



Second Session, 39th Parliament

OFFICIAL REPORT OF
**DEBATES OF THE
LEGISLATIVE ASSEMBLY**
(HANSARD)

Tuesday, March 9, 2010
Morning Sitting
Volume 11, Number 3

THE HONOURABLE BILL BARISOFF, SPEAKER

ISSN 0709-1281

PROVINCE OF BRITISH COLUMBIA
(Entered Confederation July 20, 1871)

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SECOND SESSION, 39TH PARLIAMENT

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TUESDAY, MARCH 9, 2010

The House met at 10:04 a.m.

[Mr. Speaker in the chair.]

Prayers.

Orders of the Day

Hon. G. Abbott: I call continuing debate on the budget.

Budget Debate (continued)

B. Simpson: Mr. Speaker, I will continue on where I left off yesterday. I understand I have a few minutes left.

Just to recap, the main points I made yesterday have to do, first off, with HST, which of course is the key flashpoint in this budget, and my challenge to the government that instead of continuing the rationalization of HST, they either drop it altogether or go and defend it.

[1005]

Take it out to the public. Do the kind of consultation that Ontario did before they brought it in. They're bringing it in against some public protest and backlash, but they have at least done some consultation. So the government has that option.

If they truly believe HST is defensible, then go out to the public, defend it, present the evidence to the public, see what the public has to say, and quite frankly, make sure that the exemptions actually meet the needs of the various sectors that are going to be impacted, but also continue to advance the government's agenda on things like climate change. The exemptions on fuels may actually be counter to what the government's attempting to do, whereas the lack of exemptions for bicycles, as has been pointed out, may be counter to the government's climate change agenda. So that's the first thing.

The second, and it's what I was in the middle of when we recessed last night, is the whole issue around continuation of tax reductions, deregulation, which is really what the throne speech and budget point to.

As I pointed out in my throne speech, we have a government that says we need new thinking and new solutions for a new century — a decade late in that new century, but we need new thinking and new solutions for a new century — yet both the throne speech and the budget point to a continuation of corporate tax reductions, corporate subsidies, deregulation, all of the things that have been going on under this government's term and in most of western democracies for sometime.

If we're truly going to look at new solutions, then let's look at that. Let's examine that. I would challenge all members — the backbenchers, the frontbenchers —

to examine the premise that reducing taxes, reducing regulations, undermining employment standards, undermining environmental standards, all of those things somehow get us to economic nirvana and create jobs, because the record simply does not substantiate that.

What we have is a situation in which the government uses language, such as "sustainable prosperity." It was used in the throne speech, and it's alluded to in the budget. If we put that lens on the government's budget, it really begs the question: what does the government mean by sustainable prosperity?

After eight and a half years in power we have massive job losses. We have, by the Finance Minister's own admission, too many families — these are the Finance Minister's words — still struggling and too many communities facing uncertainty. Those are the Finance Minister's own words after eight and a half years of a Liberal government in power.

So if that's the case, then it has to be examined. The premise upon which the government operates has to be examined. The Progress Board, the Premier's own hand-picked group of people, has pointed out time and time again that we fall at the lowest benchmarks for almost all social indicators: long-term systemic unemployment, the number of individuals that are involved with income assistance, the child mortality rate. All of those things are not.... We're not well-positioned in British Columbia.

Sustainable prosperity is more than fiscal prudence. It's more than simply suggesting that what we have to do is apply fiscal prudence across all realms. Sustainable prosperity must involve fiscal prosperity, it must involve social, and it must involve the environment.

[C. Trevena in the chair.]

Quite frankly, what the budget does is undermine all three of those. We see a large deficit. We see the government pulling funds from ICBC, pulling funds from B.C. Hydro, saying zero percent and booking zero percent for the public sector wages, actually highballing a little bit on the natural resource revenue, all to try and mask the size of the deficit. At the same time, we see the debt ballooning, going forward, to the highest levels that it has ever been.

So after eight and a half years have we made progress on that front? A blip in the marketplace and — boom! — we're into projected forward deficits and massive debts.

[1010]

On the other side of it, on the social side, again this province has lost the ability, because of the mismanagement of our natural resources, to create jobs and to create economic stability in our rural communities in particular. What this budget also does — because the government has given away so much revenue-generating capacity, both in how it prices our natural resources and what it's done on taxation — is that we have a massive shifting of costs onto households.

That list is large. We've got the HST coming. We've seen MSP increases, carbon tax on there. We're seeing the government putting pressure on industrial property tax rates, which will have to cause increases in the household residential rates. We've seen cuts to student supports. We've seen massive increases in tuition. We're going to see B.C. Hydro rates increase. What the government has done is pass on costs to individuals and households to the point that it is becoming unbearable for most of those households. They can't take one more insult.

That's why it's fascinating to see the government say that you can add to your debt load by deferring taxes — that somehow it's a good thing that families with children now have the option to defer taxes. If you listen to the minister's speech on the budget, they can do all kinds of wonderful things with that tax deferral.

The reality is that for many families with children, it's a way for them to potentially continue to make their mortgage payments and put food on the table during a time that one of their major wage earners is out of work, or they're cobbling together some part-time jobs to make ends meet. It doesn't address the issue on the realities that are being confronted at the household level.

On the environment side, the government again is slashing all forms of compliance and enforcement across all the natural resource ministries. In this budget, despite the Finance Minister's claims — not only throughout the election, throughout the September budget cycle, but now into the spring budget cycle — that all this government was going to do is some restraints on discretionary spending, the one bit of frank, brutal honesty in the budget was \$320 million out of the natural resource ministries. They call it refocusing. What it is, is cuts to all of the natural resource ministries.

Again, for a government that's supposed to be savvy on the side of business, it doesn't make sense. Any business owner will tell you that in a depressed market, in a situation in which you're struggling, that's the time you look for strategic investments. That's the time you look to invest and position yourself for the eventual return and rebound in the economy.

The Finance Minister's own speech points out that there's an expectation of a rebound in the natural resource economy, a rebound in forestry, a rebound in minerals, a rebound in all of the natural resources. Well, if that's the case, why is the government pulling \$320 million out of the government's role in positioning us to take full advantage of that?

In this same budget there are cuts to research and development. There's no money for research and development in our post-secondary institutions, and there's no money for labour market adjustment — all of the things that the government should be doing if they truly believe that we are on the cusp of the end of a recession and a rebound, which the government's own document states is an arguable point.

If that's the case, then why are we not investing? Why are we not repositioning? Why are we not putting money into research and development, labour market initiatives, making sure education and training are truly robust? As the post-secondary folks will tell you, a flat-line budget is a cut. It's not a status quo budget. It is a cut if you flatline a budget, which is what they're doing for post-secondary.

The government, I think, is foolhardy on that aspect of the budget — the \$320 million being pulled out — but what is particularly troubling are the 3,500 jobs that will be lost as a result of that. In many of our communities that will add insult to injury.

We saw that in the 2002-2003 cuts, where whole rural communities were — and I can't use any other word — devastated by the retraction of these significant jobs that were a major economic influence in those communities, in McBride and Likely and other places that had Ministry of Forests jobs pulled out.

[1015]

The fact that the government really can't answer for us where those jobs are going to be is troubling, and we'll have to explore that in estimates debate. But any of those jobs that come out of towns that have already lost mill jobs, that are losing logging contracting jobs, that are not realizing mining jobs.... Those highly paid, well-qualified individuals will be forced to leave those communities. And again, it adds insult to injury.

Madam Speaker, noting that I'm running out of time here, I want to go back to the throne speech that says sometimes a generation is asked to be great. Well, I think it would be great if somehow we can make this place work and if we can have what needs to be the great debate of this century. That's the debate of three decades of reducing taxes, reducing regulation and giving up all of the things that were fought for during the 1950s and 1960s.

Has it really resulted in prosperity for all, or has it only resulted in prosperity for the few, leaving more and more behind? And on top of that is a great debate we need to have on what truly is a sustainable society. What is a sustainable society? What does it look like? And again, I reference some work that we're doing through our party on sustainable British Columbia. That document is available. There's a video there.

Let's have that debate. Let's find the mechanisms to work together to figure out how you truly build a progressive, sustainable society and not, unfortunately, through this continuation of the same thinking that got us into the trouble that we're in today.

Hon. I. Chong: I, too, like others before me, am pleased to rise in my place here in the chambers to participate in Budget 2010. As others before me have acknowledged the support staff that they have, I, too, would like to take this opportunity to thank those who

work in my constituency office, Maureen and Matt. They continue to do a service to the citizens that we represent, especially when we're here in this Legislature, bringing forward issues that are of concern to them and that I have an opportunity to hear and bring to my colleagues and have healthy debate on.

As well, the honour and privilege of being a minister of the Crown affords me another level of staff — and I would like to acknowledge them and thank them for their hard work, from the person who answers the phone right up to the deputy minister — who put in countless hours, respond to concerns that the opposition raises at times, as well, and schedule meetings to ensure that they have the information that they need for their constituents. That's also important.

As well, the staff that I have here in the buildings. They keep my life on track. They tell me where I need to be — and this is apparently where I need to be this morning — and ensure that things run smoothly, because without that, we would not be able to have orderly schedules and to participate in a debate such as this — an important debate, the budget debate.

I did speak on the throne speech and encourage all members to support that. I'll begin my remarks by saying the same thing, encouraging members opposite to support the budget. But from what I've already heard thus far, I think that will be a rarity, and I understand that.

I am in support of our budget for some obvious reasons. We have just come through one of the most challenging global economic times that this province — this country — has ever endured. It was certainly not of our own doing here in British Columbia.

I think everyone would agree that the recession that occurred, global in nature, started elsewhere and spread throughout the country in a very fast and unprecedented manner, so much so that it really took everyone by surprise and so much so that it was very difficult to present a viable and credible way to move forward, other than to really start looking at what you have before you.

Last year when that occurred — and it was just after the election — we had to make some very difficult decisions. We said so. The Minister of Finance presented the September Budget Update 2009. He presented a budget that I can assure you no one — especially members on this side of the House — was, I guess, thrilled about, because it did present a deficit, something that we fundamentally disagree with on this side of the House because we know that deficits are just going to be more burden on the future of our children and grandchildren.

[1020]

But it had to be done. It had to be done in order that we could preserve the spending that people want and need in three essential areas — in health care, in education, in critical and vital family services for children and vulnerable children. Those areas in the budget were to be maintained and in fact increased, albeit you hear day

in and day out members opposite suggesting that that's not the case.

But if you go back and look at all the blue books.... Strangely enough — I know some members will believe me when I say this — I have all the blue books going back to 1996, when I was first elected. When you go back....

Interjection.

Hon. I. Chong: I know. Being an accountant, it's a hard thing to give up.

I do have that information. If you take a look, going back a decade ago, you see that the spending of government has continually risen. Spending has risen. And when the revenues have matched that spending, we have been able to provide for new services and programs.

But like all households, like all families, if your revenues start to decline, you know you cannot spend more than you have, or if you do, you can only do it for a short while, or else you have a structural deficit, which in fact is what we inherited when we formed government in 2001. I know members opposite will say that's not the case, but again, having looked at the blue books, having looked at the finances for all these years, having spoken to this chamber for 14-plus years, I can assure you that that was where the administration of the past was headed — a structural deficit.

So it is important that we take a look at what we've presented. Yes, there's a deficit the past year; yes, there is a deficit this year; and yes, there will be one going forward. But you can see it's diminishing. It's diminishing because we want to get back into balanced budgets, surplus budgets, as quickly as possible, because that bodes well for our province in terms of a recovery.

It bodes well for the leadership that is necessary in this country. Other jurisdictions are also wondering how they're going to quickly come out of their deficits. It bodes well, most importantly, for our children and our grandchildren, who depend on us, who look to us to not put this stranglehold around their necks as they go forward.

We should be concerned that if there is uncontrolled spending and deficits remain unchecked, it will be the children born today, those born yesterday, those about to be born who will be paying for the costs of this government. That's not going to happen by maintaining the track that we're on.

Budget 2010 allows us to meet our fiscal targets, allows us to continue on the track that we're on to get back to a balanced or surplus situation. The reason why we know this is not just because it's the right thing to do. The bond-rating agencies have also endorsed this. You would have thought that with that, we would have had a downgrade. Well, we didn't have a downgrade, and I think that's important to note.

We have the highest credit rating in the country, along with Alberta and the federal government. Not every province has that. Everyone in this chamber who has ever had a loan — and I'm sure they've had a loan, whether to buy a car, whether to purchase a home or any other purchase — knows that when you have a loan, you get the best interest rates possible because of your credit rating. It means you pay less in debt-servicing. It means you have more money to spend on other things you want to in your personal household.

The fact that we have the highest credit rating possible, a triple-A credit rating, and the fact it was not downgraded when Budget 2010 was presented indicates very strongly how our fiscal prudence and fiscal management is still widely accepted and is still very important for us going forward.

I was listening to a number of the NDP speakers, not just this morning but over the past number of days, one after another, and what I've heard — and I have listened; I've heard; and I know this will come as no surprise — is disappointing. It's disappointing because what I heard was, "Add more regulation. Raise taxes. Drive investments out of this province," which therefore drives jobs out of the province. I mean, the previous speaker even indicated some of those things in his speech — the Energy critic, who said, "Raise taxes," in his comments with respect to HST.

[1025]

These are the same old policies of the '90s. I know the members opposite don't want to talk about the '90s, but when you keep bringing up the same rhetoric and the same policies of the '90s, what do you expect? I was here, and so I'll remind you. I remember what was done in the '90s, and that was exactly what happened. You raised taxes. You drove out investments. We saw the moving vans going to Alberta, and they were coming back empty. That's what we saw.

We did not have a global recession in the '90s, but this province created its own recession because of those policies, those economic and fiscal policies that were a financial disaster for this province.

We're not going there. I know that's what they want to do, because as I hear them speak, that's what they want to do. They say, "Spend more," without thinking about what has to happen. And I hear members talking about debt levels. Well, who doubled the debt in their reign? Oh, that was the NDP. Oh yeah, let's not forget that's what they did. How did they spend money without accountability? How did they drive investment out of this province?

I've spoken about this before because, again, I was here in the '90s. I saw my friends who were looking for jobs, who had their own businesses. They couldn't get any work because there was nothing that was happening, and they left. Very clearly, I remember a husband who left his wife and young child and went to Alberta, and

essentially, he made her a single parent because he left to work and raise enough dollars to be sent back to pay for the mortgage.

We said when we were elected in 2001: "We're going to reverse that trend. We're going to create more jobs or the economic environment to create jobs." I do acknowledge governments don't create jobs, but you create the economic environment in which people want to invest and create jobs. That's the role of government. That's what you do. You encourage people to come and invest their dollars.

How many mines opened up when the NDP were in office? How many mines? I don't hear a number shooting out. You know why? Because the same thing happened — drive investments out.

We have seen record, massive investment in exploration. Why is that? Because people believe that this administration, our government, our administration, believes that when you invest dollars here and you create jobs, you are going to be able to be profitable and flourish, and that is not a bad thing.

The NDP had a record, as well, of raising taxes, and as I listen to them, I hear: "Yes, more taxes, more taxes." Well, one of our most dramatic tax decreases occurred within weeks of being elected in 2001 — a 25 percent personal income tax reduction. The NDP said: "No, you can't do that." It couldn't be done.

We had taken a look at every other jurisdiction in the country that had already started doing that. I know it seemed counterintuitive, but those jurisdictions that started reducing the personal income taxes, they actually saw the increase in their economic benefits as well as the increase in productivity. They saw tax revenues rise, which pays for health care and education.

We have consistently and regularly decreased taxes, so much so that I think, cumulatively, 38 percent is now what you're looking at as a reduction of your taxes. We've also, on the other end.... We acknowledge that there are those who don't pay taxes, who are at the lower end of the economic spectrum, who don't have the capacity to pay taxes. So what we did as well was augmented their tax credits.

We have done that as well with the introduction of the HST, a tax credit that will mitigate the additional costs that they feel they may have, and in many cases, they will fare better.

If you take a look at those who are in that category, the fact that their disposable income is already very limited and very scarce.... I acknowledge that. The primary cost to them would be things like their groceries, which do not have any HST, I'll remind members. Somehow people have indicated that groceries are going to go up, which is not the case.

[1030]

Their disposable income is limited, and so the additional cost to them will also be limited. So the introduction of

an HST tax credit was designed to counter that, and that will be countered. I know it's hard for members opposite to comprehend, because it is counterintuitive, but it does occur.

It's been a long while since I last practised my chosen profession, which is accountancy, where I prepared tax returns. This would be the time of year when I would be doing tax returns for people. But every now and then I still pick up the books and the forms, and I read through. I plug in some numbers to see how the tax rates of today compare to the tax rates of the '90s.

Again, it will come as no surprise to my colleagues that I still have all my tax books and tax tables going back to the '90s, because it's a good comparison. My colleagues think I should stop being a mini-library, I'm sure. However, I have those tax books and those tax tables, and I do compare them. I see how, increasingly, we have returned dollars to people's pockets and allowed them to make the choices that they want to spend.

That's why I'm encouraging members opposite to support this budget. That's why I think they need to rise and say that this is a good budget. That's why I think they should support it, because we do not need to see structural deficits.

I want to spend a moment speaking on a subject that others have already spoken of as well, because I think it's important. That is to talk about the historic importance that our province had recently of hosting the 2010 Winter Olympic Games and the upcoming 2010 Paralympic Games. This is unprecedented; this is historic. This is the first time Canada — and we're fortunate because B.C. is the host province — has ever hosted a Paralympic Games. The Paralympic Games were never attached to the Olympics. The last time we had an Olympics was in 1988 in Calgary. So this is the first time.

We should be proud of that, and I think members are. For those that rise and speak to that, I commend you, because I think it is a real historic moment for all of us.

Hon. Speaker, 35 B.C. athletes had the honour of representing our country at the 2010 Winter Olympics in their home province — 35 B.C. athletes of the 206-person Canadian Olympic team. That's over 10 percent. I think that's astounding. Again, another important aspect to take a look at.

And how did our B.C. athletes do? I think they did incredibly well. For those who medalled — and for those who didn't, the fact that they came that close.... Others — the Leader of the Opposition as well as the Premier — have said: "How do you measure $\frac{1}{100}$ of a second?" How do you measure a quarter of a centimetre or $\frac{1}{10}$ of a centimetre? I shouldn't mix the metrics and the inches together. How do you measure that — whether that's a podium win or not a podium win? You know, it's incredible. But that's what our athletes did, and they did us proud. We were all very grateful to cheer each and every one of them on.

Each and every one of our Canadian athletes who did medal — and even those who didn't — and who were interviewed deserve, I think, a huge credit for their gracious comments, for their ability to even then, as well as they had done, become role models and speak to how sport and their training allowed them to bring them to this place and how young people were captured by their spirit of enthusiasm and excitement, no matter how they did. Again, we certainly have to give kudos to our great athletes.

It's been said before that 3.5 billion viewers — over half the world's population — viewed at least some coverage of the games. That's an incredible amount. That means that was one of the most-watched Winter Games in history. It's nice to be a first, isn't it?

It's nice to be leaders, and that's what British Columbia is being known for — leaders not just in hosting this international event but leaders in fiscal prudence and management, leaders in policies that bring British Columbia forward. As everyone has indicated — and we'll see whether that happens, but we're going to work on it — apparently we're going to be leaders in taking Canada out of this economic recession.

[1035]

For those who were able to make it to Vancouver and for those who live in the Vancouver–Lower Mainland area, one of the signature celebration sites was at Robson Square. It was apparently the place to be, where there was so much activity and so much celebration, where uncharacteristically we got to show our community, our civic pride, our Canadian pride.

It is uncharacteristic. I was very surprised. I did a lot of walking in Vancouver while I was there because it seemed to be the easiest and fastest way to get places. And I rode the transit system — again, a very well-run transit system, thanks to the volunteers. But as I walked on the street, the smiles on people's faces, the number of strollers that were there.... It was incredible. It was a family event, and maybe that's one of the reasons why we were given the kinds of accolades that we were. That is perhaps one of the reasons why people were saying that these games were so successful.

I just want to quote Jacques Rogge. This is what he said: "There's this extraordinary embrace of the entire city of the Olympic Games, something that I have never seen on this scale before." Mr. Rogge, IOC president. He's been to plenty of games, summer and winter, and he says this is something that he has never seen on this scale before.

We should be proud as Canadians but more so as British Columbians, because all of us who contributed towards that spirit and embraced that made that happen. Again, I want to thank all those.... This includes all those who were behind the scenes but, more importantly, those who were visible but had to work behind the scenes. Those were the 25,000 volunteers in those bright blue jackets, as we all saw day in and day out.

Apparently, there were close to 1.5 million people who went through Robson Square during the games. They enjoyed the concerts — many free concerts. The ice rink at GE Plaza, a wonderful addition to GE Plaza. We're grateful for the sponsorship that was provided for young people and families to come out and enjoy.

The riding of the zip line. I will say I have not ridden the zip line — not because the lineups were long, but I do have a thing about heights. However, those that were in line who waited three, four and five hours said: "What a wonderful experience." It might have been something they would never have done. To have it downtown — and it was a short ride, albeit still a zip line — was an amazing experience for so many of our people, young and old alike.

I heard this was not just young people who lined up for this. There were also some fairly senior people who took the chance and wanted to do it because they felt that this is once in a lifetime. And that's what we said: "These Olympics will probably be, for some of us, a once-in-a-lifetime opportunity."

That's what the economists were saying too. It's a once-in-a-lifetime opportunity and a wonderful shot in the arm for economic activity to take place, which is what we saw. The 17 days of the Olympics injected, according to a statistic released by Visa, \$115 million U.S. into the B.C. economy in international spending on Visa cards alone — \$115 U.S. That's a huge injection in our economy at a time when things are normally slow. At this time of year, apparently, it's about double what would normally be spent by visitors to B.C.

So were the Olympics good for the economy? Were they good for the province? Were they good for Canada? I think the answer should be clear. It certainly was.

With the Paralympic Games about to commence shortly... I know there are some 24 athletes who have been named to our Canadian Paralympic team. They're going to represent our province, and they're going to do so with the same enthusiasm and excitement as our Olympic athletes. I'm confident that they're going to embrace and we are going to embrace their talent. We're going to embrace their competitive spirit, and I know that they, too, will become role models for our young people.

I want to speak, as well, briefly on some of the areas that Budget 2010 talks to. We've heard consistently how important health care and education are. About 14 or 15 years ago, I believe, the health services budget represented about 35 or 37 percent of the entire provincial budget.

[1040]

It's now closer to 43 or 45 percent. The Minister of Health Services probably has that statistic more clearly than I do. That's a very large increase — a 7 or 8 percent increase of the entire budget. That could fund five or six different ministries.

A number of years ago the Premier said that if we do not look at health care and deal with it in a sustainable way, it will consume more. The Minister of Finance of the day reiterated those comments. She said that it would not be inconceivable, if we carried on the way we did, that health care budgets would exceed 50 percent of our entire provincial budget.

What would that do? That would start to tear away at other services that we want. That would start to erode the opportunity for us to increase our economic activity. That could even start to erode the amount of public safety — you know, the police that we want in our communities. That could erode some of our emergency services. That could erode a number of areas if we do not deal with health care spending.

So we have started to do that, but we have not cut health care spending. Oh, very contrary. You'll hear from members opposite that there have been cuts. A \$2 billion increase over the next three years; \$600 million this year alone.

It wasn't that the health care budget has been decreased. The fact that some of the health authorities wanted a large sum, and they got slightly less than what they wanted, does not mean it was a reduction. It means they're being asked to take a look at innovation. They're asked to be creative. They're asked to look at sustainability.

You know, they can do it. I know they can do it. But when in the past they weren't required to do it, when they didn't have to exercise any discipline, then they spent more than they were given. They would come back to the government of the day — and that was the NDP — and would just get more money and more money and more money. There was no discipline. You can't have that happening unless you want the health care budget to go over 50 percent of the provincial spending. You just can't.

I know some of the members opposite who weren't here at the time don't recall, but you know what was done back then in the '90s when too much spending occurred and there was no accountability? Special warrants would come in. They spent the money, and they just had to authorize special warrants. That went on consistently year in, year out.

Well, we've said no more special warrants. We've said maintain fiscal discipline. We said that it's time for you to take a look at how you can manage your budgets even with an increase — not a cut, even with an increase. That's why the Minister of Health's ministry staff are working so diligently with our health authorities to say: "You can find ways to save money, and if you do, you can put that into new services, new innovation." I know that's going to happen.

Education, another large area of spending. Again, more dollars have been spent in education. The per-pupil spending is now just over \$8,300. I recall that when I first came to this place, it was, I think, in the \$6,000....

It's a huge increase, in spite of the fact that we have declining enrolment.

People forget that there is a relationship with declining enrolment and how budgets should rise. Yet they've increased. As difficult as this has been, I know, for some areas to see their schools close, I can tell you that to have a school built for 600 pupils or 400 pupils and to have it half empty — or half full, depending on how you want to characterize it — is not the best way to spend public dollars.

We are in fact sent here to this chamber to be good stewards of the taxpayers' dollars. That is our job, and that's what our side of the House is going to do.

I want to pay respect to people in our ministry with regards to an incident last fall, and that has to do with H1N1. I want to say to all of them and those who might be listening that they did an incredible job and thank them for that. They worked in a very coordinated and collaborative way.

[1045]

To the lead in our staff — that's the medical health officer, Dr. Perry Kendall — who communicated each and every day what was occurring.... He did an incredible job, and I think we should all be proud here that H1N1.... While there were about 55 deaths, tragically, it could have been worse, and it wasn't, because of that coordination.

Hon. Speaker, I always find that the green light comes on much too soon. At times I wish I was the designated speaker because there would be so much more that I have to say, but I'll just leave on this note. All signs and indicators are — because this is the piece that members opposite are referring to in our budget, the harmonized sales tax — that we will benefit and that this province will benefit from this.

I'm not an economist, but I am an accountant, and I can assure you that this was something that the accounting professions had — since I've been elected, even back in the '90s — lobbied the NDP for, as well as us.

There were times it didn't make sense because of the inflexibility that was offered. But to be able to offer this now, at this time when we have a global economic recession to come out of, when we are competing with so many jurisdictions on an international level, because British Columbia is a small trading jurisdiction.... To be able to offer the lowest HST rate across Canada gives us this opportunity to ensure that we build on creating more investments, that we build on an environment that will create jobs.

Over 100,000 jobs is what the statistics tell us is going to be happening as a result of this, and I know members opposite would like to disagree with them, but they're not economists either. It suits them fine to quote economists at times, but they're not economists. At times when it's comfortable, that's what they'll do.

Hon. Speaker, I'll take my place, and I encourage everyone to support Budget 2010.

Hon. B. Lekstrom: I seek leave to make an introduction.

Leave granted.

Introductions by Members

Hon. B. Lekstrom: Today joining us in the gallery is a group of young hockey players, the Dawson Creek Midget Canucks, who are down visiting from Dawson Creek. They are here along with their coaches and parents as well, who have come along for the trip. They are actually in the provincial championships being hosted here in Victoria out at the Bear Mountain Arena. Right now their record is 1 and 1, but I can tell you that I'll be standing here probably later this week or early next to talk about the championship won by the Dawson Creek Midget Canucks. Will you make them welcome.

Debate Continued

J. Brar: I respectfully disagree with the Minister of Healthy Living and Sport, who just finished her comments about the budget. It's a bit shocking for me to understand that this minister is responsible for healthy living and sports. This budget has massive cuts to healthy living programs and also our sports programs, and I don't understand that this minister still stands up and supports this budget. Probably the minister does not have any choice than to say it because the minister does not want to offend the Premier. I can understand that.

But I can say this. The minister, from the bottom of her heart, does not support this budget because there are massive funding cuts to her own programs in her own ministry at a time when we just finished the Winter Olympics.

It's a real honour for me to stand up in this House and debate the budget introduced by the B.C. Liberal government just last week. It's a real honour for me to represent the people of Surrey-Fleetwood and debate issues that are important to them related to this budget. With this budget, the B.C. Liberals have failed to offer any real plan to grow the economy and recover after the Winter Olympics.

[1050]

In other words, there's no real road map for the recovery of the economy. There's no real vision to grow the economy of the province. This was a great opportunity for this province, and I think that is a missed opportunity at this stage of the game.

Before I elaborate on my thoughts on the budget, I would like to convey my sincere thanks and appreciation to our athletes, volunteers and staff members of the Winter Olympic Games.

To our athletes, a huge golden thanks — to all of our athletes — for representing our great country in the

21st Winter Olympic Games held here in our beautiful province of British Columbia. I'm very proud of the extraordinary talent, sportsmanship and grace our athletes have all shown to us and the global community. Our Team Canada has made it very clear that Canada has a special place in the world. So thanks to all the athletes.

To the volunteers, my sincere thanks — to all 25,000 volunteers who came from all walks of life, breaking all the boundaries for the success of the Winter Olympic Games. It wouldn't have been possible without their meaningful support. So my sincere thanks to all the volunteers and their families.

To the people of British Columbia: you are the best hosts in the world. Smiles on your faces. "What can I do for you?" "Have a nice day." There's no match. You have shown the world that we love our country, we love each other and we respect our guests. There's no match anywhere, and the people of British Columbia have done it and done it very well. Congratulations to our athletes, volunteers and staff members for the job well done.

The question the people of British Columbia are asking now is: what will be the benefit of the Winter Olympics to the people of British Columbia? The people of Canada and British Columbia are hoping that these Winter Olympic Games will leave behind a long-lasting legacy that we can all be proud of. We have heard the claims, only the claims, but time will tell the reality.

Coming back to the budget, B.C. Liberals have made one thing very clear with the introduction of this budget. They have completely failed to offer any new and real plan to grow the economy and recover after these Winter Olympic Games. And there's no road map, as I said earlier. The B.C. Liberals have brought forward a budget that betrays their election promises to protect health care and education and that hammers British Columbians with a new tax called HST.

During the election the B.C. Liberals made three key promises, three major promises, to the people of British Columbia. The first one was that they promised not to impose HST on the people of British Columbia. Second, they promised that the total deficit will be \$495 million and not a penny more. That was the promise during the election. The third one: they promised that they would protect health care and education.

That was before the election. After the election B.C. Liberals broke all those promises and did just the opposite. They did just the opposite. They imposed HST on the people of British Columbia. Before the election B.C. Liberals told the people of British Columbia that they had no plans to impose the HST. They had no plans to impose the HST, and the B.C. Liberals gave that commitment in writing to the Canadian Restaurant and Foodservices Association. It was in writing.

[1055]

They also gave the same commitment in writing to the Greater Vancouver Home Builders Association, but

that was before and during the election. After the elections were over, the B.C. Liberals betrayed the people of British Columbia by doing just the opposite. In less than two months after the election they broke their major promise that they made to the people of British Columbia of not imposing the HST.

Clearly, they did not tell the truth. They did not tell the truth to the people of British Columbia during the election, because the B.C. Liberals knew that telling the truth would mean losing the election. That was the purpose, and that's why they failed to tell the truth to the people of British Columbia about the status of the HST.

The message from the people of British Columbia is very clear. It's very clear that the B.C. Liberals cannot continue deceiving the people of British Columbia. The B.C. Liberals cannot continue betraying the people of British Columbia on the issue of HST. Enough is enough. The reality is that the HST will hurt the people of British Columbia.

It will hurt the people of British Columbia, and this new tax will drive up the cost of many things. The cost for new homes will go up. The cost of hydro bills will go up. Haircut costs will go up. Movie ticket costs will go up. Restaurant meal costs will go up. Taxi fares will go up. Even the cost for funerals will go up under this tax, and the list goes on.

It will also hurt a lot of businesses. This new tax called HST will hurt the restaurant industry. HST will hurt the taxi industry. HST will hurt the real estate industry. HST will hurt the veterinarian industry. HST will hurt the seniors of this province. HST will hurt the students of this province. HST will hurt every family of this province, with few exceptions. This list goes on as well.

There is no winner among the people of British Columbia when it comes to the issue of HST. There is no clear winner among the people of British Columbia. There's only one group of people, only one group of winners, and that group is the big corporations — friends of the B.C. Liberals who paid them hefty money for their election campaigns. This tax is a tax shift from big businesses to the people of British Columbia. That's the real story when we talk about the HST.

The other thing I want to say about the HST is that B.C. Liberals do not have the mandate to impose the HST on the people of British Columbia if they have even the slightest belief in democracy. The people of British Columbia did not give any power, any mandate, to this government to impose HST. In fact, these members told the people of British Columbia that they would not impose the HST when the question was asked during the election. This government did not put the HST in their platform.

If the B.C. Liberal government really believed that HST is the best thing — the one best thing, as the Minister of Finance says — for the economy, they should have put that choice before the people of British Columbia during the

last election. But they did not do so. They did not do so. In fact, the commitment was made during the last election not to impose the HST, and they said clearly to the restaurant industry that they had no plan to impose HST on the people of British Columbia.

They did not tell the truth to the people of British Columbia about the HST before the election. They clearly betrayed the people of British Columbia on this issue during the election campaign, and they continue deceiving the people of British Columbia on the issue of HST.

[1100]

Today we have young students sitting in the gallery. They are here to watch the debate on the budget. We always say that young people don't participate in politics, but if the young people of British Columbia continue to see this kind of behaviour from politicians, of course they have very legitimate reasons not to take part in politics. The people of British Columbia want honesty from this government. These young people sitting there want politicians to be honest with the people of British Columbia, but that was not the case when it came to HST.

The HST is a hard sell because the people of British Columbia don't like this tax. The people of British Columbia don't like the tax that they were not told the truth on during the election. The latest spin is that it will support health care, and that is the biggest joke this government has made of themselves — the biggest joke we have heard.

They told the people of British Columbia at the very beginning that the HST is not going to bring any new revenue. In other words — that is the definition — HST will be revenue-neutral. So that means the HST will not give the government any extra dollars to spend anywhere. That is what these members have been saying from the very beginning.

But when they saw huge opposition from the people of British Columbia... Madam Speaker, 82 percent of people don't like this new tax — which, by the way, includes some of the members of this government who are not speaking up. And 82 percent of the people don't like this tax. Then they try to spin a different story. The different spin is that HST will help health care.

[L. Reid in the chair.]

When there is no extra money, how is the HST going to help health care? In fact, the reports suggest that with the introduction of HST, British Columbia will receive \$113 million, if I'm accurate — close to \$100 million less in revenue. So that means the HST will give \$100 million less to health care. How can this government say that this is a support to health care?

Yesterday we saw another report when the health care theory, the health care marketing pitch, didn't work. Yesterday we saw another line, another theory, another desperate attempt to sell this tax to the people of British

Columbia. That was that this will create I don't know how many jobs. It is a known fact on the other side that the HST will lose jobs.

I say this. If you talk to the restaurant industry, they say very clearly that this tax will lose jobs. If you talk to the real estate industry, they make it very clear that this tax will lose jobs. If you talk to the school boards, they say very clearly that this tax will lose jobs.

They didn't do their homework. The only report they brought forward was the report they would like to see. There is no factual report suggesting that HST will benefit the people of British Columbia. If that's the case....

The people of British Columbia are very smart, and 82 percent of people, which is a very high number, do not support this tax. Only 50 people on this side of this House think that this is going to be a good tax. They don't even care about what the people of British Columbia think. They never consulted anybody before imposing the HST.

The people of British Columbia expect honesty. People expect the truth, not betrayal, and that is exactly the case when it comes to HST. The government was not honest with the people of British Columbia during the election. Clearly, the B.C. Liberals were not honest with the people of British Columbia during the election. They lost the trust and respect of the people of British Columbia. There is still a narrow opportunity for some members of the government.

[1105]

We need just seven members to defeat the HST — just seven members. I know that there will be seven members, at least, on the other side who will listen to the people of British Columbia, who will listen to their constituents and stand up in this House and speak on their behalf and oppose the HST. We are only asking for seven people. Just seven people, and that will be a done deal.

I know there are more than seven members who are really hurt that this government did not provide the accurate information during the election. They truly believe, if you ask them from their heart, that they don't like the HST. They would like to stand up in this House, but I think that the way this party is run, nobody can speak their mind. Nobody is allowed to stand up on behalf of their people in this House and oppose something which the Premier wouldn't like. That's the reality.

I think by the time the HST legislation comes to this House, there will be seven people who will rise to the occasion and stand up in this House and defeat the HST legislation. That will be a great service to the people of British Columbia. They will become heroes in their own constituencies. That's what people like — when you stand up and speak what people want you to speak.

That's what people support, and that's what people want from politicians. That's what I think. There will be some members, only seven of them, who will stand up in this House and defeat the HST.

The other promise they made during the last election was a funny promise — that the deficit would be \$495 million and not a penny more. That was the promise made to the people of British Columbia. I'm looking at the kids sitting in the balcony, the students from a school. People believing that came to the polling station and supported this party.

During the election that promise was made time and again. These kids — they may be from fourth or fifth or sixth grade — can understand the figure, that a \$495 million deficit was the promise made during the election. But that was before the election. After the election, the reality is completely different.

The last budget.... The deficit last year was \$2.8 billion — seven times more than they promised to the people of British Columbia. This year the total deficit is \$1.7 billion, which is, again, more than four times more than what they promised to the people of British Columbia. Like, how the hell can the people of British Columbia trust the estimations and projections of this government anymore? How can the people trust this government anymore when they keep changing things every six months?

They say something before the election and do exactly the opposite after the election, and that has been the case on the budget deficit as well. They failed to tell the truth. They failed to tell the truth to the people of British Columbia during the election because they knew if they told the truth, they would lose the election. That's what they thought on the other side of this House.

The other promise they made was about health care. During the election, they made this promise in strong words, that they would protect health care. The reality is that B.C. Liberals have cut a vast number of vital government programs and services.

Because of the chronic underfunding of the health care system by the B.C. Liberals, health authorities are being forced to make cuts to vital health care services, including cancelling surgeries, reducing MRIs, closing operating rooms and acute care beds, increasing demand on ERs, cutting community-based programs and mental health and addictions, cutting funding to health research, increasing residential rates for seniors and closing residential care beds.

[1110]

Newton Regency and Zion Park in Cloverdale are the examples I have. They have cut almost everywhere.

The Surrey people. Madam Speaker, I just want to tell you the unique story about the people of Surrey. They are waiting and waiting and waiting for a new ER, and the former Health Minister knows this very well. They're waiting and waiting and waiting for a new ER announced by the B.C. Liberals more than ten times. After ten years in power the only thing the B.C. Liberals could offer to the people of Surrey is just a model of the ER, which is that big. That is the thing they offer to the people of British Columbia.

People are looking for a new ER, not the model of the ER, and that's what they offered to the people of Surrey after ten years of being in power. That shows that this government is completely out of touch with the health care needs of the people of Surrey.

Another specific promise the B.C. Liberals made during the last election and previous elections was to build this new ER, emergency room, in Surrey. The promise was made that the construction for the new emergency room would start in 2010. The construction will start for the new ER in 2010. The former Minister of Health was there to make this announcement, and I was there as well. After the election the B.C. Liberals betrayed the people of Surrey by delaying the construction by one year. Now the construction will begin in 2011. But the story becomes more complex and painful.

This is not the first time they changed their mind about the promises they made during the election. The promise was made to the people of Surrey during the middle of the provincial election in 2005, as well, to build this new emergency room in Surrey. The construction was to begin in 2008 and completion in 2010. But after the 2005 election they delayed the completion of the new emergency room from 2010 to 2014. In other words, the people of Surrey have to wait four more years for the new emergency room.

This is their third term in office. What they're telling the people of Surrey is that there will be absolutely no improvement when it comes to the health care crisis in the Surrey emergency room, even after finishing their third term in office. The people of Surrey will have only that model of the emergency room — no real improvement.

During the last 12 years, when they were in power, we have in Surrey probably 80,000 more people and absolutely no improvement in the infrastructure of health care in Surrey. Promises were made, promises were broken after the election, and that is the case when it comes to the health care crisis in Surrey.

Clearly, if you look back at the last two elections, the B.C. Liberals say one thing before the election and do exactly the opposite after the election. Clearly, they don't tell the truth to the people of Surrey before the election, and after the election they do whatever they want to do.

The story of the new emergency room is a prime example to show that B.C. Liberals don't care at all about the health care needs of the people of Surrey. They don't care. They know that there's a crisis, but they don't care.

[1115]

I did have some hope when we saw the new minister, who comes from Surrey itself. This is known to fast-track the project. But when it comes to the Surrey new emergency room, this new minister, who comes from Surrey-Cloverdale, did exactly the same thing which has been happening in the past, and that is that he delayed the construction of the new emergency room just three weeks ago for one year. He followed the old tradition of

the party — that's what it sounds like — so there is no more hope that the people of Surrey can have when it comes to improvements of the emergency room functioning in Surrey, the fastest-growing community in the province.

Let's talk about education. School boards across British Columbia are facing severe budget shortfalls — severe budgets shortfalls. The B.C. government has cut \$14 million from sports groups, including \$130,000 in cuts to B.C. School Sports association. The government has cut parent advisory councils by \$6.7 million this year. They have also eliminated \$110 million from schools' annual facility grants, and the list goes on.

Surrey school district faces the same daunting challenges faced by school districts across this province as a lack of education funding by the provincial government threatens the most basic of the programs. Surrey is the largest school district in the province and one of the few that is still growing — 1,100 more students just last year.

I have heard these stories from the government time and again during the last six years — that they are closing schools because the enrolment is going down. They have closed 175 schools in the province of British Columbia. The situation in Surrey is completely different, completely unique. We haven't seen new schools coming up when it comes to Surrey. In fact, they closed the school in the former constituency of Surrey-Tynehead — the member is here, and now that is a riding called Surrey-Fleetwood — when Surrey should have many more schools, based on the growth in population.

Surrey students are going to feel the impact of cuts even more intensely because of the growing population in the city of Surrey. Confronted by a budget shortfall of between \$17 million and \$18 million for the next school year, no program or services to students will be safe. Surrey's trustees have done a good job of keeping administrative costs low.

Thank you, Madam Speaker, for giving me the opportunity.

D. McRae: I'm pleased to stand here today and respond to the budget speech. [Applause.] First of all, I'd like to make some thank-yous, though. I'd like to thank my colleagues for the love I just received.

Interjection.

D. McRae: I'll interpret it any way I want.

I'd like to thank my constituency office staff in Courtenay. Starr Winchester, my receptionist, who has longtime family in the Comox Valley. I was lucky she came on board. I was very pleased to have her. I was also fortunate enough to keep Dianne Lineker, who was Stan Hagen's constituency assistant prior to his passing. Having both of those people in my office has allowed my office to run very seamlessly, and they make me a better MLA.

In Victoria I'd like to thank Matt Pitcairn, Razi Ardakani and Ryan Pineo, the legislative assistants who assist us so ably in making sure where we need to be, on time; my communications officer Stacie and research assistant Erin Rennie. They have been absolutely fantastic.

I'd also like to say a special thank-you to my wife, Deanne. She puts up with a lot. I'm away a lot. I don't do as many diapers as I should, and she's there to get my back, so I really appreciate that.

My daughter Gracie is six years old. Though it has absolutely nothing to do with the budget, I'm very proud she lost her first tooth the other day. It was a three-day affair, but it finally came through, and we're very proud of her. My daughter Chloe really doesn't understand what she's doing, at four months old, but most importantly, she's doing it well, and she's sleeping through the night for the last three months. It'll end one day, maybe when she's 16 or maybe not tomorrow, but every night we get our eight hours of sleep is a great day in the McRae household, and we really appreciate Chloe for that.

[1120]

On a more topical area, I am pleased to support this budget, and I am so impressed with the ability of the Minister of Finance to protect and enhance key service areas — health care, education, vital social services — while at the same time acknowledging the unprecedented economic times which began in 2008 and still reverberate today.

We are very lucky, though. Canada, particularly British Columbia, suffered far less than many developed nations. If we look around the world and see the impacts on the countries of Ireland, Iceland, Greece and the United States, Canada has emerged from this global recession relatively unscathed. And I think B.C. is in a far better place than any other province in Canada.

The reason we were able to escape the full force of this economic recession is we have created a balanced economy, one that draws on our incredible natural resource wealth that this nation and this province have been so fortunate to have been blessed with. We also have had governments, both at the federal and provincial level, that see the importance of allowing free enterprise to flourish but, at the same time, still impose some government restraints to ensure that companies do not get too large to fail.

We look to the south and see our neighbours, with companies like AIG, which received up to \$85 billion in government support. Citigroup with \$20 billion. How much money did Canada have to inject into our banking system? We didn't. Did we see thousands of homes get repossessed through subprime mortgages? No, we did not. No, the times are not perfect, but we emerged in this recession in relatively good shape.

While we bask in the glow of the Olympics and the soon-to-arrive Paralympics, let us not forget some of the immediate spinoffs of the event. Looking at a news

article, a company called Moneris Solutions, which is Canada's largest debit and credit processor, stated that consumer spending increased 48 percent during the month of February in Whistler and Vancouver. This meant that businesses were able to extend hours of operation, buy increased products from suppliers and give staff more hours.

While many businesses hoped they would see an upsurge in spending, I don't think any business counted on the surge they saw. International consumers accounted for 22 percent of the transactions in these areas. When it comes to the gold-medal spending, that goes to China, which spent, on average, \$423 per transaction. The Russians get the silver, at \$230 per transaction. The Swiss came in third, at \$140 per transaction.

If you walked around the city of Vancouver or the village of Whistler during the Olympics, the number of foreign visitors you saw was staggering. We always were blessed with having foreign visitors come to our jurisdictions, but during the Olympics they came en masse. They spent, and they helped our economy.

Bars and pubs. I can't believe this. They saw their sales increase by 130 percent during the Olympics. Clothing stores saw sales almost double. They say that one of the only times they saw spending drop during the Olympics was for that three hours on Sunday afternoon on the last day, when every Canadian was busy glued to the TV. Obviously, some of the criminal element was also doing the same thing, because crime rates dropped dramatically during the Olympics, and especially during that. So patriotism extended to all aspects of our society.

While costs like these show the immediate impact of the Olympics on the economy, it's the long-term impact that will be the legacy of these games. Vancouver and Whistler hosted an event watched by three billion people from around the world, and what did they see? They saw an amazing spectacle. I watched the opening ceremonies, and my pride as a Canadian welled up.

I was staggered by watching those whales on the floor of the B.C. Place Stadium go across and look like they were in a 3-D environment. The torchbearers — like Nancy Greene, Catriona Le May Doan, Rick Hansen, Steve Nash and Wayne Gretzky — were great Canadian choices.

Bringing Betty Fox into the ceremony was the right thing to do. While her son could not be there.... The Fox family has done so much for this country.

I also did something different. I have purposely PVR'd shows that the Americans portrayed, and I watched NBC's coverage of the opening and closing ceremonies. I was really shocked about the way the network portrayed the games in our nation. I was shocked because they portrayed Canada in such a positive light.

They definitely talked about the American skills and their impressive medal results, but they didn't need to talk as much as they did about Canada and Canadians

and the natural beauty of this province. Day after day after day American networks portrayed Canada in a very, very positive way.

The closing ceremonies celebrated the natural beauty of Canada, the warmth of our citizens and the vibrancy of the Lower Mainland and Whistler. I was sad when the torch was finally extinguished.

I don't know how many people in this chamber are aware of one of my wife's favourite shows. You may know it. It's called *Oprah*. I gather Oprah's Book Club — and her ability to make an obscure novel a bestseller overnight — is unbelievable.

[1125]

The woman is a marketing dynamo without the taint of trying to sell something we do not want. Oprah celebrated the Olympics as well, and when Oprah declared the famous red mittens as the hottest Olympic item and gave them to 300 cheering members of her studio audience, Canada and the Olympics got another amazing surge of marketing dynamism.

It's exposure by people like Oprah which has increased the exposure of this province to the world. When was the last time anyone heard Oprah talk of Canada prior to the Olympics?

It didn't just stay with Oprah. Even political satirist Stephen Colbert broadcast two shows from Vancouver during the Olympics. He has an average viewership of 1.2 million people. He took a risk. He broadcast his shows from outside in February in British Columbia, and what happened? The days were absolutely phenomenal. The crisp, clear blue skies, with the shimmering city in the background and the mountains in the distance, could not have portrayed Vancouver in a better light.

For two half-hour episodes.... Sure, he mocked us a little bit — that's what he does — but at the same time, he showed Vancouver in a way that we could not have got across to an audience in any other manner.

While we estimate the number of people around the globe who got to hear about B.C. and Vancouver for the first time is staggering, those benefits were not just limited to Vancouver.

Members of this House know that I often stand up and brag because I'm so proud of the Comox Valley. The Comox Valley began its Olympic marketing strategy the day Canada was awarded the Olympic Games in 2003. We knew we'd be overshadowed by Whistler and Vancouver, but we also knew there would be a place for a small community on Vancouver Island, and there was.

For the past month Olympic and Paralympic teams have been training in the valley. These 33 teams from 14 different nations have been staying in local hotels, eating in restaurants, shopping in stores, training and meeting our local citizens. While they're in town, their national media is following.

Over 130 international media outlets visited the Comox Valley during and leading up to the Olympic

Games — CNN, BBC, NBC. It was list after list. This international exposure brought both the Olympics and the Comox Valley an advertising budget of a magnitude that local government could never imagine.

We are also going to have some legacy projects — \$4 million was invested in the valley's sport infrastructure. We have a state-of-the-art biathlon range, one of only four places in Canada that have electronic targeting. We saw new Nordic trails created, and starting in May we will see construction of the mountain sports centre that will be a lasting legacy for school teams and athletes to come to the Comox Valley and Mount Washington to train.

I'm also proud of the fact that seven areas of British Columbia invested into B.C. Street. Between 7,500 and 11,000 people a day visited B.C. Street and had the opportunity to see the Comox Valley booth. I want to thank the community of Richmond so much for hosting us for those great 16 days.

When I was there working with the local volunteers and staff in our booth, we had Bent Harder, one of our local torchbearers, with his torch in town. There was a lineup of 40 people, continually. Bent shook hands and had his picture taken, not for one or two hours, which would have been a lot. He stood there for over eight hours and shook hands with everybody.

We said: "Bent, take a break." He said: "No. There are more people in line. Look at the kids. They want to get their picture taken." We were so fortunate to have people like him and Sandy Gray, who came and volunteered their time, stayed and basically sold the Comox Valley.

It shocked me as well, when I was working. I was trying to promote the Comox Valley, and I'd ask someone: "Have you been to the Comox Valley?" They'd say: "Well, you know, maybe 20 years ago" or "You know what? I've heard of it but haven't got there. What do you have in the Comox Valley?"

Person after person we were able to talk about the highlights of our community. We talked about agriculture. We talked about golf and skiing and the beaches and the arts and the culture. You know what? We know we're going to get visitors we never would have had because of the O Zone and Richmond during the Olympics.

Let's link back to the past, because as a history teacher, I always like to examine the past and see its impact on where we are today.

Expo 86 put Vancouver on the world tourism map. We saw tourist visits arise from 3.8 million people coming to this area in 1986. By 2007 those numbers had achieved nine million. We saw the pride B.C.'ers showed about the province in '86, and we saw the legacy projects which still exist today. We saw SkyTrain, Canada Place, Science World, B.C. Place and the Coquihalla Highway as just a few of the lasting legacies from Expo 86 over 24 years ago.

Well, you know what? When you're doing marketing, you can't rest on your laurels, and these Olympics reminded the world about what and where we are once again. The world is a much different place than it was 24 years ago, and when it comes to tourism, we sold this province so very well.

But enough about the Olympics. The budget today is about moving forward, spending taxpayers' money wisely and protecting our core government services so that when B.C. and the world emerge from this global economic recession, the quality of life in this province and this country is better than ever.

Even with all this economic turmoil, and don't let the opposition convince you it's all gloom and doom, there are still over 2.2 million B.C.'ers who are still working in this province. That's the same number of people who were working in 2007.

Yes, B.C. did suffer large job losses during the recession, but so did other jurisdictions. California lost over 900,000 jobs in 2009. Their unemployment rate spiked to 11 percent. Oregon's unemployment rate reached 12 percent. Are we anywhere near that? No. And we're going to get better and better.

I had the opportunity to sit and listen to Ontario's budget yesterday. You know what? Again, I am so thankful to be living in British Columbia. Their budget has a \$24 billion deficit for this year. That is a huge, huge number, almost ten times what British Columbia's deficit was at its worst. They're hoping in five years to emerge from this huge amount of debt. But you know what? I know our plan is better.

In 2002 and 2003 our government revenue in this province was approximately \$28 billion, but our spending was over \$30 billion. The problem was spending was exceeding revenues by over \$2 billion. I'm proud to say that the B.C. Liberals will rein in the spending and increase provincial revenues.

Our credit rating was upgraded, and even today this government has been able to maintain our enviable triple-A credit rating, which saves our taxpayers millions of dollars. This is the result of living within one's means.

Due to solid financial planning and keeping spending within reason, B.C. is poised to emerge out of this recession in a position that is almost unequalled in North America. In 2010 Canada's GDP is estimated to grow by 2.6 percent. These forecasters, who are banks like CIBC, TD, Scotiabank, Royal Bank and Bank of Montreal, forecast B.C.'s GDP to grow by 3 percent, and as our GDP grows, so do government revenues. This allows us to continue to make record investments in health care, education and key social services.

The opposition will be the first to say that we can pay for increased costs of government by raising taxes, taking more money directly out of taxpayers' pockets. If they were allowed to dictate tax policy, anyone who has studied history knows the result. Companies, individuals and investors will leave this province and invest elsewhere.

The world economy is far more sophisticated today than in the past. Jurisdictions around the world are doing their best to attract investment. Look at Ontario. I can say with complete honesty that the HST was not on my radar screen both during and before the 2009 election. The NDP will continually try to bring it up, and if they say it enough times, perhaps they will start believing it. But the reality is that it was not on any political radar screen.

On March 26, 2009, Ontario announced the HST in its budget speech. Sadly, the province of Ontario wasn't thinking about B.C. and didn't care that we were on the cusp of an election. But just two weeks later the writ was dropped, and the politicians of this province moved into election mode.

Did the NDP make the HST an election issue during the last 2009 election? No, they didn't. They didn't ask the question. Not once was I asked the question. Not once did I see literature. They weren't thinking about it either. Why? It wasn't there.

Interjections.

D. McRae: After the election.... You know what? They say: "Tell the truth." I've only been in government for nine months. One thing I've learned in Victoria, though, is that it's really hard to keep a secret. And if there is something on the radar screen, why don't you bring it up and show? Why don't you show a document where it was on the government's radar screen? Bring a piece of paper. Bring some evidence. That's all we ask. Just have some evidence.

Interjections.

D. McRae: Bring it out. Talk is easy. Let's see some documents.

After the election, when the Minister of Finance was able to re-engage with his staff, it became obvious that B.C. was going to be left behind by the economic steamroller known as Ontario.

[1135]

Then this week we have Jack Mintz, one of Canada's leading economists and tax experts. He released his report on the impact of the HST on this province. He states that "the sales tax harmonization and corporate tax cuts will increase capital investment" in this province "by \$14.4 billion and result in a net increase of 141,000 jobs" by the end of this decade. By lowering the tax on new investment, the HST will encourage companies and individuals to make capital investment in this province.

Due to events like the Olympics, the world knows about British Columbia, the province's rich natural resources. We have a strong quality of life and a population that is highly educated and a health care system that is the envy of much of the world.

While the people of B.C. love this province and are rightly proud of it, money does not care. If we can build

on our advantages, both natural and institutional, we can ensure B.C. is vibrant for future generations. By 2018 B.C. will have an internationally competitive marginal tax rate that will be lower than in Alberta, Ontario, the United States, the United Kingdom, Australia, France, Germany, Italy, Japan and South Korea.

It's not an easy thing to do when it comes to tax changes, because the easy thing to do is do nothing, blame others or hope that someone else does it. Like one of my colleagues stated, the HST is good policy but not popular. I'm willing to do what is necessary to ensure that B.C. remains a strong and vibrant province, one that will not excessively tax its citizens, one that attracts investment and one that sees an economy that will continue to evolve and prosper.

One of the reasons we do prosper is that we've always been a province that has relied on exporting to grow. When one goes into the rotunda of this building and looks up at the massive murals on the ceiling, they depict major industries of this province in the 1930s. You can see the historic importance of mining, fishing, agriculture and forestry. These industries are obviously still very important to our province, but our mining industry competes with South America. Our fishing industry competes with Europe and Asia. Our agricultural goods compete with California. Sweden, Indonesia and Russia are just three of many nations that sell timber and fibre to the world.

For the longest time B.C. relied on the huge U.S. markets to sell our natural resources, but our government recognizes that diversity is key to economic prosperity. Between 2007 and '09, when one compares percentages of exports sent to the United States, B.C. is in a very enviable position. Over 81 percent of Ontario exports go to the U.S. Alberta is even more dependent on U.S. markets.

I'm on a roll, but you know what? I just have this sense that someone wants to make an introduction. When you have those senses, you go with them. So I'm going to yield, if I may.

J. van Dongen: I seek leave to make an introduction.

Leave granted.

Introductions by Members

J. van Dongen: In the House this morning we have two groups of grade 5 students from Our Lady of Perpetual Help School visiting us from the Premier's riding of Vancouver-Point Grey. They are accompanied by their teachers Ms. Sandra Reis and Mr. Paul Venegas and have come to Victoria today to learn about how the Legislature and how government works. On behalf of the Premier, I would ask all of the members of the House to join me in welcoming them here today.

Debate Continued

D. McRae: Where was I? I think I was talking about exports. Fourteen percent of British Columbia's exports go to Japan. Japan, with a population of 120 million people, has been and continues to be a great market for B.C. products. This province is also well positioned to export our resources to this Asian nation, and we continue to work on this market.

China, with 1.2 billion people — a population almost four times that of the United States — has an economy starved for natural resources. B.C. is working hard to ensure that China is embracing, amongst other resources, wood into its building practices. Can you imagine the potential of this province if we grow the China market for wood-related products to even half of what the Americans have purchased? Our forest industry's future would be bright indeed.

One of the reasons I believe in the B.C. Liberal Party is that for the past eight years in office they have shown that there is no appetite to overtax the residents and businesses of British Columbia. For the past nine months I've had the privilege of sitting on this side of the House and listening to the opposition, who are aptly named, because they are literally against everything.

When the B.C. Liberals came to power in 2001, after what I might add was two terms of "NDP tax and spend without fiscal accountability" eras, the B.C. Liberals began an era of tax cuts. That is cuts to revive the economy. The NDP was against personal income tax cuts, a measure designed to put more money in the pockets of our residents and keep skilled workers from leaving the province in droves — a common occurrence in the late 1990s, which we all know. The NDP was against cutting corporate and small business taxes.

[1140]

I think they like to tax businesses for two reasons: they have no vote, and the NDP believes that business owners are rich because any expense can just be written off. It's just like the *Seinfeld* episode — just write it off. The reality, though, is far different.

As has been said in this House many times, government does not create wealth, but it creates the environment where business can grow and prosper. For it is business that hires our family members who, in turn, earn wages which then lead to more tax revenue throughout the province.

The NDP was against the carbon tax. They were against that too — probably one of the greatest political blunders in a decade. I even sat in this very chamber and listened to the NDP criticize the Wood First Act in the last session, speaker after speaker. In the end, even though they spoke negatives all the way through, they voted for it. Even in a bill which they support, they have to criticize it at length.

Let's talk about the money that's going to be in people's pockets. In 2001 a senior couple earning \$40,000 a year

paid over \$900 in B.C. income taxes. Today that same couple will pay zero. We have put those dollars right back into their pockets where they need it most. A family of four paid over \$4,500 in B.C. income taxes during that time, but today they pay \$2,000 less.

This policy of having people and businesses pay less tax is working because we have seen continual growth in the number of people employed in this province. Yes, the opposition will say that we took a major hit during the 2008 and '09 recession, and we did, but rhetoric and fearmongering will not put people back to work. What this province needs is not idle talk but action, and the B.C. Liberals are willing to do what's needed to get the economy back on.

One of the things, as a family man, that I'm very proud of in this budget is the property tax deferral program. This is another example of how the opposition could not recognize a good idea even if it kissed them on the lips. The cost of home ownership in B.C. is high. We know that. As long as Fort McMurray reaches minus 30 degrees, people want to live in B.C.

Many people, myself included, buy their first home before they have children. We stretch to make sure we get that environment for our kids to grow up in. We stretch when we buy the house that we dream about. It may be the first house or the second house, but we buy the house. How many of us in this room stretched to buy our first home and crossed our fingers that first year, hoping the roof would last another winter, the hot water tank would not fail or the foundation would not find this emergency crack? We were nervous because we had no extra dollars.

Being able to defer property taxes is an option that people need to investigate thoroughly. It can put thousands of dollars into a family's pockets for their needs today. For example, in the Comox Valley in the average family, depending on whether you live in a rural area or municipality, it could range between \$1,500 and \$4,000. That is a lot of money.

Families can choose to defer their taxes and put the money where they need it most. It might be a much-needed renovation, maybe perhaps to pay off a high-interest credit card bill, put some dollars towards a child's RESP or maybe allow the family to take a special vacation. The property tax deferral program gives a family an extra layer of flexibility, and I know this measure will be well received by our residents.

I'm also proud to say that this government will continue to invest in health care. I know the opposition will continue to portray any government increase to health care as a cut or a slash. I can't be sure what dictionary the opposition is using, but I was always under the impression that a cut or slash in spending means there'll be less dollars for a service.

I stand here to assure the residents of B.C. that there will not be cutting or slashing of the health care budget. In fact, over the next three years, the government is

committed to investing over \$2 billion in health care. Furthermore, we want to find efficiencies. We're asking health authorities to consider new models and to try to get the best return on our health care investment.

If the NDP defines a \$2 billion increase in investment as a cut in spending, how could voters believe the opposition on any of their wild statements? If they can't grasp the simple definition of cut or slash, what hope could they have to bring in a balanced budget? It boggles the mind.

I'm also pleased to see an increase in funding for education. As a high school teacher, I welcome any funding increase to benefit the learning of our children. So \$150 million has been added to the Ministry of Education budget. Teachers' wages are being fully funded, and \$110 million has been allocated for the annual facilities grant for much-needed maintenance. These are the right things to do, and I'm proud to see our government do it.

I'm also very happy to see full-day kindergarten being fully funded. My daughter, who is six, just graduated from kindergarten last year. We had to drop her off at 8:40 in the morning and pick her up at 11:15. Who picked her up for the most part? The day care provider. She was in school basically for the full day anyway.

I think full-day kindergarten will do a couple of things. It will allow families some more flexibility. It will also allow children to get a higher level of socialization and support in our school system. It worked very well for us. I think the full-day kindergarten system will be a benefit for generations to come.

[1145]

I'm a realist, and I try to live within my means. I do not make promises I cannot keep. I'm proud of this budget because it is reflective of the tough economic times in which we live, and at the same time, it protects our key services that our population expects.

The opposition has an easy job. They sit across and verbally write cheque after cheque that they know they'll never have to cash. Do not think for a minute that I'd like to see this government spend more. Finding places to spend is not hard. The reality is that people and governments need to live within their means.

As a parent, I do not expect my children and grandchildren to be responsible for the debts that I incur. I think governments need to follow the same path. You can choose to spend recklessly today and allow one generation to live in an unrealistic era, but eventually the bills will come in. This government does not believe that future generations should pay for our carefree spending today. Governments, like people, need to live within their means.

I know that in my own family my daughter would love to have a pony. If I promised to buy her one, my family popularity rate would increase dramatically. But we can't afford it. It wouldn't fit in her bedroom. We don't have a barn. But I'd be very popular, at least with my daughter in the under-six demographic poll in my house, for a very short period of time. My wife, in the over-30 demo-

graphic poll, might see completely different numbers. It's amazing. I know how to be popular. I just can't afford it.

I recently bought a new vehicle. I would have loved to have bought a Mercedes, but I couldn't afford it. I bought a four-year-old Honda instead. I have to make realistic decisions for my family. I do it personally and will do it professionally in this chamber.

This government has brought forward a budget that'll both meet the needs of B.C. today and set the stage for future economic growth. Without reservation, I'll vote in favour of this budget.

M. Sather: It's my pleasure to rise today to address Budget 2010. You know, it's a budget that doesn't provide much in the way of direction to the people of British Columbia. It seems like the primary plank in the government's budget is the HST, and that's a pretty shaky foundation on which to launch into the new decade.

It's been interesting to listen to the members opposite over the last period of time in the debate about the budget. One of the themes that keeps coming up and that the Liberals talk about is: "The difference between us, the Liberals, and them, the NDP, is that the NDP wants to raise taxes, but we don't." This is a common theme, and you can see the nods of agreement from the members opposite. This is a firm belief that they have, as fictitious as it is.

Interjection.

M. Sather: It certainly is fictitious. The member thinks that it is not, but over the period of time that I have to discuss this budget, I certainly want to address that.

Of course, as I've mentioned, the first thing that they came in with after being re-elected was a tax on the taxpayers of British Columbia, a tax shift that will take the burden — if you want to call it that — off business and put it onto the taxpayers. Then the government wonders: "Why do so many taxpayers oppose this tax? As much as we deign to tell them how good it is for them, they don't like it."

They don't like it, because they're not stupid. They get it. They get that the tax is being transferred onto their backs. They're not at all happy about that, and one can clearly understand why they wouldn't be.

Now, the government has gone to some length, I suppose you could say, to try to convince us that the HST is going to result in business reinvesting in British Columbia and creating jobs. The member for Surrey-Whalley very ably demonstrated and elucidated the fact that, hey, that hasn't happened in the past. Why would we have confidence that it's going to happen now? It didn't happen during the commodity and consumer prices spending boom. Businesses didn't reinvest in British Columbia.

[1150]

[Mr. Speaker in the chair.]

You know, the member called it faith-based. This is a faith-based approach that this government is taking and trying to convince the people of British Columbia to go along and to join them in their faith.

Let's look at some of the other taxes that this government is piling on to the people of British Columbia. Let's look at B.C. Hydro rates. A 9 percent hike this year, 7 percent last year, 7 percent the year before last, 6 percent next year, 12 percent the year after that and another 6 percent the year after that — 47 percent increases. So 47 percent is what the people of British Columbia are going to be paying for B.C. Hydro tax rates, which is simply a tax by another name.

That's what this government excels in. They excel in the shell game of pretending that all of these.... B.C. Hydro, of course, is at the behest of this government. We know that. They're always playing this shell game of pretending that they're not increasing the taxes, pretending that they're not increasing the burden on the taxpayers of British Columbia, but doing just that.

In fact, this year they're taking a whopping \$254 million from B.C. Hydro, and who's going to pay? The taxpayers know they're going to pay. They see their bills going up. Of course, again, they're not foolish. They're not stupid. They understand what's going on.

However, noting the hour, I will reserve my place in the debate and move adjournment at this time.

M. Sather moved adjournment of debate.

Motion approved.

Hon. G. Abbott moved adjournment of the House.

Motion approved.

Mr. Speaker: This House stands adjourned until 1:30 this afternoon.

The House adjourned at 11:53 a.m.

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

Printing Agent
Crown Publications, Queen's Printer for British Columbia
563 Superior St., Victoria, B.C. V8W 9V7
Toll-Free: 1-800-663-6105 Telephone: (250) 387-6409
Fax: (250) 387-1120 E-mail: crown@crownpub.bc.ca

Rates
Single issue, \$2.85; per calendar year, mailed daily, \$396. GST extra.

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