that, and I want to thank you. I do want to highlight what you said when you started, because I think most British Columbians would agree. We have an incredible education system, one of the best in the world, but it's our job — each and

every one of us — to ensure that we try and improve it each and every day. I thank you for your presentation here this evening.

**S. Lambert:** No time for questions?

**B. Lekstrom (Chair):** No, we're over the 15 minutes by a couple already, so....

**S. Lambert:** Yeah, I know. But the other one was short, you see. So I thought I'd get the time.

**B. Lekstrom (Chair):** You're learning from Bob up here, I think.

For our next presentation this evening, I will call on the Prince George Hospice Society. Joining us is Donald Carson, as well as Janice Reeves and Karen Beeson.

Good evening, and welcome to the committee.

**D. Carson:** Good evening. We welcome the opportunity to address you.

The reason we're here is because health authorities are not approaching or funding hospice palliative care facilities in the province. In our society we glorify death. In previous war times we said that the dead were heroes and posthumously gave bravery medals and bragged about nationalism. Even today when there's a horrific accident, a shooting, fires, hurricanes or floods, we are glued to the media coverage.

[1905]

Why is it that we don't talk about one person's death from disease, such as cancer? Why is it that hospice palliative care, which aims to relieve suffering and improve the quality of living while dying, is ignored by government?

I'm asking you to consider spending money in health care and taking those funds from health care — hopefully, a bright idea. I notice that in seeking presentations, the idea is that if we wanted you to spend more money in one area, we would need to tell you where to take it from. My suggestion is that it doesn't take any more money in health care to provide more freestanding hospice houses in the province.

I want to address some issues in this booklet; I've made copies for you. The Ministry of Health has produced and published *A Provincial Framework for End-of-Life Care*. A better title might be *Fantasy or Fact*. It says — fantasy: "The government of B.C. is committed to establishing high-quality end-of-life care and support as an integral part of our provincial health care system." Fact: the province is committed to establishing hospice palliative care beds in long-term care facilities, which are not able to provide quality end-of-life care due to the lack of specialized knowledge and staffing ratios.

Fantasy: "The province will work with health authorities, service providers and community groups to build on our existing services to create a system of exemplary end-of-life care." I know how people die in a general hospital, a long-term care or a complex care facility: they die alone, in pain and without compassionate understanding and support. I worked in long-term care for 15 years.

Fantasy: "Our challenge now is to take the steps necessary to ensure quality services are consistently available so that British Columbians with a life-limiting illness and their families can experience the best possible quality of life during the transition to death." Fact: our existing services are being underfunded even more dollars by a suggestion to double in size for the amount of funding.

Communities have been informed by health authorities that there will be no more freestanding hospice houses in British Columbia. Some of those communities are Quesnel, Port Alberni, Dawson Creek, Williams Lake and — I'd like you to add — Delta. I forgot to make note of Delta. In these communities there are hospice societies with the money and preparation to build freestanding hospice houses.

Fantasy: "It is important to devote adequate and appropriate resources to end-of-life care.... It is also important to ensure that end-of-life services are delivered in the most cost-effective, affordable way possible." Fact: placing hospice beds in long-term care or complex care facilities will not allow for quality of life during the dying process, due to the lack of adequate staffing, expertise and support. Also, there's no plan by health authorities to provide palliative care in this environment.

Freestanding hospice houses are the best cost-effective way to provide quality palliative care. Freestanding hospice houses cost less than half of a hospital bed. Yes, a hospice house bed is more expensive than a long-term care facility. However, we're not providing long-term care; we're providing intense care to people who need expertise and support. It's a specialty. It would be more appropriate to compare us to perinatal care.

I'd like to explain that. When a mother comes in, she might be in labour; she might not. There's an assessment done, and there's a bit of a stable rhythm to the care. Then the person goes into labour and delivers the baby. During that time the care is very intense, very focused and supporting family. Then once the baby is born, things are stable again.

When you come into a hospice house, you may be in a pain crisis, so there may be a flurry of activity to get things settled down; or you may not be, so it doesn't necessarily have to be intense right away. But when the person becomes unconscious and is progressively dying, it's very intense care, very focused on that and giving support to the family. In that case, I see us each as a specialty. We're very similar in our care.

The cost of a delivery, I am told, in perinatal is \$1,400, and the cost for a hospital bed while the person is there is over \$850. The cost of a hospice bed is less than \$500.

Fantasy: "Patients must have good access to a residential hospice if this is needed." There currently is very little access to residential palliative care in B.C. The access should provide a fiscally responsible choice between home or hospice house. Hospital admissions should be discouraged.

[1910]

We have a high rate of deaths occurring in hospitals all across Canada, but we do have that, as well, in British Columbia. Because of the cost, I think that when we

talk about choices for people to receive palliative care, we should be discouraging hospital admissions. There's very seldom a need for someone to die in hospital over a hospice house.

Fantasy: "Most parts of the province have community organizations devoted to providing assistance to people who are dying and their families... Their efforts need to be fully integrated with other end-of-life services." Fact: this integration is not happening. In some communities there is absolutely no connection between the health authority and hospice societies. There are very valuable volunteer support hours that are lost due to a lack of will on the part of health authorities.

This past fiscal year our volunteers in Prince George Hospice alone provided 5,547.5 hours of care. If you take \$15 an hour, which I think is low, and figure that out, that is a contribution of \$83,212.50 that those people have contributed to the care of people in this community. Think what we're missing around the province.

Fantasy: "Government is ultimately accountable to the people of B.C. for the quality of health services in this province, including end-of-life care. The Ministry of Health, in turn, holds health authorities accountable for the delivery of the services they are funded to provide." Fact: accountability may be going in the wrong direction. Hospice societies are much more able to provide superior care, and I think that that's what accountability is all about.

Fantasy: "This accountability is regularly exercised through the provision of direction — accompanying their budgets — the signing of performance contracts and specified reporting requirements." Fact: this framework will only achieve this goal by collaborating with the experts — hospice palliative care providers already in existence, including freestanding hospice providers. We have the expertise, the trained volunteers, the professional staff and the knowledge.

Having a hospice house shortens wait-lists. We hear, in conversations all the time around the difficulties in hospital, that the wait-lists are long and operating room beds aren't available and hospice beds are full. In fact, our own hospital in this city is in gridlock, as they call it, at least eight times a month. A hospice house would be able to provide relief to all of that. On top of that, it provides quality care.

I challenge you to educate yourself about freestanding hospice houses. Visit one, if you haven't already — Prince George, Vernon, Kamloops. You'll be welcomed.

What you will find there is a relaxed, friendly atmosphere, a place where people face death without fear; face death free of pain, knowing that their life has mattered. Patients are treated like guests. They're empowered to be in charge of their life, according to what treatments they might accept, according to what therapies would be appropriate for them.

It's a homey atmosphere where whole families are there, present as well, and they are part of our unit of care. In terms of an aboriginal person, that could be 40 people. They are there; they're there for support.

We're there to support them, and we feed anyone who happens to be there at suppertime. Indeed, if you

were to stop by that house right now, you would find people congregating in the kitchen around the table, just like they do at your home and mine.

That's all we have to say tonight. Are there any questions?

**B. Lekstrom (Chair):** Well, thank you very much for your presentation. I do have a list of people wishing to ask questions. I'll begin with Iain.

**I. Black:** Let me start by thanking you for the work that you do. The area of hospice is something where I have a fair bit of background, and I know the importance of what you do in families that use your services, so thank you for that.

Part of my background is that I sat on the board of directors of Canuck Place for five years, and I'm currently a supporter for the Crossroads Hospice in our area of Port Moody.

My question to you has to do with whether you've approached the children's and women's hospital in Vancouver and Canuck Place.

The reason I ask that question is because contrary to some of your remarks, they are receiving a great deal of money from the provincial government. It started out at about \$800,000 a year on about a \$3 million budget. I was there when they got about another half-million-dollar cheque presentation not too long ago.

[1915]

There is money, definitely, flowing from the government to freestanding hospices like Canuck Place. So my question is whether you've had the opportunity to speak with them and find out what their model is and how they were able to achieve those funds and whether there's anything that you can do in the northern communities on a similar basis.

**D. Carson:** I have. I've actually spoken to government officials, as well, and have been told that the reason Canuck Place gets money directly from government is because they have a provincial mandate. That's different than we have. That's the answer I've been given.

I have known the executive director there well over the years. We've both been on the same provincial board, and we've had supper together. We've both given each other ideas on how we're funding. We've come up against roadblocks in regards to that.

However, last winter when the NHL was on strike there was Brad May and Friends, which does fundraising for Canuck Place. They came up and did a hockey game here.

I'm sorry to tell you that I would have thought that the Hospice House here would have received 100 percent of those funds, but we only received 25 percent of them. That was a decision made by people in Prince George to have that money go to the Spirit of the North Foundation, which is funding towards the hospital's needs. I was choked. But I did go to the game, and I smiled and took the money.

**B. Lekstrom (Chair):** You don't hide your choked-ness well.

**B. Simpson:** Thanks for the presentation. I'd like to sort of create a way of lining it out.

I just have a question for clarification, because the emphasis here is on the freestanding. You have Quesnel listed as one that Northern Health has indicated they're not.... I'm aware that in Quesnel the hospice association, the palliative care group there, has worked with the Northern Health association to put one in a new complex that's being put in.

Could you just clarify for me why the freestanding is important when the local group has decided to put it in-house?

**D. Carson:** I have to tell you that I encouraged them to support that. They've been wanting a hospice house for a lot more years than Prince George did. Luckily, things came together, and we ended up with one.

I've known them very closely, and I encouraged them to accept three beds in an intermediate care facility, because I said that that's better than none. Since then, as I've been dealing with our local health authority people, I now believe that palliative care won't happen in an intermediate care facility, because of the constraints that....

They're developing the model that is fashioned after a hospital, where it has the same hospital constraints on it. So there will probably still only be two visitors. There won't be space for the whole family to be there. They won't be able to have a homey atmosphere.

I went to Vanderhoof to attend a celebration that the Hospice Society was holding there this year. They had a life tree fundraising thing that was put in the lobby of, I think, one of the newest intermediate care facilities in the province. I was very impressed. It was the best long-term care facility I'd ever seen, until I got to the room for hospice palliative care. There was no call bell in that room.

Dying in a long-term care facility is about an unconscious body lying in a bed. It's not about meeting the needs of human beings. So just this past weekend I spoke to the former president of the Quesnel.... I encouraged her to get submissions to this committee, because my experience has been that it just doesn't happen in that atmosphere.

I think that part of our problem is that we're not understood by health care providers. We're not in a hospital, we're not home care, and we're not understood.

We let you bring your dog, your cat, your bird with you, not to visit for half an hour but to live with you in our facility. It's not about pet therapy; it's about a member of your family being there with you.

**R. Hawes:** I live in Mission. I don't know if you're familiar with Stephanie Ediger and her group of volunteers from the hospice there.

**D. Carson:** I don't know them well.

**R. Hawes:** It's a 12-bed hospice, recently constructed, on the third floor of the hospital.

**D. Carson:** I've heard of it.

[1920]

**R. Hawes:** The entire community is so proud of that facility. It offers all of the things that you talk about — the homey atmosphere.

It's got a place for relatives and family to sleep there and to spend day after day and night after night actually living with their dying family member. It's got all of the things that you talked about.

It's in a hospital, and it's funded greatly through the health authority. I'm not at all familiar with what the Northern Health Authority is doing, but I am a little bit familiar with what Fraser Health is doing. I'm very critical of them, but not in that area.

**D. Carson:** I'm familiar with what they've done in Mission. I'm also familiar with what they're not doing in some other communities.

**R. Hawes:** Okay, but I'm just saying it is possible to have a hospice that's very satisfactory.

**D. Carson:** Yes, but it's not three beds in a long-term care facility. It's a whole floor, and that makes it the hospice house unit, because it's different than the whole rest of that place. They have staffed it professionally with people from the health authority. The other staff are from the hospice society.

It's working for them, but it's because it's the total unit. It's not three beds in one, and another community having two beds and somewhere else having four. When you're only three beds in the bigger picture, it's not going to work there. It hasn't been.

**B. Lekstrom (Chair):** Donalda, I want to thank you, Janice and Karen for taking the time to come forward. I'm certainly aware of your society. My mother spent some time working with you — Annette McDonald. She has left now and lives in Keremeos, but she always spoke very highly of the society and the work it did.

Our next presentation this evening is from the Outdoor Ice Oval Society of Prince George. Joining us are Anne Pousette, Dick Voneugen and Bob Dewhirst.

**D. Voneugen:** We brought a stopwatch.

**B. Lekstrom (Chair):** I guess we'll see whose is better. I have one up here.

Good evening and welcome to the committee.

**A. Pousette:** Thank you very much, Mr. Chair and members of the committee. On behalf of the Outdoor Ice Oval Society of Prince George, I'd like to thank you for coming to Prince George to listen to our community's concerns and interests and input to your committee.

My name is Anne Pousette. I'm the current president of the society. Also with me are Dick and Bob.

We appreciate the challenge facing government of balancing its budget and prioritizing ways of meeting its goals. Tonight we want to focus on the area of

health care costs and potential health care savings. The Premier's office recently published the fact that 42 percent of the province's annual budget is used for health and that current growth rates could result in that growing to 70 percent by 2017. That's pretty scary.

In my other life I'm a physician. I was born in Prince George, grew up here, went away to school, came back and have been in family practice since 1983. I've watched this current epidemic of obesity and inactivity over the last 20 years and have been involved in sport and physical activity initiatives over that time in the community, and we struggle to make any gains. So that's my passion, and that's why we're here to talk to you tonight.

Over the past four years there's been a lot of research done in British Columbia. A lot of it's been initiated by the provincial government, looking at the role of inactivity in causing health care costs and also the role of potential savings by improving our physical activity parameters. There are federal documents. There are provincial documents — tons and tons of work done. But we're getting to the point where we need to act now. I know we do have an initiative called ActNow, which is addressing programming, and it's putting stuff into schools and communities and whatnot.

The area we want to look at is access to the infrastructure and capacity to actually get active. For much of the population to achieve the goal of increasing its activity level by 10 percent — which has been kind of thrown out there, and then the Premier's challenged us to 20 percent — we need to do something about increasing the ability to access affordable and safe recreational venues. So that's why we're here tonight.

I'll let Bob take over from here.

[1925]

**B. Dewhirst:** I just want you to be aware that as a director on this society I came in from the grassroots, a backdoor sort of thing.

Dick asked me to help him when he was having difficulty in the wee hours of the morning flooding a surface that just didn't want to take to the problems we were having during the warmth of the day. It was an all-night vigil.

For Prince George, Dick is what I would consider the ultimate volunteer. This just comes from the heart, because I really didn't have a skating background, although I like to skate. It's important to me to dispel some of the perceptions we have, myself included, about this outdoor ice oval. That was one of the reasons why I got on board as a director.

This is real grass roots. I've said that before, but it's where families can get out and participate with their children and grandchildren. With seniors having fewer venues to do that today in northern climates, we feel that this facility will really offer a good vehicle to get out and participate. Enough said on that.

With this predicted 10-percent result in provincial savings due to the increased activity — that's about \$50 million — we figure the payback on our \$8 million facility will take about ten years. This facility that we're looking for is an outdoor refrigerated oval. There's only

one other one like it. It's in Sainte-Foy, Quebec. It's just such a good fit to round out the areas we've already got that are strong in Prince George. Its capitalization is so much cheaper than an indoor facility.

We have a counter on the existing.... You walk through a gate, and it counts the people who show up. They show up, and the ice isn't ready, and they'll show up again tomorrow hoping that we got something done during the night. We know it's affordable. The maintenance costs aren't nearly as high. You're looking at \$20 million or \$30 million to do a covered facility. We're looking at an outdoor facility.

We know it'll work. We've done a lot of research. The city has helped us fund a business plan, and we put that money to good use. We have a one-inch-thick document that we're delivering out to MLAs and anybody we can who we think will help us.

At any rate, in our brief here we have information on just where the economic benefit would be to the community. It's more than just.... There are a lot of different activities that we can host in this facility from a professional point of view, but we really are addressing the needs of families and kids.

This infrastructure that results in increased capacity and affordable access to physical opportunities will result in significant economic health benefits to our community. There are 158 skating facilities in B.C., of which 73 percent are over 25 years old. By 2010 most of these will be in stage 5 of their life cycle and need replacement. Most of these facilities are covered buildings, so it's a significant cost.

There's also the need to address the aging infrastructure of recreational facilities now, or we'll have marked reduction in access to facilities in the near future. Our oval is just an option here. The society wishes to emphasize that individual communities have ideas and solutions that are specific to their needs and can address the policies and goals that government has endorsed. The result is cost savings. We believe that the proposed oval in Prince George is an example of this and wish to bring this to your committee.

[1930]

The main reason we believe this is an innovative approach is.... We have a lot of support from the community to build it. We basically know that the cost savings are a lot less than in newer facilities, so from that point of view on our presentation here, we feel it's innovative.

I'll leave with that and pass it over to Dick.

**D. Voneugen:** Thank you. We claim ourselves a winter city, and this is the missing link. We have been declared the centre of excellence for cross-country, biathlon, hockey, downhill, and short-track speed skating, but the long-track element is missing. We're proposing to do that.

We're now in our eighth season in the outdoor area. We're hoping to relocate. Last year we missed a third of the days that it did freeze in the winter on account of thawing conditions — snow or any other conditions don't bother us — but we can all overcome that with this refrigerator thing.

As a comparison, for instance, in Holland — I'm originally from Holland — the size of Vancouver Island, they have 23 refrigerated outdoor ice ovals. We've got one in Canada. We hope to complement that with a second one here in Prince George. The construction cost is in the order of \$8 million. We have produced, thanks to Anne, this immensely detailed business plan. If anybody wants to take that home for nighttime reading, be our guest.

I think we're missing this, especially also thinking of the Northern Sports Centre that will provide expertise for the elite.... But this is not just an elitist facility; it is for the whole family. We have seen those people come out, from toddlers that are getting pushed around in a baby buggy to old fogeys like myself trying to skate.

We hope you pay attention to this small budget item that could be a part in 2007. We thank you for your interest, and we're open to questions — 10:05.

**B. Lekstrom (Chair):** All right. You know, I had it at 10:03. That was very good.

**B. Simpson:** Thanks for the presentation. The 5K skate is the only thing that's ever prevented me from doing the Iceman, because I can't skate. I've watched too many times as Dick has gone running by me in some of those foot races.

One of the things I'm curious about is sources of funding for a project like this. I know you're making the presentation to us and raising awareness, and the nice thing would be to cut a cheque and be done with it. Northern Trust has been established, supposedly to support some initiatives like this. I'm curious whether or not there have been any opportunities for Olympic funding. Has the group attempted to access funds? What has been your experience?

**A. Pousette:** We have gone through the formal presentations through municipal government. We've presented to our federal MPs and, as well, to our three MLAs. The consensus has been that this sounds like an infrastructure project where we'd be talking a third, a third, a third. That's how people have looked at it. We have a bridge here that's a little higher on people's priority lists — or it has been up until recently — in terms of infrastructure, from the municipal perspective.

To date there's no program that sort of shines and says that this fits this project. I guess our message here today is that this project makes a lot of sense. Nobody we've talked to has thought that it isn't a really good project that makes a lot of sense. If you were to look at the business plan, you'd see there are 40 hours a week of public skating. Our community has five hours a week now, and most of it is during the daytime, when kids are in school.

The opportunities created by this are huge, and it's a four-season thing. The flip side of winter is the in-line use, which we didn't mention too much. In-line is one of the fastest-growing sports in the world. It's ten times bigger than ice-skating in most countries of the world, because they don't have rinks. It really is a fantastic opportunity. There is no designated in-line facility in

Canada, so we'd be on the cutting edge of doing something new in Canada.

**D. Hayer:** I just want to say this seems like a very good idea. I'm on the Health Committee, which is looking at obesity in children, and we're trying to get the kids more active. I would ask you that when the Premier is talking about health care and getting input for that, you'll put in input there too on how staying active can help out.

[1935]

**A. Pousette:** Yeah, some of the discussions we had with our local MLAs and with Shirley have revolved around: can we somehow get Health and Education talking? This seems to make sense from so many perspectives. Is there a way to put this together? I guess people haven't found a way yet to put it together, and that's another reason why we're here.

**J. Kwan:** I'm sure it says in your business plan: aside from the capital cost, what is the operating cost of this initiative?

**A. Pousette:** The operating cost — correct me if I'm wrong — is pretty much equal to revenue. It can actually come out a little bit ahead towards long-term capital replacement cost. That's based on \$3.50 entry fees and based on the kind of user numbers we have now. So it's probably very conservative, actually. If you can get past the capital cost, it's a very doable project.

**J. Kwan:** So self-sufficient, probably.

**A. Pousette:** Yup.

**B. Dewhirst:** Mainly because our facility costs are way down. Once the capitalization is expended, it's quite doable — \$350,000, \$400,000 a year. We can bring that in on just membership activity.

**R. Hawes:** Where I live they recently redid a rec centre. The cost went to referendum. It was overwhelmingly supported.

Has there been any discussion at all with the Prince George council about having this funded through a referendum and through property taxes? This is the kind of municipal infrastructure that quite often gets built that way.

**A. Pousette:** At this stage the council has basically endorsed the project from the point of view of allowing us to go out and take it to other levels of government and see who we can bring to the table and how. It hasn't gone to the point of them saying: "We're going to do this, and if we can't do it any other way, we'll do it that way."

There was a poll — a very informal poll — conducted by the local newspaper in the summer, which had 67 percent of the people in Prince George voting that they would support the city putting money into this project.

**B. Lekstrom (Chair):** One final question.

**R. Lee:** What's the energy cost in terms of the operating budget? What percentage is energy to keep the temperature...?

**A. Pousette:** I'd have to look it up. I used to know those numbers in May.

**D. Voneugen:** One interesting thing is that we will be locating to our final spot in this area. It will be close to a new ice room from the Kings centres. We will be able to share, because we'll only need maximum refrigeration capacity on the startup of the season and during the odd dip in there.

We will also have a big brine tank. If it's 10, 15 or 20 below, we can store all that coldness, and that could be used inside as well. It could be a win-win situation.

**B. Dewhirst:** Of course, there are engineers that are thinking right now they could probably service the... An engineer will design it, for sure, but their operating engineer feels that they could probably take care of freezing the oval in most situations except for really warm... We'll go up to 10 degrees above with the final design. So it's very doable.

**B. Lekstrom (Chair):** Anne, Bob, Dick, I want to thank you for taking the time to come and present your ideas. Our committee is to listen to people with their ideas. You've brought one forward, and it's based on the health of British Columbians and how to improve it.

Members, we do have further presenters here this evening. That concludes the formal registered presentations, but we do host an open-mike session at the end of each of our public sessions. This evening I am going to call on Steven Willment.

The format for the open mike is five minutes versus the 15, with no dialogue questions. Welcome, Steve. You've sat through pretty much the entire session here today.

[1940]

**S. Willment:** We're the only ones who have been here since four o'clock.

**B. Lekstrom (Chair):** Yes, there we go.

**S. Willment:** It's been very interesting.

In a nutshell, I'm a third-year university student here at UNBC. I'm the father of a seven-year-old, and I'm a disabled man. I receive my benefits from the provincial government. I receive \$856 a month to live on. This money pays for my rent. It pays for my clothing. It pays for everything that I have. It also has to pay for my son when he comes to visit me.

The mother of my child has full custody of my son. However, my son is with me at least 50 percent of the time because he's the best thing I've ever done, and I want to be with him. But I don't receive any extra money. I have no way of paying for him. I have no way of buying him a Christmas present. The first hockey game he ever went to was when his neighbour took him to the hockey game because I can't afford to take my own son.



Now, the United Nations has cited Canada three times — three times — for how it treats the disabled people in this country. That's Canada, and we're talking British Columbia. But as you all know, each province is responsible for its own welfare system.

I'm tired of going to funerals for my friends who have killed themselves because the Legislature doesn't give a care about their lives.

Let me just read you something. I collect letters from disabled people. I'm sorry I'm so emotional, but this is my life.

"They expect us to be able to buy clothes all year, when we have barely enough to survive. And then, oh, yes, we have the opportunity to have a \$100 clothing allowance that you have to fight with your worker to get, and in most cases we don't get it because we're not eligible to receive it, yet it states on line on the disability government website that we are.

"So what is this? I'll tell you: it is torture that is inflicted upon innocent disabled Canadians who have the right to be treated like people.

"I would love to sign my name to this letter, yet if I do, what will happen to me? What will happen to my disability cheque? So in reality, I don't have the freedom of speech because there's a chance that I will be punished for telling the truth."

These are the people who you in the Legislature are responsible for, who are afraid to even speak to you.

This letter came from a woman who is in her 60s. She has difficulty with the language. "In my life I will need many more things — 'things' meaning diapers for when I pee the bed if I have a bad seizure in the night." Now, picture this 60-year-old woman stumbling around, confused in her bedroom at night, trying to change the sheets because she didn't have enough money to buy diapers because the government doesn't care about us.

I'm here today, and I've sat here to try and get you people's attention. I've talked to Claude Richmond. He sent me a letter, saying he's not interested in talking to me. He doesn't talk to individuals. Well, who the hell is he talking to?

We had a meeting here — I don't know — approximately a year ago, when we had some MLAs who agreed to come, and we're most grateful for that. They agreed that they would take the information back to their respective caucuses, and they discussed this. We, the disabled, haven't heard a thing. We haven't heard a thing. What we've had is we've heard through the grapevine that we're being threatened with losing our disability when we are reassessed. What we've had is we have been hearing from the grapevine how people are being sent to CPP, which is taxed, so that in the long run what little amount of money you might get from the federal government, you're going to lose to taxation.

We hear about developmentally challenged people who are now looking at being sent to houses with people who have no training to take care of them, in a foster program.

[1945]

Why can't we be treated like human beings? We keep hearing that this is the best province — well, not by the disabled. You can't say that.

The last thing I want to say is: in 2010 the world is coming here. They're coming here for the Olympics. Now, a tremendous amount of money has been spent on the Olympics. Everybody has their own opinion on that. But when the world comes, which would you rather see? Would you rather see a province that is taking care of its most vulnerable and is proud of the way it treats us, or do you want to see people who are protesting that they're living in hell as inflicted by the government that is putting on the same Paralympic Games? That's what we're working on right now. We're organizing.

That's a terrible thing to have to say, but we have tried to get your attention. We have had protests here. We have been lied to. We have MLAs where, if you want to get into see them, they have a disabled entrance, but it's in the back. You've got to go to the alley, because you're second-class citizens. You're not worth it. That's the message we get over and over.

I'm asking you. I'm the only one who was here who's not representing some kind of business thing. I'm here to talk to you about being bloody human beings. When every one of you goes to bed at night, I want you to look in the mirror at yourself and think of that woman stumbling around in the dark trying to change her sheets, because if you don't do something to help us, you're all part of the problem.

That's all I have to say. Thank you.

**B. Lekstrom (Chair):** Steve, I want to thank you for coming. There have been other presentations we've received on the issue, looking at the ability and the rates. You have put a commitment in here that is second to none. You've sat through. You've listened to the presentations. You waited for your time to come and present your issue, and we thank you for that.

**S. Willment:** Thank you for giving me the opportunity. I feel kind of important. I'm one of 25 people who got to talk to you today. Instead of maybe being in the Legislature answering questions from the entire province, you were here to talk to me and 25 others, so thank you very much.

**B. Lekstrom (Chair):** You bet. It's our job to listen to the people, regardless of political party.

**S. Willment:** And to do something too, I might add.

**B. Lekstrom (Chair):** We're going to work on that for you. Take care.

We have no further presenters at this time registered for the open-mike session. It is presently 7:48. I want to thank the people of Prince George and the surrounding area who came out to present to us and bring us their ideas on what could help us make British Columbia a better place. With that, we will stand adjourned.

The committee adjourned at 7:48 p.m.



## HANSARD SERVICES

Director  
Jo-Anne Kern

Manager of Print Production  
Robert Sutherland

Editorial Team Leaders  
Janet Brazier, Christine Fedoruk, Antoinette Warren

Senior Editor — Galleys  
Heather Bright

Technical Operations Officers  
Pamela Holmes, Emily Jacques, Dan Kerr

Researchers  
Mike Beninger, Dylan Budd, Sandra Dyer, Sarah Towle

Editors  
Shannon Ash, Laurel Bernard, Andrew Costa,  
Heather Gleboff, Margaret Gracie, Jane Grainger, Iris Gray,  
Linda Guy, Bill Hrick, Paula Lee, Elizabeth Levinson,  
Cristy McLennan, Marg MacQuarrie, Constance Maskery,  
Jill Milkert, Lind Miller, Lou Mitchell, Karol Morris,  
Dorothy Pearson, Erik Pedersen, Janet Pink, Melanie Platz,  
Robin Rohrmoser, Robyn Swanson, Camilla Turner,  
Heather Warren, Arlene Wells, Tara Wells

Published by British Columbia Hansard Services and printed under the authority of the Speaker.

**[www.leg.bc.ca/cmt](http://www.leg.bc.ca/cmt)**

Hansard Services publishes transcripts both in print and on the Internet.  
Chamber debates are broadcast on television and webcast on the Internet.  
Question Period podcasts are available on the Internet.