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6TH SESSION, 37TH PARLIAMENT

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CONTENTS

Wednesday, February 23, 2005
Afternoon Sitting

Routine Proceedings

	Page
Introductions by Members	12069
Tributes	12069
Keith Oleksiuk	
J. MacPhail	
Sven Fredrickson	
G. Trumper	
Statements (Standing Order 25B)	12070
Electoral reform	
J. Bray	
Poco a Poco Service Society	
G. Trumper	
Mining in B.C.	
W. Cobb	
Oral Questions.....	12071
Termination of Fraser health authority CEO	
J. MacPhail	
Hon. C. Hansen	
Acute care services at Surrey Memorial Hospital	
J. Brar	
Hon. C. Hansen	
Funding for Fraser health authority	
E. Brenzinger	
Hon. C. Hansen	
Long-term and acute care beds in Fraser health authority	
J. Brar	
Hon. C. Hansen	
J. Kwan	
Services at Smithers Airport	
D. MacKay	
Hon. K. Falcon	
Committee of the Whole House.....	12074
Thompson Rivers University Act (Bill 2)	
Hon. I. Chong	
Report and Third Reading of Bills.....	12074
Thompson Rivers University Act (Bill 2)	
Second Reading of Bills.....	12074
Income Tax Amendment Act, 2005 (Bill 7)	
Hon. C. Hansen	
J. MacPhail	
J. Bray	
L. Mayencourt	
K. Whittred	
B. Penner	
R. Stewart	
Hon. C. Hansen	

Taxation Statutes Amendment Act, 2005 (Bill 8)

Hon. C. Hansen
J. Bray
L. Mayencourt
Hon. C. Hansen

Budget Debate (*continued*)..... 12088

K. Whittred
J. Bray
J. Nuraney
G. Halsey-Brandt

WEDNESDAY, FEBRUARY 23, 2005

Introductions by Members

The House met at 2:04 p.m.

Prayers.

[1405]

Introductions by Members

P. Nettleton: Doug Longstaff and Ruby Campbell are here today from Minnedosa, Manitoba, visiting with our very own Luana from the dining room and her husband, Ron. Please give them a big welcome.

Hon. J. van Dongen: Visiting us today from Saskatoon are my son, Peter van Dongen, and his wife, Clarice Springford. With them, as well, are Clarice's grandparents from Vancouver Island, George and Christine Doney. I just want to report to the members of this House that Peter and Clarice are making plans to come back to British Columbia, and both families are very happy about that.

Tributes

KEITH OLEKSIUK

J. MacPhail: I rise to announce a little bit of sad news. Keith Oleksiuk, who was the chair of the Labour Relations Board in the 1990s, died this morning of cancer. He was a transplanted Ontarian to British Columbia. He chose this province as his home, served us well in the field of labour relations for several years and loved this province. I would ask if we could send condolences to his family from the House.

Mr. Speaker: Absolutely. We will.

Introductions by Members

G. Trumper: In the precincts today are Ben and Shirley Anderson. Ben is the chief constable for the Oak Bay police. I knew him as an RCMP inspector in Port Alberni. They're good friends of mine. I would ask the House to please welcome them.

Tributes

SVEN FREDRICKSON

G. Trumper: I also would like to just say that last week we lost a resident of Port Alberni, Sven Fredrickson, who was injured and became a paraplegic in 1974. He was one of the co-founders of workers disability for forestry workers, and he was a co-founder of the National Institute of Disability Management. He contributed the rest of his life to trying to make things easier for people who had been injured in the workplace.

L. Mayencourt: I would like to introduce a number of people that joined us this morning for a very interesting dialogue with the Health caucus committee. They are from the Planned Lifetime Social Advocacy Network and the Vela Microboard Association of B.C.

These folks are parents of and advocates for children that are living with developmental disabilities. I would ask that the House please make Jane Short, Randy Wilson, Linda Perry, Lori Emanuels, Donna Diggins and Ellen Candlish very welcome.

G. Halsey-Brandt: It's my pleasure to have two introductions today on behalf of my colleague the member for Richmond-Steveston. The first is a visitor in the gallery, a young man who I've known for his lifetime, Matthew Ilich, who is a recent graduate of UBC and very interested in politics. Today is his first visit to the Legislature. Would the House please make him very welcome.

The second is 55 grade 9 students who are visiting us here today from Robert Alexander McMath Secondary School in Richmond. They are accompanied by two teachers, Ms. Monique Vonk and Ms. Susan Myler. A parent, Ms. Cooper, is with them as well. The students are here today for a tour of the legislative precinct to observe question period and to learn about decorum and parliamentary procedure. Would the House please make them welcome.

Hon. I. Chong: Visiting in the gallery today are constituents of mine from the Gordon Head area of my riding. Pavan Nirwan, who worked for me previously as my executive assistant, is joined by her brother Rajan and her mother, Davinder. I should say that Rajan is returning home from having studied back in another province. He graduated from Lambrick Park Secondary school last year, where I attended his graduation ceremonies, as an excellent student and wonderful athlete. This is his first time watching question period. I ask the House to make them all very welcome.

[1410]

B. Suffredine: It's not very often we get someone here from the West Kootenays. Today we actually have someone here from Ontario, where the university tuitions are not bound by the cost of living as far as increases. I can tell this House that from personal experience. My son James, who last visited us over the Internet, has chosen to spend what is called reading week here in Victoria. He is taking a break today from the intensive reading that I'm sure he must be doing during the days when he is not here and is advancing his education by watching question period. Would the House please welcome him.

Mr. Speaker: In the members' gallery today it is a pleasure to introduce Corinne Swystun and six articling students from the Attorney General's ministry. Would you please make them welcome.

**Statements
(Standing Order 25b)**

ELECTORAL REFORM

J. Bray: On May 17 British Columbians will be given an historic opportunity to shape their electoral system. I am proud to have a Premier with a vision who said: "Wouldn't it be great for democracy to have citizens engaged not only in looking at how we elect our MLAs, but also have the power to put their potential recommendation directly to the people." I was proud on April 30, 2003, to second the motion that brought the citizens' assembly to life. Subsequently, I was proud to have been the Chair of the Special Committee on the Citizens' Assembly on Electoral Reform that recently tabled its final report.

For my constituents the issue of electoral reform and the citizens' assembly is very prominent. The subject is important because politics comprise the institutions, rules and practices which permit and limit access to state power.

One of the key facets of the assembly's success has been the absence of political interference. By not taking a stance for or against, my aim is to keep the spirit alive by ensuring the outcome of the referendum is citizen-driven. I want to ensure my constituents have ample opportunity to learn and discuss the BC-STV option and make an informed decision on ballot day.

To that end, I will be holding a major town hall on April 6 at the Victoria Conference Centre, where Dr. Norman Ruff and advocates for the yes and no sides will present their views and take questions.

I will also be sending a questionnaire to all my constituents asking them to let me know whether they support the BC-STV or not. That question will also be available on my website at www.jeffbraymla.bc.ca. On April 11, I will announce the results of that poll, and I will provide voice to that result throughout the following weeks. I encourage all my constituents to contact my office over the next few months ahead to learn how to become involved and learn more.

In closing, the electoral system belongs to the people. It is only fitting that they should decide how they wish to elect MLAs.

POCO A POCO SERVICE SOCIETY

G. Trumper: Poco a Poco Service Society, which translated means "little by little," was founded in 1995 by Dr. Jill Sampson and operates out of Qualicum Beach. Normally Poco a Poco works in Guatemala, taking much-needed medical supplies to the area, but following the events of December 26 in Asia they decided that they had to help out in that region. Volunteers from Vancouver Island started a huge drive. Collection points were set up in Duncan, Nanaimo, the Comox Valley, Campbell River, Quadra Island and Port Alberni. Clothes, household goods, beddings, bath towels, etc., were added to the medical supplies, and a 40-foot container was loaded and sent to Asia.

Jill Sampson left for Sri Lanka on January 5 to work with a small group from Children's Hospital. Poco a Poco had over \$3,000 worth of medication donated, and they bought another \$5,000 worth. They worked at Kalmunai North base hospital on the east coast of Sri Lanka. The hospital is really old and primitive by our standards. They took over the looking after of the children.

Around them were the refugee camps, which were largely in schools. The refugees slept on concrete floors. The trucks brought in water for drinking and cooking. Jill Sampson went on to help find temporary shelter for refugees, and tarps, which are desperately needed still in the area. DART was in the region and assisted in the construction of shelters.

She has high praise for the work done by DART. However, one of the issues she discovered was that aside from the supplies they brought, DART had no discretionary money to spend on needed supplies such as nails, tape measures and lumber, but was able to provide all the labour to build the necessary tents. The recommendation for some money will be going to Otawa.

Another volunteer from the area, Len Walker from Bowser, is now in Sri Lanka helping.

[1415]

Jill was awarded the Meritorious Service Cross in 2003 by the Governor General for her outstanding contribution to health care and education in Guatemala. She is truly a remarkable individual who gives of her time, tirelessly looking after those in desperate need.

MINING IN B.C.

W. Cobb: We've heard a lot recently about the golden decade we are entering into, a decade of prosperity and growth across B.C. For places like Ashcroft and Cache Creek, the term golden decade could have a more literal meaning. Almaden Minerals recently discovered a new high-grade gold vein in an easily accessible area not too far from Ashcroft. This is one of the biggest geological finds in B.C. in a long, long time. This vein has potential to turn into a high-fledged gold mine and will provide employment and economic growth throughout the region.

It's no surprise the work that led up to the discovery was undertaken in the past couple of years. In the nineties, for every mine that opened in this province, two were closed. The NDP did everything they could to choke the life out of this sector. They buried it in red tape and taxation and put miners on the unemployment line or sent them to other countries. So far there has been no indication they would do anything different, when their leader makes statements and says she doesn't see any future for mining in B.C.

What a difference three years makes. Mining is back in B.C. We slashed useless and redundant red tape and introduced policies to aid responsible mining. We actually encourage investment in our communities. What a concept.

Spending and exploration reached \$130 million in 2004, four times the amount spent in 2001. The 2005 budget extends the mining tax credit for ten years and establishes a B.C. geoscience centre. In the Cariboo-Chilcotin the rebirth of mining is paying off big-time. Recently Gibraltar Mines reopened, and Mount Polley Mine is scheduled to be in full operation later this spring. It's a simple formula: encourage responsible, environmentally sound exploration and development. In return, companies will invest in projects that create jobs and benefits for communities and families. It is a formula that is working for B.C. and for all British Columbians.

Mr. Speaker: That concludes members' statements.

Oral Questions

TERMINATION OF FRASER HEALTH AUTHORITY CEO

J. MacPhail: Yesterday the Minister of Health said that she was not happy with the performance of Bob Smith, the CEO of the Fraser health authority. Can the Minister of Finance tell us if Bob Smith was fired because he was incompetent and couldn't do the job, or was it because his government needed a last-minute political scapegoat for the chaos the B.C. Liberals have created in the health care system?

Hon. C. Hansen: The decision to terminate the contract for Mr. Smith was a decision that was made by the chair and board of the Fraser health authority.

To respond to the second part of her comments there, I think what we have seen in the Fraser health authority over the last three and a half years has been a pretty big transformation from what was there before. We have seen new MRIs, for example, open at Surrey Memorial Hospital, and CT scanners.... MSA Hospital, Burnaby Hospital, Langley Memorial Hospital, Royal Columbian Hospital, Ridge Meadows Hospital, Eagle Ridge Hospital, Peace Arch District Hospital, Surrey Memorial Hospital now have new CT scanners, in the last three and a half years.

We've seen the funding for the Fraser health authority increase by 16 percent over that period of time. We wound up with new emergency rooms opening in expansions in Ridge Meadows Hospital and new emergency room expansions in other facilities, new operating rooms opening in Eagle Ridge Hospital, a new cath lab opening in Royal Columbian Hospital. There's no end of good news in terms of what's happened in the Fraser health authority in the last three and a half years.

Mr. Speaker: Leader of the Opposition has a supplementary question.

J. MacPhail: Yeah. The problem is, Mr. Speaker, you just can't get to the services, because you're back-

logged in an emergency waiting room for hours and hours and hours.

I note that the minister decided to once again fob responsibility off for the shotgun firing of Mr. Smith. Well, if Bob Smith was fired because he wasn't doing his job, then the law is clear: he should not get a severance package. But as we know, he is getting a year's severance, a year's salary, as he goes out the door. A year's pay is over \$300,000.

[1420]

Again to the Minister of Finance: who's to blame for the chaos at Fraser health authority? It isn't the chair of the board. They have been warning this government for ages that there have been problems. Is it Bob Smith, who's taking away a year's severance for his efforts, or is it the B.C. Liberals who need a last-minute political fix to a problem they've created, a problem of their own making?

Hon. C. Hansen: I've actually got an interesting table here of some of the severance paid out under the NDP. Inge Schamborzki, North Vancouver health region: 1993, that was a \$200,000 payout. There's a whole list of them here. There's one here, Bob Smith, CEO, Lions Gate Hospital, 1996. I think the member was actually the Minister of Health at that time. That was \$330,000. We've got Ron Mulchey, 1996, \$500,000. Here's another one, Etta Richmond, again when this member was actually the Minister of Health. Again, that was \$200,000.

One of the things that this government did was to bring in amendments to legislation that put limits on severance pay so that we don't see the kind of exorbitant payouts of severance that we saw as a result of contracts that were in place while the NDP were in office.

Interjection.

Mr. Speaker: Order, please. The Leader of the Opposition has a further supplementary.

J. MacPhail: Well, that's a real brains trust. Someone gets fired and this government hires him back at almost double the salary, pays 75,000 bucks to move him out here and says he's the greatest thing that ever happened to health — and yesterday he was fired. That's a real brains trust over there.

The fact is that this government dragged its heels for four years and did nothing — absolutely nothing — to plan or expand the emergency room of Surrey Memorial. As early as 2002, executives at Fraser health raised the alarm bell about what this government was not doing for emergency care. This morning the Minister of Health says it will be years before the emergency room is expanded.

Again to the Minister of Finance: why are the B.C. Liberals four years behind in planning for a new emergency room for Surrey Memorial, and will he just tell us when that emergency room will be completed?

Hon. C. Hansen: I want to take that member back to about 1991, when they actually promised the residents of the Fraser Valley a brand-new hospital in Abbotsford.

Interjection.

Mr. Speaker: Order, please. Let us hear the answer to the question, please.

Hon. C. Hansen: They had ten years in office to deliver on a new hospital in Abbotsford.

Interjection.

[Mr. Speaker rose.]

Mr. Speaker: Order, please. Order, please.

If the Leader of the Opposition does not want to continue with question period, we'll end it right now. Listen to the answer, please.

[Mr. Speaker resumed his seat.]

Hon. C. Hansen: What we have actually seen over the last three and a half years, after ten years of neglect, is some progress. We've got shovels in the ground on a new hospital in Abbotsford; we've got new operating rooms open....

Interjection.

Mr. Speaker: Order, please.

Hon. C. Hansen: We have new operating rooms open at Eagle Ridge Hospital; we've got a new cath lab. Get this, Mr Speaker. The new cath lab at Royal Columbian Hospital was actually fitted up when they were in office, but they had no operating money to actually operate it. It is now up and operating. We've got new capacity in Surrey Memorial Hospital. We've got new capacity in all of those hospitals...

Interjection.

Mr. Speaker: Order, please.

Hon. C. Hansen: ...so that the needs of patients can be met.

ACUTE CARE SERVICES AT SURREY MEMORIAL HOSPITAL

J. Brar: After four years the Minister of Health finally admitted yesterday that the emergency room at Surrey Memorial Hospital is, in fact, in crisis. But the crisis at Surrey Memorial can be laid directly at the feet of the B.C. Liberals. They shut down the emergency room at Delta Hospital. They closed St. Mary's Hospital. That put enormous pressure on Surrey Memorial Hospital.

Again to the Minister of Health....

Interjection.

J. Brar: She is not here.

Interjections.

Mr. Speaker: Order, please.

Would the member please direct his question to a minister.

J. Brar: Again to the Minister of Finance: why is planning for the Surrey Memorial emergency room only starting today when it should have started four years ago, when the B.C. Liberals started shutting down hospitals and reducing emergency care in the Fraser health authority?

Hon. C. Hansen: I would welcome the member to go back and look at the history of funding for what was then known as the South Fraser health authority, which is now a portion of the Fraser health authority.

Interjection.

Mr. Speaker: Order, please.

Hon. C. Hansen: If the member were to go back, he would actually find that the South Fraser health authority was the most underfunded health authority of any of the 52 health authorities in British Columbia. The reason is because they didn't flow money to reflect the growth in population that was there.

[1425]

We are catching up. We now have new funding in place that resulted in a 16 percent increase in the funding for that health authority. I wish that we could solve some of the problems in health care overnight, but we certainly made a lot more progress in three and a half years than the previous government did in ten.

FUNDING FOR FRASER HEALTH AUTHORITY

E. Brenzinger: The Health minister yesterday would apparently have had us believe that the Fraser health authority is one of the winners of the pre-election handouts from the Liberal election budget. Yesterday the House was told that by the end of next year the Fraser health authority will have received an additional \$200 million. Not good enough, Mr. Speaker. When this government was the opposition, it made health care funding an election issue.

My question is to the Minister of Finance: why did it take four years for this government to recognize the funding shortfalls in this region of the province, and why do you refuse to act upon it now? Further delay is not acceptable.

Hon. C. Hansen: The member is quite correct; we did make health care an election issue. If you look at the absolutely dismal record of the previous govern-

ment, even when the member for Vancouver-Hastings was the Minister of Health, we saw story after story about backlogs in emergency rooms throughout the province.

We actually now have a pretty good track record in most hospitals. There are still some challenges, I will acknowledge, that we are dealing with. The member is very correct: we said that funding for health care was a priority. We've delivered on that commitment. There is an additional \$1.8 billion in the budget for health care today.

In terms of the Surrey health authority itself, it has seen an increase in funding of 16 percent in the time that we've been in office.

LONG-TERM AND ACUTE CARE BEDS IN FRASER HEALTH AUTHORITY

J. Brar: The real reason that the emergency room expansion at Surrey Memorial Hospital is still years away is because this government dropped the ball, and they don't have a plan. This government has been big on business plans, but they threw \$28 million out there yesterday without any plan at all. Now the minister says that the residents of Surrey have to live with interim measures before they get their real emergency room.

Again to the Minister of Finance: can he tell us how many long-term and acute care beds he has advised the Fraser health authority to open to relieve the pressure on the emergency at Surrey Memorial Hospital?

Hon. C. Hansen: I'm glad the member has asked the question, because the track record is actually pretty good in terms of new beds that have been opened in.... Actually, let's look at South Surrey, for example.

There is funding for 75 of 101 beds at Fleetwood Place residential care facility in Surrey. There is the opening of 20 new assisted-living beds at Augustine House in Delta and the opening of 60 new assisted-living beds at the Gateway in Surrey. Preparation is underway for ten new hospice beds located in Langley. If you look at Fraser north, there are 59 assisted-living units at Nikkei Home and 40 more at Dania Home. There is a new tertiary-level ten-bed palliative care at Burnaby Hospital. There are 45 new assisted-living units opening at Royal Crescent Gardens in Maple Ridge and construction of a 70-unit assisted-living cottage-type development at Hawthorne Care Centre in Port Coquitlam. Mr. Speaker, I could go on and on.

J. Kwan: The minister's non-answers point to the need to have a full debate on this budget, a debate that the Premier refuses to allow.

Since 2001 the B.C. Liberals have cut 600 long-term care beds and closed 450 acute care beds at Fraser health. That's created a huge backlog at emergency departments. A recent study showed that 17 percent of patients in acute care beds at Fraser health are waiting to be transferred to long-term care beds.

To the Minister of Finance again: if the Minister of Health can order Fraser health to build an emergency room after doing nothing for four years, why can't this government order Fraser health to add thousands of new long-term care beds and acute care beds, or is this just one more pre-election broken promise from this government?

Interjections.

Mr. Speaker: Order, please. The minister has the floor.

[1430]

Hon. C. Hansen: I think the member for Vancouver-Mount Pleasant may not have a perspective on history here. If she went back and checked the period of time prior to her first election, she would actually discover that while the NDP were in office, the number of acute care beds in British Columbia dropped by 3,000.

Interjections.

Mr. Speaker: Order please, hon. members.

Interjections.

Mr. Speaker: Order. Let us hear the question.

The member for Vancouver-Mount Pleasant has the floor.

J. Kwan: Next thing we know, we're going have this Minister of Finance and this government blame the NDP for making them commit the 5,000 new long-term care beds. They are going say that it was us who put it in their campaign information.

Interjections.

Mr. Speaker: Hon. members, order, please. Order. Hon. members, let us hear the question.

J. Kwan: The fact is that none of the promises from this government are credible. It is all last-minute damage control. The B.C. Liberals ignored Fraser health for four years, and now residents of Surrey will have to wait for years before they get any relief.

Will the Minister of Finance just admit that the real problem is not one health care bureaucrat but a government that closed long-term care beds, that broke their promise and closed acute care beds and that shut down emergency wards with no plan in place for patient care?

Interjections.

Mr. Speaker: Order, please.

Hon. C. Hansen: I think the most celebrated broken promise on health care we've seen in the last 15 years was a promise that was actually made by the member

for Vancouver-Hastings for a mental health plan that was supposed to be funded to the tune of \$125 million, for which there was virtually no funding provided.

Interjections.

Mr. Speaker: Order. Let us hear the answer.

Hon. C. Hansen: One of the things that is so important is that we get away from the old model of having each hospital as an island unto itself and instead build networks of care so that people can get timely access to care. That is exactly what's happened over the last three and a half years.

It's not to say that it's been fixed. There are still some big challenges, and those challenges are being worked on. We sure made a heck of a lot more progress in three and a half years than the NDP did in ten.

SERVICES AT SMITHERS AIRPORT

D. MacKay: I have a question for the Minister of Transportation. Nav Canada recently announced a reduction in manned services at the Smithers airport. Currently the airport receives 24-7 on-site services by personnel at the airport 24 hours a day to look after weather and airport conditions. That has obviously created some concern among people in the area about the safety of overnight flights. I would like to ask the minister: is there anything being done to address the concern about Nav Canada's plans?

Hon. K. Falcon: The member knows and has been very forthright in bringing this issue to my attention, as have many members from smaller communities.

Interjection.

Hon. K. Falcon: Apparently the member for Vancouver-Hastings is intensely interested in this. She should be, because it is actually good news.

We have worked with Nav Canada on this issue, and we were able to change their original decision from complete automation to where they are now being manned 16 hours a day in the summer and 13 hours per day in the winter. We will continue....

Interjection.

Hon. K. Falcon: Sorry, Mr. Speaker. It's hard to hear when I have the member for Vancouver-Hastings chirping away in the background. There are actually people in the province concerned about the manned airports, so why doesn't the member allow us to answer the question?

The fact is that we will continue to work on this and ensure that those airports are operating for the benefit of those communities.

[End of question period.]

Orders of the Day

Hon. G. Bruce: I call committee stage on Bill 2. [1435]

Committee of the Whole House

THOMPSON RIVERS UNIVERSITY ACT

The House in Committee of the Whole on Bill 2; H. Long in the chair.

The committee met at 2:36 p.m.

Hon. I. Chong: I wanted to, first of all, introduce staff who are with me. I have Assistant Deputy Minister Arlene Paton as well as Tony Loughran, who will also be able to provide assistance on any particular sections.

Sections 1 to 31 inclusive approved.

Title approved.

Hon. I. Chong: I move that the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 2:37 p.m.

The House resumed; Mr. Speaker in the chair.

Report and Third Reading of Bills

Bill 2, Thompson Rivers University Act, reported complete without amendment, read a third time and passed.

Mr. Speaker: Hon. members, the House will take a five-minute recess.

The House recessed from 2:39 p.m. to 2:44 p.m.

[J. Weisbeck in the chair.]

Hon. G. Bruce: I call second reading on Bill 7. [1445]

Second Reading of Bills

INCOME TAX AMENDMENT ACT, 2005

Hon. C. Hansen: I move that Bill 7, Income Tax Amendment Act, 2005, be read a second time.

Bill 7 amends the Income Tax Act to, first of all, cut taxes for low-income and modest-income taxpayers. Secondly, it extends the mining exploration tax credit. Thirdly, it increases the film and television tax credit,

and fourthly, it implements several other income tax measures included in Budget 2005.

Bill 7 introduces the B.C. tax reduction, which is a new, non-refundable income tax credit. The B.C. tax reduction will cut taxes by \$120 million annually for a total of 730,000 taxpayers, starting this year. Actually, it will take effect as of January 1, 2005. The B.C. tax reduction will be calculated as \$360 less 3.6 percent of net income in excess of \$16,000. As a result, virtually all taxpayers with net incomes of \$16,000 or less will pay no provincial income tax at all. This will immediately result in 330,000 additional individuals in British Columbia paying zero provincial income tax.

I was interested in the new federal budget that just came down about an hour and a half ago. In that new federal budget, they provide for a new income tax reduction for Canadians that will be phased in over the coming four years. The federal budget, by 2009, will result in individuals with incomes of up to \$10,000 a year paying zero federal income tax.

If you put the two together, it's good news, but I think if you contrast the two initiatives, you will see that what we've done in B.C. is increase the tax threshold for provincial income tax to just under \$16,000 a year. That doesn't have to wait until 2009. It takes effect January 1, 2005.

In addition to the 330,000 people who will now have to pay zero provincial income tax and who otherwise would have had to pay some, there are also another 400,000 taxpayers with net incomes of up to \$26,000 a year who will get a partial reduction. This tax credit will still provide some benefit to individuals with incomes of up to about \$26,000 a year, eliminating income tax completely for those under \$16,000 a year or slightly below that.

One thing that's important to underscore in this measure is that this will have enormous benefit to seniors in British Columbia. If you look at the median income of seniors in this province, household income actually comes in at about \$26,000 a year. About 50 percent of senior households in British Columbia will be able to benefit from this if they have been in that bracket of about \$8,000 to \$26,000 of income. They will, in fact, see a benefit from this.

[1450]

The other thing that is important to underscore with this measure is that it means there is no province in Canada where, if you're earning up to \$85,000 a year, you will be paying less provincial income tax than you will pay right here in British Columbia.

This government has also improved the tax and regulatory system for mining in British Columbia. Exploration expenditures have increased from a low of \$29 million in 2001 to over \$130 million in 2004. For the first time in many years, mines are opening in B.C., and they're reopening in B.C. today. To build on these successes and create certainty for the industry, Bill 7 extends the mining exploration tax credit for an additional ten years to take us through 2016.

This government is also committed to helping British Columbia's small businesses. Bill 7 increases the small business threshold to \$400,000 a year from \$300,000 a year — the second-highest level in all of Canada. If my memory serves me right, I think the only province that has a slightly higher threshold is New Brunswick. We have, among those nine provinces, the best threshold for the application of the small business tax rate. This increase will help ensure that our corporate tax structure for small business is in line with those in other provinces.

Bill 7 also increases the province's basic tax credit for domestic and foreign film production. The tax credit rates will increase to 30 percent from 20 percent for domestic productions and to 18 percent from 11 percent for foreign productions. These increased rates will be effective from January 1, 2005 through to March 31, 2006. The increases to the tax credit rates will match the rates announced by Ontario late last year and will take effect in this province at the same rates as Ontario, effective January 1, as I mentioned.

During the year the government will undertake a review of the use of tax credits to encourage film and television production in this province. For its part, the industry will undertake a broad-based effort to ensure the industry can continue to thrive in an increasingly competitive marketplace.

Bill 7 also changes the calculation of medical expenses that can be claimed when incurred on behalf of dependent relatives. These changes are effective starting with the 2004 tax year and will allow more medical expenses to be claimed for relatives.

Finally, Bill 7 implements the following administrative measures. There are changes to exclude expenses claimed for purposes of the federal and provincial mining flow-through share tax credits from the calculation of the mining exploration tax credit. There are also changes to clarify that the determination of refundable tax credits constitutes an assessment. There are also changes to ensure that our legislation parallels the federal act regarding the treatment of a series of transactions for purposes of the province's anti-avoidance provisions.

There are changes to confirm the existing practice of not charging taxpayers additional interest if the taxpayers' accounts are paid by the date specified on their notice. There are changes to ensure that penalties apply to various provincial refundable tax credits. Finally, there are changes to limit the foreign tax credit that can be claimed by corporations.

J. MacPhail: Let's be clear about what the government's doing here. They're wasting valuable time in this Legislature passing the administrative of implementing a budget that they refuse to pass in its entirety. The exercise we're going through here is absolutely meaningless, because this government is denying this Legislature the right to pass a budget.

The government is trying to silence the opposition in asking questions about the budget line by line. Yet they think, "Oh, isn't this wonderful" — that they can

stand up in this second reading and waste time with the administrivia of implementing a budget that isn't real and isn't legal — and won't be, because this government is making a mockery of what they claim to be parliamentary reform.

[1455]

Fixed sitting dates. Fixed election dates. Well, it turns out that what they intended was to give themselves a two-month, all-taxpayer-expense-paid election time, where they can go out and campaign and not face the music on debating their budget line by line.

The House Leader refuses to commit to estimates. He won't tell us whether we're going to be debating the estimates of the House before the election, so we can only assume that we're not going to. Because if they had the guts, they would stand up and tell us that we're going to debate the budget line by line by line. Again, the government caucus members....

Deputy Speaker: Hon. member, please take your seat. I'd just caution you to keep your comments relative to this bill. We're speaking in second reading. Even though we have a lot of latitude in second reading debates, I would like you to confine your comments to this bill, please.

J. MacPhail: Let me tell you how we'll link the two, then. I appreciate your direction. We're passing administrative measures to implement a budget that won't be legal. That's the link.

Why won't it be legal? Because this government refuses to pass the estimates line by line and allow a line-by-line budget debate in this Legislature. They brought in these great reforms. They were going to be different. They brought in changes to the Election Act, to the Constitution Act. They were going to have fixed sittings.

The Minister of Finance might want to listen up. Here's what they promised. They promised fixed election dates and fixed sittings and that all the work would be done. It turns out the bar by which they judge themselves is the time in history that they decry, deride and cast shame on every single day. Every single day in the Legislature they cast shame on that period of time. Now they're using that as their measure.

Well, what they said about that time, then, is false, and their own actions now are hypocritical in the extreme. If the Minister of Finance has any fortitude whatsoever, he'll get up and say: "I'm wrong." He will get up and say, "I'm wrong," that he is going to debate the budget line by line and that he will take the opposition up on its offer to have the estimates completed when the fixed sitting ends, which is April 18. Perhaps he will get up and take us up on that offer.

Interjections.

Deputy Speaker: Order, please. Through the Chair, please.

Leader of the Opposition, you have the floor.

J. MacPhail: It is incredible that the Minister of Finance refuses to take responsibility for anything. Here's what they promised. They were going to be the most open and accountable government in the history of British Columbia. Instead, we now have a Finance minister that actually refuses to take responsibility for his horrible health record, refuses to acknowledge the harm he's causing patients and now refuses to take responsibility for breaking another election promise, which is to shut down this Legislature and go to the election on a budget that isn't passed, is full of holes, can't stand up to scrutiny.

Here's what the Minister of Finance and all of his cohorts over there claim: "Well, we're no worse than previous governments." Well, I hope that's their campaign slogan. There will be many MLAs who will suffer the consequences of their arrogance and their misleading of the public when they said they were different. There will be many MLAs who will suffer the consequences of that. In fact, almost everyone in this chamber today on that side of the House will suffer the consequences of their misleading the public and now claiming: "We're no worse than anybody else."

[1500]

I guess they weren't telling the truth. I guess they were completely misleading the public when they said: "Openness beats hiddenness." I apologize for that, but that's a direct quote from the Premier: "Openness beats hiddenness." Well, until today. Hiddenness is what this government is all about. They want to run. They want to hide from debating their budget. We're not going to spend any time on this ridiculous exercise that the Minister of Finance is putting this House through before a budget is made legal, before they're going to pass the budget.

The Minister of Finance has never explained how he is going to continue to govern without any authority — any authority whatsoever. We are against the mistreatment of the public that this government is foisting upon British Columbians. That's what we're against. We're disappointed, angry and frustrated that this government continues to mislead British Columbians day after day as their arrogance increases. Their arrogance increases every day.

The members over there laugh. The members from the Tri-Cities area and the Surrey area, where health care is in chaos, who refuse to take any responsibility for it — they laugh and they mock. Well, the people they're mocking are the citizens of British Columbia, as they deny this chamber the democratic right to debate, line by line, a budget. They want to run. They want to hide. They want to use taxpayer dollars in a completely inappropriate way to campaign for their re-election. Well, the voters are on to them. The voters understand. The voters understand how arrogant and misleading this government is about just about everything they do.

J. Bray: It is my pleasure to rise in support of the bill, Income Tax Amendment Act, 2005. You know, it's very interesting that....

Interjection.

Deputy Speaker: Order, please.

J. Bray: I know that the members of the opposition have said they're frustrated about this bill. I know why they're frustrated. In second reading debate, where we debate the principles and the main points of a bill, they actually couldn't say one negative thing about this bill. They know that the Minister of Finance has introduced a bill that is good for British Columbians who live in our cities, good for British Columbians who work in our mining sector, good for British Columbians who work in our filming sector, good for British Columbians who live in our rural and remote communities. In fact, they're frustrated because Bill 7 is good for every British Columbian. That's why they're standing over there, frustrated and unwilling to debate on the points of the bill. It's why I am pleased to rise in strong support of this bill.

I struggle when the Leader of the Opposition.... Excuse me. I guess it's the House Leader of the Opposition, because we're not sure where the Leader of the Opposition actually is. The House Leader of the Opposition talks about how we haven't changed the way we operate in this House. Of our 201 commitments and the 97 percent of those we've completed, one of them was to re-engage the select standing committee process that would engage British Columbians on a number of policy areas.

Yesterday we had the Chair of the Education Committee, who tabled his report.... This government was the first government to bring the Education Committee together in 25 years. We recently tabled the report of the Select Standing Committee on Finance, *Report on the 2005 Budget Consultation Process*.

Bill 7 reflects what that committee heard from British Columbians — but not just a select few. As the Chair, the member for North Coast, pointed out in his remarks when he tabled the report, we had a record number of British Columbians consult with that committee in the fall of 2004 to provide this House — and through this House, the Minister of Finance — advice on the formation of the budget for the '05-06 year.

I am proud that that committee's report listed 19 recommendations. I think it's instructive for the opposition — who couldn't debate the principles or the points in this bill, because they know it's a good bill — to actually see how we have changed this place to be more responsive to British Columbians.

[1505]

Interjection.

J. Bray: Yes, a colleague points out that they did agree with the bill. They passed the report uncontested.

One of the facts of Bill 7 is extending the mining exploration tax credit to 2016, to bring back geosciences funding. That is exactly what Bill 7 does. In fact, it adds ten years on to that, which is what the mining industry had asked for. It was one of the things the mining in-

dustry cited as a reason for the rebirth of mining in this province.

Another thing this bill does is increase the corporate income small tax threshold to \$400,000 from \$300,000. It might be helpful for the opposition to realize that was actually.... Let me go to the report. It happens to be recommendation 19 of the committee that heard from British Columbians that the government should consider raising the small business tax threshold and surtax threshold for passenger vehicles, increasing the property transfer tax exemption.

Let's take a look at that. From \$300,000 to \$400,000 — sounds like the people of British Columbia told the Finance Committee something that was important for small business in this province. This Legislature tabled a report that included that recommendation. The Minister of Finance has now brought that recommendation almost word for word to the floor of this Legislature.

I'm assuming the opposition will support that. I'm assuming the opposition thinks that small business is important, because I can tell you something, Mr. Speaker: this side of the House recognizes that small business is the heart of our economy. Small business is the heart of our communities all over this province. We're going to continue to support small communities so that they can get on with their business. They can raise their families, and they can participate in their communities, because they're what make British Columbia great. They're what make British Columbia strong.

Another major part of Bill 7 — and I would think the House Leader of the Opposition would be thankful for this — is the increase of the film incentive basic tax credit and the production services tax credit. We know that in British Columbia we're referred to as Hollywood North. We know we have a strong and vibrant arts community and film community, both domestic and international, here in British Columbia.

One of the most important parts of this bill, from my constituents' perspective, is the tax credit levelling up with Ontario. It's unfortunate that Ontario wants to get into a bidding war with other provinces, but I'm proud that our government is responding in a way that is good for our industry and good for our employees.

Here in Victoria our direct film industry did \$25 million worth of business in the last year. We anticipate that actually means that the film sector here in Victoria represents \$75 million overall to our local economy.

I remember that a few years ago people who worked in the film sector — caterers, production assistants, lighting techs who lived in Victoria — spent most of their time going across on the ferry and working in North Vancouver or somewhere else on the lower mainland. Because of what we've done — the support we've given and our own exemption on production sales tax provincially — we've spurred domestic, Victoria-made films to the point where those people now live permanently in Victoria and work permanently in Victoria. We have a film industry in Victoria. We don't have some people employed over

in Vancouver in the film.... We have our own film sector.

By making sure that we stay competitive with Ontario, we're going to keep those jobs here. We're going to keep those productions here, we're going to keep those families here, and we're going to continue to make Victoria a wonderful opportunity for productions around the world to come here and film — not in competition with Vancouver, but in conjunction with Vancouver.

The most important piece of this bill, from my perspective, is the introduction of the B.C. tax reduction — in other words, targeting a tax reduction to those of low and modest income. I'd like to read from the select standing committee's report to this Legislature, recommendation 17: "The government continue to explore ways of extending tax relief targeted to low-income British Columbians."

In other words, what we heard time and time again in our consultations around the province from various sectors — be it unions, public sector, industry, individual British Columbians — was that they didn't necessarily feel we needed an across-the-board tax cut. What they did believe we should do, once we had our financial house in order, was to make sure that some of the gains we get as a province are directed to those with low and modest incomes. By putting almost \$500 million back into the hands of low- and modest-income British Columbians over the next three years, we achieved that goal.

[1510]

I know why the members of the opposition are so frustrated. While they talk the talk, they have no ideas, no new concepts. They have no leader who's presenting any kind of plan for British Columbians. In the meantime, here in this House, doing the people's business, we're actually delivering on those recommendations that we've heard from British Columbians. We are actually providing the most significant tax reduction to low- and modest-income British Columbians that we've seen in two decades. That means families having more in their households to make the choices they want for the raising of their families. That's good for local economies. That's good for small business, and that's excellent for low- and modest-income British Columbians.

I know why the Leader of the Opposition and the other two members don't want to debate this bill: because they know every provision is good for British Columbians; they know British Columbians support these measures; they know it's what they told us on the Finance Committee; and they know it's what the Minister of Finance has delivered.

I am pleased to support Bill 7. I congratulate the Minister of Finance for moving on the recommendations of the Select Standing Committee on Finance and endorsing what we heard from British Columbians.

L. Mayencourt: I rise to support Bill 7 as well. I was sitting in this House when the Leader of the Opposition began her tirade on this particular bill. I've got to

tell you, the nerve — the bloody nerve. A woman that has said....

Deputy Speaker: Member, just be cautious of your parliamentary language, please.

L. Mayencourt: Thank you, Mr. Speaker. I'll take your guidance.

The nerve, though....

Deputy Speaker: It's unparliamentary. Please retract it.

L. Mayencourt: Absolutely. I'll retract it, Mr. Speaker.

I will say that that is an individual who stands in this House day after day and says she represents the working poor, the working families of British Columbia. Each and every day she says that, and she comes into this House and will not even debate a piece of legislation that lowers income tax rates for every family in British Columbia earning under \$85,000. That means every person in her riding is benefiting from this piece of legislation, and she has no intention of debating it. Instead she throws a red herring out there about us not debating the budget.

This is the budget. This is an important piece of legislation. It's something that I and 74 other members of this Legislature fought tooth and nail to do. I can remember sitting in caucus in 2002 and asking the then Finance minister, Gary Collins: "What would it take to make British Columbia the place in all of Canada with the lowest personal income tax for a province?" He said: "You know what it will take? It will take half a billion dollars — \$480 million."

That is a goal that I and other members of this Legislature on this side of the House worked towards. We worked at it. We worked hard. We've made some tough choices. We had to do some things that people criticized us for, but we did it because it was important. We did it because it's important to have every British Columbia family have the best leg up of any jurisdiction in Canada.

I've got to tell you, I'm insulted that she would not even debate that, that she would not even admit this is a noble goal, that this is an important thing we're doing here today and that this is the start of a whole, great opportunity for British Columbians. I have low-income families in my riding. I have people that are single parents. I have tons of seniors in my riding. Each and every one of my seniors is benefiting from this piece of legislation.

Now, I don't know about anyone else here.... Actually, I do know a lot about everybody else here. I know that we on this side of the House respect every senior in this province. There are literally hundreds of thousands of those seniors that are going to benefit from this piece of legislation.

I cannot imagine why the Leader of the Opposition would come in here and decry this and say this is awful, that we are somehow pulling the wool over somebody's eyes. It's not the wool over anybody's eyes. It is plain and simple: a tax cut for low-income British Columbians. I will fight tooth and nail to keep it, as did

other members of our caucus from two and a half years ago when we thought of that, when we said: "What would it take?" We made all those difficult choices. I'm proud to say that this piece of legislation is going to do that for people in British Columbia.

[1515]

That member's government decimated the mining industry — completely destroyed it. It went from \$100 million a year in exploration down to \$10 million. My goodness. They made us the worst-looking place in the whole world to do any mining. They made people walk away from this province. The chief mineral export from British Columbia turned out to be the mineral engineers who moved from British Columbia down to Chile, or to Mexico, Quebec or some other jurisdiction.

They decimated our mining industry. They decimated it because they don't believe in a resource economy in British Columbia. They said it was a sunset industry, that it was gone, that it wasn't going to make a difference in the lives of people. Well, more people today working in the mining industry means that we can afford wonderful programs that support hospitals, that support schools, that support families that are vulnerable, and seniors.

All of that money.... You know, the average wage for someone in the mining industry is in the \$80,000 range. Those are good, high-paying jobs, steady income. They make a difference in communities like Williams Lake and Cache Creek and so on. That government pushed all that away. Well, not this government. This government recognizes that our economy has been built upon a rich tradition of managing resources effectively, of looking after them, and of slowly turning them into dollars — dollars that make it possible for us to build day care centres and so on. I'm very proud that our tax credit will be extended to 2016.

I met with a bunch of miners just a few weeks ago, along with the member for West Vancouver–Capilano, and they talked about the importance of our doing what's right to make sure that the mining industry survives in this province. You know what? It's flourishing now. We're back up by tens and tens of millions of dollars in exploration, and we're right on the cusp of perhaps having some new mines actually open up in British Columbia to add to our opportunity, to add new jobs, and to give people in this province the kind of services that they want and deserve and that we need to deliver to them.

Finally, I want to talk about the film tax credit. My neighbourhood, Vancouver–Burrard, is a neighbourhood that has been greatly influenced and affected by the film industry in British Columbia. We have film units that are on our streets pretty much every day of the week. Those people are doing something very important in my community. They are bringing money to my community. They are bringing productions to my community. They're putting Vancouver on stage, and they're making sure that our community is doing well.

What people maybe don't understand about the film industry is that one of the expenditures they have is community outreach — working with community.

Whether that's in Victoria or Vancouver–Burrard does not matter. When the film industry comes to town, they are engaged in the community. They support the community.

As you know, I was founder and executive director of Vancouver Friends for Life Society. We used to do an event once a year called Sunday in the Square. It was for seniors in the West End. Who was at the table to pay for that but the film industry. I am glad we are doing what we need to do to protect that industry, to make sure it is not a sunset industry, to make sure it can thrive in British Columbia and contribute to all the wonderful things that are British Columbia.

I am very grateful for the opportunity to speak here today. I am still so shocked by the response from the Leader of the Opposition. I just cannot believe it. I just cannot believe the screeching and the hawking about this piece of legislation that lowers taxes for British Columbians, particularly low-income citizens — particularly for people in Vancouver–Mount Pleasant and particularly for people in Vancouver–Hastings.

How could she do that? How could she abandon her principles as someone defending the poor? How could she walk away from opportunities like the film industry to make sure that they could thrive? How could she walk away from making our resource industry a thriving part of our economy again — something that builds hospitals and day cares and provides women's shelters and all of that? How could she abandon that? I'm shocked.

[1520]

Then to claim that it's all because we're not debating a budget.... This is part of our budget, and I'm here to say that I'm willing to sit in this House until she's satisfied that she's crossed off every comma and semicolon and whatever else. I think our budget is good, and I'm here to defend it. I like it, and I'm going to fight for it. I congratulate the Minister of Finance, the former Minister of Finance, Gary Collins, and all of the members of our caucus. It was a tough thing to do to find half a billion dollars for low-income families, but we did it. I'm proud of it, and I wish the NDP would stand up here and tell us if it's a good idea or a bad idea.

K. Whittred: I, too, am very pleased to rise in support of the Income Tax Amendment Act. The material in this act is instrumental to the way that my community functions.

I'd like to tell you just a little bit about my community. It is a community, first of all, of small businesses. Small businesses are the very backbone of my riding of North Vancouver–Lonsdale. We occupy the area of North Vancouver that is sort of in the centre. We go along the waterfront. We have Lonsdale Avenue. We have Main Street.

All along these corridors is small business after small business. I think one of my colleagues has already said that small business is the very backbone of our economy. Every one of these small businesses employs.... Somewhere between six and 30 people would probably be the average. They pay wages. Those peo-

ple spend money in the lunch rooms. They buy gas at the gas station. They have lunch in our parks. They are really what makes the economy of my community go around.

Who would not be pleased to see that one part of this bill is to increase the corporate tax threshold for these businesses and to encourage them to invest more money in equipment, to hire more people and to get on with improving the economy? That is something I'm sure the people of North Vancouver are absolutely delighted about. I would have thought, too, that the member for Vancouver-Hastings might also have wanted those same opportunities for the people in that community, but apparently not.

Another part of this bill that is very, very important to my community of North Vancouver-Lonsdale is, of course, the Film Incentive tax. I'd like to go back in history just a little bit, to 1989. I believe that was the year that what was then called Brooksbank Studios was built in my neighbourhood. It later on became North Shore Studios, and of course today it's known as Lions Gate Studios.

It is almost impossible to describe the growth of this business in my community in the intervening 15 years. We have seen not only a huge growth in the actual business of filming, the idea that filming trucks are commonplace on the streets.... We see people that work in the industry in the coffee shops. You go into a gas station, and you see that they've got a credit slip on the wall that's for one of the productions. There is evidence everywhere. You go into a hairdressing salon, and you find that the hairdresser works in the movie industry. You go into a makeup place, and you find that they are, in fact, offering instruction for the movie industry.

The spinoff and growth over the years, in a very short period of time, has been quite something to behold. I would say today that of all the industries, of all the kinds of categories of small businesses, there's none that is more instrumental to my community than the movie industry. It employs many hundreds of people.

[1525]

I got a breakdown one time from just one of the payroll service companies that broke down the employees by postal code. It would be astounding if there was any other industry that employed so many people at one time. The total amount is about \$92 million dollars. That is the amount of payroll that comes into North Vancouver from the movie industry, and that isn't even counting all the spinoff. Some of the spinoff industries themselves have become quite large. I've already mentioned Lion's Gate Studios. There's Sharpe Sound, which has become quite an entity in its own right, and E.P. Canada. Thomas Special Effects has become a very well-known industry. There are rental companies. There are catering companies. There are carpentry companies.

It has motivated a whole lot of new growth in various skills and trades that I wouldn't even have thought of a few years ago. I had the opportunity one day to tour one of the studios, and there was a group of tradesmen

who were building a set. This set was made to look like old brick, and it was being built out of something that was sort of like papier mâché. I wouldn't have known, until I actually saw it, the kind of skill and artistic talent that went into these various trades.

It goes without saying that my community is dependent, to some extent, on the way in which the movie industry functions. We, therefore, are fully supportive of the increase in the tax credit that was announced by the Minister of Finance a few weeks ago and which is in fact retroactive, I believe, to January 1.

The third area in this particular bill that I think is very, very important to my community is one that was mentioned by my colleague from Vancouver-Burrard. That is the area around the B.C. tax reduction. My community, like many others, is a community that has many, many seniors. I have in my riding many seniors who are living on perhaps not the very minimum of income but something not too far above that. Many of them struggle to pay their rents, because we have very high rents in North Vancouver. The very fact that we are putting a few dollars back in their pockets by reducing their taxable income is something that has been long overdue. It is a way in which we can give these folks a raise, and they receive incredible benefits from it.

It was mentioned that those people who are earning less than \$26,000 a year all receive some benefit. That certainly captures the majority of seniors that fall in what we call that middle income group. For that, I want to congratulate the Finance minister, because that indeed has been long in coming.

In closing, Mr. Speaker, I am pleased to support this bill. It goes a long way to accomplishing many of the economic goals that we wanted to see, to enable the people in North Vancouver-Lonsdale to live their lives just a little bit more comfortably.

B. Penner: It's a pleasure to stand in my place here in the chamber and indicate my support for this bill. Unlike the NDP opposition, I support reducing taxes for low-income people. I can't believe their hypocrisy on this issue. Well, we'll get into some of the financial details later. I'll take listeners through a number of statistics that I've gathered.

It's just shocking to me. Well, no, it's not shocking. I can understand it. I think they're reeling from their understanding that they're simply out of touch with British Columbians. I don't think things bode well for them come May 17. I think that realization is what has sparked some of the purported outrage that you heard here today.

In fact, we've heard some crocodile tears from the Leader of the Opposition around opportunities for debate. Here, when given an opportunity to debate, what do we hear? We hear a set piece from her for a few minutes and nothing from her colleagues in the NDP. They have an opportunity to participate in the debate, but they choose not to — so much for their desire to have a debate around a budget matter. We're having a debate here about a specific budget matter, and it's about lowering taxes for low-income individuals.

[1530]

Specifically, what are we doing with this bill, and how does it save people money? Well, let's take a little look here. For those individuals earning \$9,000 or less in British Columbia, they're already not paying any provincial income tax. With this targeted tax measure that we're debating today, individuals earning \$12,000 per year will also not pay any provincial income tax. Previously, they would have to have paid \$161. This bill we're debating today will help individuals earning \$12,000 annually by \$161.

Those earning \$16,000 previously would have had to pay \$387 in B.C. income tax. Once this bill is completed, they will only pay \$27 annually, for a saving of \$360. Similarly, individuals earning \$20,000 per year, where they would have paid \$612 annually in B.C. income tax, will now realize a savings of \$216, meaning that their B.C. income tax bill will now be \$396. So we see significant savings for individuals who are at the lower end of the income scale, and those are individuals who, quite frankly, could use some help.

Already, this government has taken dramatic efforts to lower taxes for all people in all income spectrums. We all know that there was a personal income tax reduction, on average about 25 percent, but for those people on the lower end of the income scale, their income tax reduction was actually 28 percent in terms of B.C. income tax payable.

By taking a look at some cross-Canada comparisons, maybe we can further understand some of the NDP's discouragement for this initiative here today. When you take a look at how B.C. compares to those socialist utopias that are controlled by the NDP in Saskatchewan and Manitoba, you start to see an interesting picture. In British Columbia, as I already noted, individuals earning \$20,000 or less were paying about \$396 in provincial income tax, and I think that's even before this measure. In Saskatchewan a comparable income level will result in payment of \$1,143 in provincial income tax. Over in Manitoba the figure is \$2,231 in provincial income tax.

Is it possible that low-income individuals in British Columbia could look forward to paying those kinds of substantially larger tax bills if the NDP were to win the election?

J. Bray: That's their hidden agenda.

B. Penner: Maybe that is their hidden agenda. Maybe that's why they're upset about these reductions, because it will make the increases that the NDP would like to foist upon British Columbians that much more substantial.

For individuals earning \$30,000 per year or more, the provincial income tax payable in British Columbia would be \$1,175.

I'm sorry; I've misspoken. The previous figures for \$20,000 per year should have been \$1,143 in Saskatchewan versus \$1,191 in Manitoba.

For \$30,000 it's \$2,167 in Saskatchewan and \$2,231 in Manitoba versus \$1,175 here in British Columbia.

Again, British Columbia compares very favourably to Saskatchewan and Manitoba. In fact, with these reductions we're actually showing lower provincial income taxes in British Columbia than Alberta, which had previously been the trendsetter and the leader in Canada in terms of reducing taxes.

British Columbia is quite properly taking its appropriate place and showing leadership again in the Canadian economy. We're showing job growth. The largest number of jobs created in the country have been created right here in British Columbia — almost 200,000 since the end of December 2001. That leads the country.

Again, that is British Columbia's appropriate place. We should be a leader in Canada. Sadly, during the 1990s we saw us lose our leadership position. We went from being the best economy in the country to having the worst job record, the worst investment record, the worst economic growth record in the country. That's not where British Columbians want to be. In fact, it's hard for most of us to believe this, but for a short time in the 1990s under the NDP government more people were actually leaving British Columbia to move to Saskatchewan than were coming from Saskatchewan to British Columbia.

[1535]

I'm happy to report that those trends seem to be turning around. Net interprovincial migration is now a positive again into British Columbia. That's the way it traditionally has been, but after a few too many years of NDP government in the 1990s, we saw that trend reverse. We saw people voting with their feet and leaving British Columbia.

I'm very proud that after a few short years this government — this party, the B.C. Liberal Party — has been able to reverse that trend and encourage Canadians to seek their future here in our great province. The results speak for themselves with, as I already said, the job growth, the record growth in construction, new home starts and increasing revenues to government, which are allowing us to make investments in a whole range of areas including targeted tax reductions for low-income individuals. That's how people benefit from good fiscal management and from good government.

From time to time, again, we'll hear the opposition say that the tax relief that's been granted to all British Columbians has only benefited the rich. Well, I've pulled together a few statistics — this is going back to 2002 — indicating the share of taxes paid by different income brackets or income groups in British Columbia. What's interesting to note is that for those earning \$100,000 or more annually, they pay 33 percent in total of taxes collected by the province. Those earning \$50,000 or more are paying 71 percent of total taxes collected.

If you go through the different income brackets, you start to see an interesting picture. This is merely to illustrate that even with the reduction in personal income taxes, it's still very much the case that those who are earning more are actually paying more of

the overall share of taxes. That is what the graduated system is all about, and that is how we help fund the government. But the record does speak for itself.

For those earning \$10,000 and less, their contribution in terms of provincial taxes is reported to be \$2 million in 2002. For those between \$10,000 and \$15,000 annually, it's reported to be \$23 million. Between \$15,000 and \$20,000 per year, we're looking at \$74 million in terms of their contribution to the provincial treasury. From \$20,000 to \$25,000 per year, it's \$108 million per year. Between \$25,000 and \$30,000 annually, it's \$141 million per year to the provincial treasury. Between \$30,000 and \$40,000 per year, it's \$420 million to the provincial treasury. Between \$40,000 and \$50,000, that number jumps up to \$487 million annually.

By the time you reach the bigger incomes between \$50,000 and \$100,000 annually, that group pays \$1.63 billion per year to the provincial treasury. Well, that's the biggest group right there. Between \$100,000 and \$150,000, the contribution is \$431 million annually. Between \$150,000 and \$250,000 per year — clearly more than people in this chamber are earning, I would think — they contribute \$326 million per year. For those few individuals — I presume it's few — that earn \$250,000 or more per year, their contribution to provincial taxes is \$695 million per year.

So you see how the tax range is actually a sliding scale. The more you earn, the more you're contributing to the provincial treasury. That's fair, because if you're able to pay more, you should — to help all those who are less fortunate. With this specific tax reduction that we have in this bill today, we're furthering that cause by raising that threshold so that those earning less than \$16,000 per year will essentially not have to pay provincial income tax.

I note that in the federal budget announced a couple of hours ago, the federal government is promising to raise the minimum exemption before which individuals have to pay their federal share of income tax. It's a fairly modest relief. I think I saw a media report indicating that in the first year, average taxpayers can look forward to savings of about \$16 per year. Well, that's helpful. It is certainly much more modest than some of this tax relief that we're debating right this moment on this particular bill, which will benefit almost 750,000 British Columbians.

I think the province is showing leadership. We are doing our fair share in terms of helping low-income individuals make ends meet. At the end of the day, it's not just about tax relief. It's also about growing the economy so that people have more job opportunities. As I've already noted, on that front too, British Columbia is leading the way.

R. Stewart: I wasn't going to rise today, because I really thought no one would have anything negative to say about this bill. This is one of the things that I am very proud of our government for having been able to achieve.

[1540]

One of the things we set out to do right off the bat was to re-establish a competitive tax environment for British Columbia so that we didn't have to face the constant loss of jobs we faced in the nineties, the constant loss of industry, the loss of head offices and the loss of economic prosperity that were brought about by the previous government's shortsighted approach to most things economic.

Their decision today to stand up and not debate this bill, to suggest that they don't have anything to say about this bill.... They're going to criticize it from someplace else, I guess, but they're not going to stand up and support it. I found that outrageous. I found myself on my feet right now, not because I felt that this was a bill that needed to have someone standing up and supporting it. I thought everyone would.

I'm just astounded that the House Leader of the Opposition has taken the stand she has. We, of course, don't have the leader of the opposition in the House, because she's chosen to not be here, to not find herself elected to this chamber so that she can debate the important work this House has to do. I find it outrageous that she has sent someone else in here to suggest that we should be debating things — important matters — when she won't even come in to debate them herself. And then to have the person she has sent in to debate them stand up and not debate them because she feels that she'll get political points, I gather, from choosing to not debate something that she apparently has some issue with....

Well, I'm really proud of this bill. I'm proud of the measures that we've been able to take, and I'm really proud of the budget. I stand and support it today.

Deputy Speaker: Closing second reading debate, the Minister of Finance.

Hon. C. Hansen: There was a comment made by the member for Vancouver-Hastings at the outset of this debate this afternoon. She quoted a comment that was made by the individual who is now our Premier. He was the Leader of the Official Opposition at the time. He said that openness is better than hiddenness. I would like to stand by those words. Just for the benefit of the member, I will actually quote for her from the *Oxford English Dictionary*, which says that hiddenness is the condition or state of being hidden.

What we saw during the NDP years was a lot of.... Well, they were called the fudge-it budgets. We saw a total lack of transparency. What we have actually been celebrated for across Canada and throughout North America is the fact that our budget process is now so transparent. We've won awards in British Columbia for our move to generally accepted accounting practices and the transparency that we put in our various budget documents.

This bill that is before today, I think, implements some of the tax changes that we are all very proud of. It will benefit this year, immediately, 730,000 British Columbians and will make a very big difference in their

lives. What it is going to mean on that one tax measure alone.... I won't go into all of them that are in Bill 7, but that one tax measure alone is actually going to result in \$480 million over the next three years staying in the pockets of British Columbians with low and modest incomes. That's so they can decide how to spend that money themselves — on their children, on their families and on themselves. It's going to make a big difference in their lives.

I'm proud to support Bill 7. Thank you for the time.
[1545-1550]

Second reading of Bill 7 approved unanimously on a division. [See *Votes and Proceedings*.]

Hon. C. Hansen: I move that Bill 7 be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 7, Income Tax Amendment Act, 2005, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. G. Bruce: I call second reading on Bill 8.

TAXATION STATUTES
AMENDMENT ACT, 2005

Hon. C. Hansen: I move that Bill 8 be read a second time.

Bill 8 implements a number of tax initiatives announced in Budget 2005. The changes improve the fairness of the tax system. They encourage energy conservation, improve administration and compliance and clarify the application of tax.

The Health Authorities Act is amended to clarify that property tax exemptions for hospitals owned by health authorities apply to space occupied by other providers on behalf of the health authority and by the medical faculty of the University of British Columbia for teaching purposes. This ensures that the property tax treatment of hospitals owned by health authorities will not be affected by the choice to deliver services through public-private partnerships.

This province is experiencing a booming housing market. This shows immense confidence in our economy, as people move here to build their futures in British Columbia. But rising property prices can make it difficult for young families and others to enter the housing market. To help offset the effects of rising house prices, Bill 8 amends the Property Transfer Tax Act to increase the value of a home that a first-time buyer may purchase exempt from property transfer tax.

Rising property values also create a concern for many of those who already own their own homes. This is especially true of seniors on fixed incomes, who stand to lose some or all of their homeowner grant because of rising property values. The Home Owner Grant Act is to be amended to increase the threshold

value for homes to qualify for that full grant. The new threshold value ensures that over 95 percent of eligible homeowners in British Columbia can claim the full homeowner grant this year. That's approximately the same percentage as was the case last year.

The Home Owner Grant Act is also amended to reduce the rate at which the grant is phased out. This change, together with the threshold increase, means that the proportion of British Columbians who will receive tax relief through the homeowner grant will increase despite the overall increase in assessed values of properties around the province.

The Insurance Premium Tax Act is also amended to clarify that insurance premiums paid to an unlicensed insurer by a corporation or partnership with a permanent establishment in B.C. are subject to tax. The act is also amended to provide the commissioner of income tax or other authorized officers of the Ministry of Provincial Revenue with the authority to require records to be kept by insurance agents or taxpayers and to allow access to those records. This authority will improve the government's ability to administer and enforce the act.

[1555]

Bill 8 also amends the Insurance Premium Tax Act to clarify the application of tax to persons who are licensees under the Real Estate Services Act, and it provides authority for a regulation to exempt medical services or health care plans retroactive to January 1, 1997.

Bill 8 amends the International Financial Activity Act to clarify the appeal provisions and to change the name of the International Financial Centre Vancouver Society to the International Financial Centre British Columbia Society.

The Motor Fuel Tax Act is also amended to clarify that farmers are authorized to use coloured fuel in any unlicensed farm vehicle when used for a qualified purpose. It is recognized that all-terrain vehicles and snowmobiles have become important vehicles for enhancing productivity of farms in British Columbia. As such, these vehicles qualify for coloured fuel use when used for farming purposes. Bill 8 also amends the Motor Fuel Tax Act to clarify the administration and enforcement of the use of lower-taxed coloured fuel.

The Social Service Tax Act is also amended to allow for new tax reductions and exemptions by regulation to encourage energy conservation and to reduce greenhouse gas emissions. The incentive to purchase cleaner alternative fuel vehicles, in particular hybrid electric vehicles, is enhanced by a couple of measures: firstly, by converting the refund program to a point-of-sale tax reduction to provide an immediate tax benefit to purchasers and to reduce red tape; secondly, by expanding the definition of hybrid electric vehicles to include hybrids propelled solely by electric motors running on electricity generated by an on-board internal combustion engine; thirdly, by raising the maximum tax benefit through to March 31, 2008, for most hybrid vehicles to \$2,000 from \$1,000; and fourthly, by ensuring the tax benefit available to other alternative fuel vehicles.

Alternative fuel vehicles generally cost more than comparable gasoline and diesel vehicles, and the enhanced sales tax benefits for these vehicles will help offset that incremental cost and should encourage more consumers to consider this promising technology. The \$2,000 tax reduction for these hybrids will be reduced to \$1,000 on April 1, 2008, and eliminated on April 1, 2009, in anticipation that the current incremental cost will fall as hybrid production and market share increase.

In addition, a new two-year sales tax exemption is introduced for energy-efficient furnaces, oil and gas boilers, and ground and air source heat pumps installed for residential use. The exemption will encourage British Columbians to choose more energy-efficient heating equipment and to allow government to evaluate the effectiveness of the tax incentive before considering any program extensions or expansions.

Fairness is enhanced by providing exemptions for purchases and leases of audio and visual recordings for certain purposes. For example, audio and visual recordings are exempt if purchased for public broadcast by a licensed broadcaster or to make copies for public broadcast exhibition in movie theatres and similar venues or for sale or lease. In addition, these recordings are also exempt where film and television show producers acquire them for incorporation into other recordings. This will level the playing field for small television broadcasters and other businesses whose business models made them ineligible for longstanding exemptions available to other competitors.

The threshold for the surtax on passenger vehicles is raised from \$47,000 to \$49,000 to reflect vehicle price increases since the threshold was last increased in 2001 and to ensure that British Columbians can continue to purchase the vehicles they need for their families and work without having to pay the surtax.

The maximum price for self-contained smoke or fire alarms eligible for exemption is increased from \$50 to \$250, because they are now often sold as more expensive units combined with gas detection devices.

Finally, the act is amended to require all amounts collected as environmental levies on tires and batteries to be remitted to government. This is consistent with the remittance obligations for all other taxes under the act.

[1600]

Alternative energy power production is an important part of the province's energy plan, and to encourage the development of clean, reliable energy, the School Act is amended to allow for school tax exemptions and refunds for alternative energy power projects by regulation.

Newer hydroelectric power producers who are either run-of-the-river projects with long-term contracts to sell power to B.C. Hydro or who are certified to use the EcoLogo under the federal environmental choice program will be exempt from fuel tax on penstocks and related improvements beginning this year. This exemption will encourage the development of clean small hydroelectric power in British Columbia.

Bill 8 also amends the Corporation Capital Tax Act and the Tobacco Tax Act to improve administration and enforcement. The Tobacco Tax Act is amended to provide officials with the authority to seize tobacco products that were not purchased from an authorized wholesaler. The changes to the Tobacco Tax Act will strengthen the province's ability to crack down on illegally traded tobacco products and to protect tobacco revenue use.

J. Bray: I rise to support this bill, and I'm very, very pleased to do so.

First, I want to point out some of the reasons why this is such a critical piece of legislation for my riding. The property transfer tax is something that is certainly a very important revenue source for government. But in the capital region, as you probably are well aware, we have one of the most vibrant housing markets in all of Canada. We have had housing starts that have had record levels for the last several years.

One of the great and positive signs about it is that people recognize that British Columbia and indeed here on the South Island are places they want to come and invest and make the most significant purchase they'll probably make in their lives. They want to raise their families here. They want to work here. They want to retire here.

We have had an absolutely incredible housing boom. Single-family dwellings, multiple-family dwellings, condominiums, townhomes — you name it; they're building it here in record numbers. In fact, earlier today I met with the Victoria Real Estate Board, who wanted to personally congratulate the government, through me, for the changes that are contemplated in this very bill. Raising the threshold for people to qualify for the first-time homebuyer's exemption by 18 percent is a significant boost for young families right here in Victoria to be able to stay in this community, buy their houses, set down their own roots, raise their own families and contribute to their communities.

You know, it's not just that particular point that's important about this whole issue around how we are trying to assist people to be able to be homeowners again in British Columbia. It is this other important aspect. I saw a very important graph a few weeks ago that showed the net loss of population that British Columbia suffered during the nineties, especially the late nineties. In the previous debate the member for Chilliwack-Kent made a point of that.

What was very interesting is that as you saw that negative trend of people fleeing from this province during the time that the opposition was in government — the time when that opposition, when they were government, drove people out of this province.... When you lay on top of that graph the graph of housing starts, something pretty amazing happens. They follow each other almost exactly.

One of the reasons why the Victoria Real Estate Board is so pleased with the changes we're making here is the same reason that the housing industry is so pleased with the changes we're making. When people leave this prov-

ince, housing starts go down. A new house being built in the province represents 2.8 permanent jobs when you look at the manufacturing of windows and doors and all of the other work that goes into it.

When that opposition drove out British Columbians, they also drove out carpenters, framers, glaziers, electricians, plumbers, roofers, tilers, manufacturers. The impact of the NDP driving people out of this province impacted dozens of industries that are involved with home building. But guess what. Now that we have a net in-migration of people coming from elsewhere in this country, guess what happens to housing starts. They, too, rise at the same rate.

Attracting people back to British Columbia isn't just great for our pride, although we do feel good about that. It actually has an impact on all those people involved in the housing trades.

[1605]

The opposition always talks about how they represent the working person. Well, during the 1990s, I can tell you.... Plumbers are working people. Electricians are working people. Roofers are working people. Glaziers are working people. Real estate agents are working people. But they had no work in the late nineties, because this government was driving people out of the province.

We support working people in this province, because we give them the hope and opportunity they need to succeed. Housing starts are growing at record rates. We are miles ahead of the rest of country, with no real signs of slowing down.

The opposition always says: "Well, you're benefiting from low interest rates." Sure we are. So is Saskatchewan. So is Manitoba. So is Alberta. So is Nova Scotia. But we have created the environment that people and families are moving to this province for, and they're driving demand for new housing. All of those working families that depend on that kind of inflow of people are driving that industry at great guns.

We went a step further, because we want to make sure that the younger families — the first-time homebuyers — have the best opportunity possible to participate in the great economy of this province and in their communities. I can tell you that for my constituents — especially those who have children that are becoming the age where they're looking to make their first purchase — this news has been very welcome. We have some of the highest housing prices in Canada, because we're one of the best places in the world to live. This is going to make a big difference for families to be able to stay in their communities, be able to live where they want their children to go to school, live close to where they work, live close to their neighbourhoods and their families. They're going to be able to buy homes in the areas that they want to choose.

Another big area is the homeowner grant. I know that some people get nervous every time they get their tax assessment and see that their property assessment has gone up. But of course, as you know, your municipal taxes are adjusted. They're not dependent on the assessment. They're dependent on the mill rate set by the municipalities, which is a separate exercise.

I also know that in my riding I have areas like Rockland. I have Fairfield. I have emerging areas like Fernwood and Vic West, where those people are generally thrilled to see the equity in their investments growing at 15 percent, 18 percent, 20 percent. They're thrilled because that means their investment in this province, in this community, is going to pay off for them. It is good news to have your properties gaining in value.

Because Victoria has some of the highest prices, it was starting to push some people out of the full homeowner grant opportunities. Some of those happen to be seniors who are on fixed incomes. Yes, they're living on a valuable piece of property, but their actual cash flow is limited. Moving this threshold up a full \$100,000 and ensuring that 95 percent of British Columbians continue to receive the full exemption makes a big difference for seniors in my community to be able to stay in their homes — the homes that they may have raised their families in — connected to their neighbourhoods and communities, because they're able to continue to manage their municipal tax bill. This is good news for homeowners and for seniors in my riding.

You know something? I also know why people in my community are getting a bit nervous. It's because they know that the reason the NDP won't debate these bills that have really constructive and targeted tax reductions is that it goes counter to what I think is Carole James's hidden agenda, which is to raise the taxes. I think people in Fairfield and Rockland are starting to recognize that voting for Carole James, voting for the NDP, actually means that they will see their property values drop. They'll lose equity in their property, and they'll see their property taxes go up. They'll see opportunities like the homeowner grant disappear. They'll see personal income taxes go up.

Do you know that in British Columbia families earning \$80,000 or less pay the least amount of tax in the entire country? That means middle-income families and lower-middle-income families have more money at the end of every paycheque to spend on their families and communities as they see fit. That goes counter to the NDP's plan. Their hidden agenda is about raising those taxes.

[1610]

When the NDP last had a crack at the tax jar, they raised taxes year after year after year. In fact, before we took office, people earning \$60,000 or less — the low- and modest-income households in this province — paid the highest tax rates in this province.

How was that good for working families? How does it support communities when Victoria decides it's going to take money out of low- and medium-earning households and decide that they know best how to spend it?

We know that individuals and families know how to best spend their dollars in their own communities. We keep more of that money in their pockets while ensuring that we're investing in health and education on behalf of all citizens.

In Glen Clark's first budget he actually proposed.... Get this. We're increasing the exemption on the property purchase tax, increasing the homeowner grant. Here's what Glen Clark proposed in his first budget. He actually proposed a surtax on homes worth over \$500,000. At that time that was a tax that would have affected about 30,000 properties. Imagine going to a senior who raised his or her family, who happened to have made a good purchase 20, 30, 40 years ago and now is sitting on an asset — yes, it's worth more, but it's their asset — and deciding that that senior is going to have to pay tax on \$200,000 or \$300,000 or \$400,000 worth of property. Imagine that.

[H. Long in the chair.]

How is that senior going to pay the surtax? How would they do that? Is that part of the opposition's hidden agenda? Is that part of their secret plan they don't want British Columbians to know about? They certainly don't want to debate this bill. Is that because it goes counter to what they know is going to happen in 90 days? Is Carole James actually going to have a fully costed plan that she promised, or is she just going to put out some loose promises with nothing about the hidden tax increases that she and Jim Sinclair have cooked up? I wonder about that.

Glen Clark brought in the corporate capital tax. We're reducing taxes for small business people. We're reducing the tax burden on the film industry to keep them competitive. We're reducing the tax burden on the oil and gas sector to keep them competitive. Why? Because it's good for the industry. When it's good for the industry, you know who it is really good for, Mr. Speaker? It's good for working families. Glen Clark didn't think that working families deserved to be in strong industries, didn't think people deserved to own their own homes and wanted to tax all of those things.

We said that we were going to promote alternative fuels exploration in this province. Our energy plan had a voluntary commitment by B.C. Hydro to purchase 50 percent of their new generation through green and alternative sources. We continued to implement that energy plan every year with new measures to help them increase that.

Hybrid vehicles are now becoming a major opportunity for ordinary citizens to participate in the reduction of greenhouse gas emissions. I know the Minister of Management Services is pursuing ways to increase the fleet of hybrid cars used by government. I know we're supporting a pilot project here in the capital region encouraging fleet managers, including B.C. Transit, B.C. Mail and Canada Post, to use a 20 percent blend of biodiesel to reduce greenhouse gas emissions. Biodiesel doesn't require any changes to diesel engines. We've also funded the ability to look at the feasibility of production of biodiesel here.

With amendments to the Social Service Tax Act, we're encouraging more British Columbians to participate in some of these strategies. We're making it more affordable. Imagine this. The NDP doesn't want to de-

bate the fact that we're making it more affordable for British Columbians to purchase hybrid vehicles, that we're doing it in a way that recognizes that, as market share increases, we can reduce the tax exemption accordingly, and that we're encouraging the marketplace to support alternative energies. Imagine that. I would think the NDP would be thumping their desks right now in support of that. Somehow I don't see much support for that.

Imagine this. We're actually recognizing that when school districts and individual PACs make decisions about looking to have their school use alternative fuels, we'll provide them tax relief in order to recognize that contribution they're making in their community. Imagine that. We know that schools continually look at ways in which they can contribute to their communities, and being environmentally conscious is one of them. We're supporting them in making those decisions.

[1615]

You know, option 19 in the select standing committee's report that I referred to in my previous debate called for, among other things, increasing the threshold for passenger vehicles for tax exemption. This bill increases the vehicle surtax threshold to \$49,000 from \$47,000. On the Finance Committee, we heard from around the province that perhaps in the middle of Victoria-Beacon Hill, my riding, it may not be necessary to have a four-wheel drive, V-8 SUV in order to go to Thrifty's to buy your latte. Fair enough. You know, in many parts of this....

Interjections.

J. Bray: My heartlands colleagues are agreeing with me on that.

In many parts of the province heavy-duty vehicles are actually a necessity just to get your kids safely to school, to get your kids to the hockey rink or to get out into the bush so that you can earn your living and support your family. It's not a luxury. The NDP thought it was a luxury.

We recognize that working families depend on those vehicles. We heard them asking for us to raise the threshold. We've done exactly that. We reinvigorated the select standing committee process. We gave British Columbians a direct voice. The Minister of Finance again, for the umpteenth time in this budget, has responded directly to what British Columbians said through this Legislature.

You know, Mr. Speaker, when the NDP get into the position where they can't debate bills because it's all good news, it really must be frustrating. When the Leader of the Opposition stands up and gives some really baseless argument, which has nothing to do with the bills, about why they're not going to debate it, it's because they realize that we have responded to real British Columbians in every corner of this province in a way that they can't possibly.

I wonder where Carole James is today on this bill. I hope she's having a press conference right outside the

gates here. I hope she's showing us her plan and how she would do things differently. I hope she's having a press conference right now saying: "This is how I would encourage more alternative fuel usage and support British Columbians to participate in the use of green and alternative energies." I hope that's what she's doing right now. But I suspect, like every other day, that's not what's happening.

I hope that she's out there with her plan of how she's going to help low- and modest-income families in British Columbia. How is she going to ensure that she does something...? We've got the lowest taxes payable by families earning \$80,000 or less. Those are working families in every community in this province. I hope that she's having a press conference right now, giving us a fully costed account of how she's going to improve on that. But like we heard from the opposition, I suspect not. The reason they won't debate these bills is because they know they've got nothing to debate.

It's what British Columbians have asked for. It's reasoned. It's balanced. It benefits British Columbians, the way they've asked their government to do that. That is why they won't debate it. That's why their leader doesn't have a plan. That's why I'm proud to support this bill. This government is doing what it said it would do four years ago. We're delivering it, and our plan continues right up until the next election. I congratulate the Minister of Finance for bringing in these measures.

L. Mayencourt: I'm here to speak in favour of the Taxation Statutes Amendment Act. Before I start, I want to refresh our memory. Just a few hours ago the galleries here were full of people watching question period. In that question period the Leader of the Opposition, the member for Vancouver-Hastings, and the member for Surrey-Panorama Ridge thumped the desks and screamed about the fact that they weren't having a chance to debate the budget. Well, I've heard nothing from them yet about this budget, and yet this is a piece of that budget. Once again, they fall silent. It's only for the theatre of question period that they showed up and did that. I'm sorry for that.

I think this is a very important piece of legislation that we have in front of us. I think it affects a lot of people in this province. I think it affects a lot of people in their ridings. I think that they have an obligation to be in here to speak either in favour of this legislation or against it on behalf of their constituents. They challenge us to do that. I challenge them to do it as well.

[1620]

In my particular case, in my riding, as this House knows, I have seen an incredible growth in development in my neighbourhood. The change in my neighbourhood has just been massive in the last four years. With that has come over 20,000 new residences in my neighbourhood. We have seen the cost of a typical condo for a single person go from \$200,000 to much, much higher. It's a sign of a thriving economy, a sign that people are investing and feel like they believe

enough in themselves that they're willing to put down money for a mortgage.

We have a wonderful thing called the homeowner grant, which is there for first-time buyers. We have an ability to help them maybe make the difference between being renters for the rest of their lives and being able to have the opportunity to own their own home — whether that's a condo or a single-family home or what have you, matters not. It's about the ownership. People can have access to this because of this piece of legislation. More people will be eligible for the homeowner grant.

Also important in my neighbourhood is the property transfer tax. My goodness. As the price of housing in my neighbourhood has gone up, so has the cost to homeowners for their property transfer tax. This act takes it and makes it more applicable to neighbourhoods like mine, neighbourhoods like Surrey, and the Tri-Cities area in Coquitlam. It recognizes that the average price for housing for first-time buyers is really a lot higher than the \$275,000 it was; it is much closer to the \$325,000 range that we are moving it to today, if this bill passes.

I think this Legislature has been good to listen to the people of my riding, to listen to the people of ridings around this province that have said: "Look, there are some inequities with the property transfer tax, and we want them rectified." We want to make sure first-time owners have an opportunity to get into the market. We want to make sure they have access to the homeowner grant, and we want to make sure we do what we can to make it possible for them to own their own home. I support that. I'm proud to support this particular bill as well.

A couple of other things I wanted to mention. I'm very proud that this government has decreased the taxes that someone would pay when they buy a hybrid vehicle. Out in our parking lot I have a 1966 Mustang, which certainly wouldn't qualify for the lower taxes because it burns a little bit too much fuel. Out in our parking lot we have a couple of people that have bought Priuses. It's a new Toyota car that is a mixture of electric and, I guess, regular fuel. What that means is that we're encouraging people to do what is right for our environment, that we want them to get into these hybrid vehicles, that we want them to look at alternative sources of fuel for driving their cars to work. I think we are doing something very important by saying to people: "We will give you a bit of a tax credit as a result of that."

We also have done that for schools, for example, that are looking at alternative ways of creating energy for their school buildings. In my neighbourhood I have Lord Roberts annex elementary, which is up near Nelson Park. In that neighbourhood we've created a neighbourhood with the Molehill Society that has geothermal heating. They're actually using alternative ways of heating the buildings around them. This is as it should be. It should be encouraged by government, and that's what this bill helps us do. It helps us do that for schools and school districts.

I'm really happy with this particular piece of legislation. I do hope that we hear a lot from the Leader of the Opposition, the member for Surrey-Panorama Ridge and others from the NDP about this bill. I think it is their job, as they said, to debate each and every line of the budget. They should be here. They should do that, so I yield the floor to them.

Hon. C. Hansen: I don't have any particular comments to wrap up with. I think it has been well said by my colleagues in the House.

It is a surprise that the opposition members did not choose to participate in this particular debate. This would have been a great opportunity to find out if in fact they do have any policy positions around this whole area of tax policy.

With that, I move second reading.

Motion approved.

[1625]

Hon. C. Hansen: I move that the bill be referred to the Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 8, Taxation Statutes Amendment Act, 2005, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. C. Hansen: I call budget debate.

Budget Debate *(continued)*

K. Whittred: It's my distinct pleasure to rise in the House today to speak in support of Budget 2005 — a blueprint for optimism, a blueprint for a golden decade.

Before I start, I would like to just take a moment to pay tribute to a few people in my community of North Vancouver. As many members of the House know, we recently had a serious landslide. This landslide wasn't exactly in my riding, but it was only a few blocks away. I had the opportunity to visit the site early the day that it happened, and I have to share with the House that I was extremely impressed by the professionalism and by the quality of the emergency services that had fallen into place so quickly.

I was able to be at the site approximately three or four hours, I think, after being called early in the morning, and it was quite unbelievable. It was like a whole townsite had been set up. There was a medical station, a comfort station, a rest place, large equipment. The rescue people were all there, and I really want to say thank you to the fire department, the police and the urban search and rescue team. It is my understanding that it's the first time in the history of British Columbia that the urban search and rescue team had actually been used.

It is sort of interesting to note from a North Shore perspective that in North Van we have a very famous search and rescue team that is often used — in fact, almost every weekend. But it's not often that the urban group is called out. I did want to mention that.

Then, of course, there were the volunteers. They were most obvious in the evacuation centre, which was also set up and running almost immediately, and one could not help but be impressed with their efficiency. They had signs that were there, all pre-prepared. They had a pet centre. They had food, of course, registration procedures, and so on.

Then there was the command centre, where the whole effort was being commanded from. It was all very impressive.

The provincial emergency program worked extremely well, and the district of North Vancouver has asked me to convey to the House their appreciation of the way in which that program fell into place.

The landslide, of course, had a very sad outcome. Eliza Kuttner lost her life in that landslide. I certainly want to share my thoughts and the thoughts of my colleagues here in the House with her husband, Michael Kuttner, and her daughter, and to commend her colleagues at Capilano College, who have set up a fund and called for an Eliza Kuttner award. My thoughts and those of the House are certainly with that family, and we wish Michael Kuttner a full recovery, as he is still recovering in hospital.

I'd also like to take this opportunity to congratulate the former mayor of North Vancouver, Jack Loucks, who was recently presented with a lifetime achievement award by the North Vancouver chamber. I know there are many members in this House who served with Jack as municipal politicians, and some of you may know that Jack has had a little bit of a health setback recently. He had a mild stroke, but he's doing very well, and I was very pleased to see the whole family out when he received this award not long ago.

[1630]

I also want to congratulate my friend and neighbour John Braithwaite. He is another councillor who served the city of North Vancouver, actually for as long as I can remember. He has recently been honoured in my community by having a community centre named for him. It was very indicative of John Braithwaite and the community he served that when he accepted this award, he said he was so pleased this was called a community centre and not a recreation centre. A community is a place where people gather, and that was important to him. Congratulations to John for that very, very deserved recognition.

I also want to congratulate Janice Harris, who was recently elected mayor of the district of North Vancouver — replacing the former Don Bell, who was elected Member of Parliament — and Jim Cuthbert, who was elected as councillor for the district to replace Janice Harris. That sort of brings us up to date on the local happenings, Mr. Speaker.

What is this job of being an MLA all about? I think it's about having a vision. It's about appealing to those

lofty ideas of creating a community — a community of possibilities and optimism. Today in the time I have I would like to try to build a bridge between vision and my community in North Vancouver-Lonsdale. I'd like to sort of put this in a context.

What is my community all about? Well, we're 12 minutes from downtown Vancouver. I think a lot of people don't think that, but we are 12 minutes from downtown Vancouver. I often say: we're the snap in the snapshot. We're the snap when people are at the Pan Pacific Hotel enjoying a drink on the deck or staying in their expensive room. We're the view from the window.

We're a gateway. We're talking a lot these days about gateways. We are on the north shore of Burrard Inlet, and we are a gateway to British Columbia. We're also where the sea meets the sky. We often hear about the Sea to Sky Highway in my neighbouring riding of West Vancouver. In my riding we have what we call the Sea to Sky Trail, and it goes from Harbourside Park to the top of Lynn Valley in less than an hour. Did I mention that we're 12 minutes from downtown Vancouver?

In my community you can feel the optimism. You look around, and what you see is cranes. You see cranes everywhere. You see roadways that are dug up. You see headlines in the local newspaper about job shortages. You hear that local tradespeople and construction people can't hire enough workers. You see ships in the harbour that are waiting to get to the wharves to either drop off or pick up their goods. All of these are signs of boom. They are signs of optimism, and the optimism is palpable.

This is something that's only happened in the last four years. When we came to government in 2001 we had a vision. We had a vision to offer people hope and opportunity. We had a plan to get there. A plan is not something that is usually achieved in a month or two months or even a year. We were hopeful that we would achieve our plan in four years. I'm very pleased to see that our plan is working.

When we were elected in 2001 we found many, many things that we didn't know we were going to find. I think one of the things that shocked me the most was the aging infrastructure. I had responsibility at that time for part of the Ministry of Health. I was astounded at the neglect that had been shown to infrastructure over the years before.

[1635]

I had an experience in the last two or three years to visit one of my schools. This school was actually asking for a new school. I was astounded at the degree to which that school had been allowed to deteriorate. Not only was it obvious to a layman.... The rain was actually coming through the walls.

Transportation. We have real issues with, particularly, the north end of the Second Narrows Bridge and with east-west transportation. These are areas that have truly been neglected, to say nothing of hospitals and other health care facilities.

We know our plan is working, because we have come, in the short time since 2001, from being very last

in terms of the economy.... We were ninth in job growth; we are now first. In my particular region we have seen a 9 percent increase.

We see people moving to British Columbia. This is really obvious in my community, because we have a huge housing market. Some of you may have heard of Yaletown in Vancouver. Well, my community of lower Lonsdale is being marketed as an extension of Yaletown. I will be speaking a bit more about that a little later.

What is a budget? It's a plan to achieve the vision. It's a plan to achieve this hope and opportunity. It's a plan to help families achieve their goals and enhance their quality of life. Time probably won't permit me today to address every single goal in the budget, so I'm going to confine my remarks to two or three of them.

I would like to start with the goal of making British Columbia the best-educated, most literate jurisdiction on the continent. I mentioned a few minutes ago about Sutherland School. This is actually a school that my children went to. I hadn't been into it in a number of years because they, of course, had graduated. I was invited back by the principal there to have a look.

This is when the ceiling actually fell in one day. This was sort of a serious thing. The parents' committee was upset, and kids were upset. I was invited in to have a look. As I said, I was shocked. I just couldn't imagine how a government had allowed a school to deteriorate to such an extent. From there, I got involved with the ministry. I worked with the board. The really happy news is that we have managed to get funding, and a new school is being built at Sutherland.

I'm also happy to announce that several schools in my community, including Ridgeway, will be receiving seismic upgrades. My community is the old part of North Vancouver. Some of it dates back many, many years, so I have some very old schools like Ridgeway and Queen Mary. These were built early, probably in the 1930s. Beautiful old buildings, but they need some upgrades. I'm very pleased that in this budget we have money for those seismic upgrades.

I'm very pleased we have added dollars to the education budget that are tailored to communities and that these are district and school decisions. I'm also pleased about the Ready, Set, Learn program. I had the privilege one night of actually visiting one of the schools, Westview, where this was being introduced.

Ready, Set, Learn is a program to introduce three-year-olds and to assess their needs. It was well attended by the parents in the community and by the children. The children were assessed. I had an opportunity to talk to the teachers, who were very generously giving their time that evening. I had an opportunity to talk to the speech pathologist and to learn a little bit, for my own benefit, about some of the aspects of the program and how valuable the early childhood educators felt it was.

[1640]

Money has recently been given in education, in terms of moving towards the best educated, to ensure that learning-disabled students have the opportunities

they need. You know, back in the old days when I was in school, which was almost medieval times, there used to be something called opportunity classes. Today I would like to think that we no longer have opportunity classes and that we have developed a school system that has gone from opportunity class to opportunity — that all children, whether or not they have difficulty learning, do have the opportunity to learn.

I know as an educator, or at least a former educator, that one of the biggest changes that has come about in recent decades is the research and the knowledge that all children can learn. It used to be that certain children, if they had difficulties.... It was just sort of assumed: "You know, you're dumb; you can't learn." We know that's not true. We know that it takes resources to provide these children with opportunity. I am very pleased that we have been able to give those resources to the classroom.

Another aspect of the education funding that gives me particular pleasure is the school-based literary innovations. I was able to meet a teacher that same night, and she was submitting a research project that was going to add to the reading 44 program in North Vancouver, which is a very well-known program. She was receiving funding for this. There was funding for innovation, funding for this particular teacher to further her skills and funding for her to be able to take this out to share her knowledge and her research with other teachers in the district.

One other aspect of that recent funding is around music and art programs. In North Van we have some very well-known programs in those areas. We have, of course, reading 44, which is acknowledged as one of the leading reading programs, not only in the province but right across the country. Many teachers from North Vancouver, district 44, go out and give in-service and share what they've learned about teaching reading with other school districts and other provinces.

In the area of music, of course, we have the North Vancouver strings program. This is also a very renowned program and has been around for many years. Of course, perhaps they've complained in recent times that they've been a little bit short-funded. I'm really pleased that they will now have this funding in place. Then for the arts there is the Artists for Kids Trust, which is another really innovative program in the North Vancouver school district. They also have innovation and creative programs as well as programs for adults. They have night programs and many enriching activities for children in the arts.

In the area of post-secondary, of course, we have Cap College. Like many of our post-secondary institutions, Cap College has recently been designated as a centre of excellence. Cap College was designated as the centre for excellence and innovation in tourism. This is a wonderful opportunity, as we move toward 2010, for my community to take a leadership role in planning tourism activities for the province. I believe that the role that Cap College is taking is to be a leader, a researcher and a developer of tourism goals and aspirations for various regions of the province. Although this

is still very early in that program, I'm sure we all look forward to seeing how that develops.

[1645]

Cap College also, on that same theme, will be able, I think, to develop its international programs. Cap College has for several years had some very innovative programs with other countries, particularly China. It has co-op programs that are part of what it calls its international education program. These are programs they share with universities in China, among other countries. It means that students from North Vancouver or from the lower mainland — from British Columbia — go and spend some time in China. They spend some time here. These are called China business field schools, and it gives students an opportunity to study abroad. It gives Chinese students an opportunity to come here. With the new emphasis on Pacific gateway and on Chinese tourists, this is going to fit very well with my community.

I had an opportunity one night to have dinner with some of the folks from Cap College as well as people from Vietnam. That was a very interesting experience, because the Vietnam program was part of this international study they are participating in.

Another program at Cap College that I think makes it very unique, which has taken advantage of some initiatives in the budget, is the film study program. We know that in the budget — we just discussed that today — is the tax credit to make sure that our film industry remains competitive. Because the film industry is such a major industry in North Van, Cap College has developed many film programs. It has programs around many of the technical skills in the film industry. It has programs around directing and producing. One of its goals — and I'm hopeful that we may be able to pursue this, as we have our economy back — is to have a real film centre and make Cap a real centre of excellence in that regard.

The final post-secondary institution in North Vancouver is BCIT. Most people don't know we have a campus of BCIT in North Van. It's the marine campus, and it's where people who wish to be in the marine industry.... It used to be the Pacific Marine Training Institute, and it is now part of BCIT. It's where pilots and various other skilled trades in the marine industry are trained. It sits on a very beautiful site right on the harbour adjacent to the Lonsdale Quay.

The second goal I wanted to comment on is the goal around building supports. This is an area, of course, that I get a lot of representation in my riding office about. I'm particularly pleased that in the budget, we have increased the allowance for persons with disabilities by the largest dollar amount in B.C. history. This is indeed quite an accomplishment, and it's an accomplishment that we were able to do because we had a plan and we stuck to it. Our goal, our plan, was always to be able to put back into the economy the benefits of a resurged economy.

We were able to put more money into our homeless shelter, and it has just recently opened. I'm pleased that out of the Premier's initiative, the operating dollars are

now increased to \$500,000 from \$325,000, which is quite a significant increase in operating those beds.

On transition houses. We have reached out, and we have put more money — again, the biggest increase in over a decade — to provide services to women who are suffering from violence or suffering from abusive relationships. I had the pleasure of meeting with the transition house people in my riding just the other day. I asked them: "What's the next step? What's the next thing that we really need to work on?" They said second-stage housing. So that's certainly going to be a goal of mine over the next while, particularly now that we have an economy where we can look forward, where we know things are working and where we know that we are moving ahead rather than backwards. I was also pleased that we were able to put money into family law initiatives, because that's something that we certainly do hear about often in our constituency offices.

[1650]

[Mr. Speaker in the chair.]

The other goal I wanted to focus on for just a moment was the goal about healthy living and physical fitness. We've all heard, of course, about Action Schools, and we've seen the kids get up and do their exercises and get their blood going, and so on. I am very happy that there was \$100 million put into the Act Now program. I would like to be able to go forward over the next several months and really promote that, particularly for older people in the province.

It is my belief that most of the diseases that people suffer from as they get older could probably be prevented. If they couldn't be completely prevented, they certainly can be lessened simply by good exercise, good meals and some common sense. I am really pleased we're taking this initiative. It is an initiative that not only enables families to achieve their goals — everybody's healthier — but it will, hopefully, help us to keep our costs down in health care.

I was also, of course, very pleased to see in the budget that \$200 million has been added specifically to access home care, residential care, palliative care, mental health and addictions services. That is most welcome.

Finally, the great goals for the golden decade. The umbrella, the part that just brings this all together, is more jobs for small business. My riding is a riding of small businesses. That's what we are. We are mostly small businesses. My riding is the heart of North Vancouver. It's like the heartbeat of the community, and there are many streets of small businesses. They are delighted that there has been a lowering of the tax rate. This will enable them to employ more people, and it will enable them to buy more equipment and to expand.

One of the things I do each year is take a little walkabout. I go out and meet with my small business folks — not all of them, because there are way too many, but I choose a community each year and go and talk to them. This last year I found nothing but opti-

mism. They were all looking forward to the year. Many of them were expanding.

I talked to one small business man who has expanded quite a bit. He has added about six employees, and he's looking forward to just a very prosperous future. I wondered if that was just me that was observing this and if I was being too optimistic, so I went to the Federation of Independent Business and said: "Can you do a little survey of my community and see whether or not my observations are correct?" They did a similar survey, and they found that, indeed, there was much optimism in the community about small business.

Another big goal is more jobs in tourism, and I can't say enough about how my community is situated to be part of that initiative. I've already mentioned, I think, that we're 12 minutes from downtown — did I mention that? — and we are the most magnificent site on the harbour. That's what I think.

We have the ability, the community infrastructure and the people in place who are going to work very hard, I know, to get that portion of these new tourism jobs. I'm delighted that the 100 million tourists from China.... You know, if we get 1 percent of those that come to the lower mainland and even 1 percent of those who come to North Vancouver, that's a lot of tourists.

[1655]

We have a site in North Vancouver that is called site 9. This is actually where the old Burrard drydock used to be. It is now part of a major development. It's going to be a public amenity, and it is just now taking shape. It has a pier, and I believe the pier is the furthest-reaching pier into Burrard Inlet of any other pier on the waterfront. It has another small boat launch. There will probably be a marina, and there will be a number of tourist-type businesses in the vicinity.

All of this has been part of the planning and foresight of the city of North Vancouver, and I really do want to give them credit. I want to give Mayor Barbara Sharp and her council credit for their leadership, and I look forward to watching this project as it develops.

I see my time has expired, Mr. Speaker.

J. Bray: I appreciate the opportunity to conclude my remarks from a previous day.

As I was debating the budget, I was commenting on the fact that the NDP House Leader kept.... All she could talk about in her budget debate was our broken promises. She decried the fact that we weren't going to debate the budget while she was debating the budget, which is a bit of an odd situation for her, I guess, but she never actually talked about the budget. She came up with this concept around our broken promises, as she put it.

I actually started my budget debate by going through our *New Era* document item by item, on the record, for the opposition to make note of what we said we would do in 2001 and what we did. I only got to page 10, because there are so many commitments we made and so many commitments we've accomplished.

I know I won't have enough time to go through the other 100-plus, so I wanted to highlight a few. There are issues that are represented so well in this budget that demonstrate we are doing exactly what we said we would do, and that's why we can say with absolute confidence we have acted upon 97 percent of the commitments we made in 2001.

On page 16 of the *New Era* document — for the opposition to make note, because I know they're going to want to jot this down and follow along — we talked about some of our commitments for the K-to-12 education system. This is what we said we would do: we would restore education as an essential service under the Labour Code. We did that immediately.

Maintain and increase education funding levels by increasing revenues through economic growth. We have grown the economy. We have the largest debt payment in the history of this province. We have a near-record surplus, the second-largest surplus in the history of British Columbia since Confederation. Every year since we became government, we have increased funding to the K-to-12 education system. It is exactly what we said we would do in 2001, and it is exactly how we said we were going to do it. It was a promise made; it was a promise kept.

Establish specific goals and outcomes to measure the success of educators in the public school system. We have increased our standardized testing. We have increased our surveys both of students and parents for satisfaction. In each of the years that we've formed government, student achievement on standardized tests has improved. School safety surveys of students have increased. Parent satisfaction surveys have increased.

Support more flexibility and choice in public schools. We've allowed for the concept of magnet schools and choice schools, so you are not confined simply to geographic grids on a map. In fact, you can choose to go to a school that best meets the needs of your children. We have done that.

We're seeing schools specialize and flourish here in Victoria to great effect, improving educational attainment, and — this is very important, Mr. Speaker, because it wasn't a goal unto itself — we are graduating more students as a percentage in British Columbia now than at any time in the history of this province. Kids are now going to a school they want to go to, taking the courses they want that are going to match what they want to do when they leave high school. We're giving choice and flexibility to achieve that.

Giving local school boards more autonomy. We said we were going to do that. That's exactly what we did.

Give school boards multi-year funding envelopes to improve long-term education planning. We give them three-year funding envelopes. We started that in the first year so that they can actually make long-term plans. That's what we said we were going to do. That's what we promised British Columbians, and that's what we delivered upon.

[1700]

Maintain current funding arrangements for independent schools. It's exactly what we've done.

Eliminate the PST on basic school supplies purchased by parent advisory councils. That's what we said we'd do in 2001. We did that.

Guarantee that parents of students attending schools are entitled to volunteer their services. We heard horror stories in the late nineties of parents prepared to volunteer in school districts like Surrey to serve hot lunch programs, so that the only actual cost outlay for the school was going to be the purchase of the food. But they were denied that because the public sector union at that time, CUPE, said: "No, you have to hire two people at a cost of \$45,000 to serve the food." The program died.

Parents wanted to contribute; parents wanted to help. We said we would allow parents to volunteer as long as it didn't take anyone's employment. That's exactly what we did, because we know that when parents participate in their children's school, not only their own children's educational attainment improves but, in fact, all the students' attainment improves.

Ensure that music, art and physical education curriculums are fully funded in B.C. schools. This budget ensures that very commitment. It ensures that no school district can say they don't have the funds for those important programs, because we know how important they are to British Columbians. That's what we said we'd do in 2001, and that's what we did.

Moving on now. For the opposition to follow on their copy of the *New Era* document that they like to trumpet so much — page 30, which was talking about the public service... We said that we would pass merit employment legislation. We did that. We said we would appoint an independent merit commissioner. We did that. We said we'd have fixed election dates. We did that. Fixed date for tabling the budget: we did that. Set legislative calendar: we did that.

We said we'd hold open cabinet meetings at least once a month that are televised and broadcast live on the Internet. That was a brand-new concept, to actually let British Columbians see cabinet ministers and see the types of decisions and issues that are discussed. That's what we promised to do, and that's what we've done.

We said we'd give all MLAs a meaningful new role in policy development and service planning through a new cabinet decision-making system. That's the government caucus committee. I happen to be the chair of the Communities and Safety Committee. It allows private members to bring the issues from their constituencies right into the policy development process, right into the service plan development process of ministries. That's what we said we would do in 2001. That's what we've done.

We said that we would introduce free votes in the Legislature to allow MLAs to vote freely on behalf of their constituents. The first time it happened in this Legislature, four years ago, it was news. In fact, I happened to be one of the MLAs that voted against a particular issue, but it happens regularly because we be-

lieve that MLAs should be able to represent their constituencies. It's a regular occurrence in this place.

I can tell you — and I know the NDP are going to bristle at this — I went through the records from 1996 to 2001 to see if I could ever find one NDP MLA voting against their government. Do you know what, Mr. Speaker? I never saw it happen once. I know there was one MLA who threatened to vote against their government, but somehow when the vote was called, I guess they had a call of nature and left the chamber. I'm not sure. They certainly weren't recorded in the vote. I never saw any NDP members ever once vote against their government.

We said we'd allow free votes. We said that before we knew the configuration of the parliament. We delivered that. I'm proud that we have members of this House who are able to vote on behalf of their constituents and serve their constituents well.

We said in 2001 that we'd appoint a citizens' assembly. This Legislature unanimously supported the motion. The citizens' assembly went out and did its business. We now have a referendum question on the ballot on May 17.

Those are three separate commitments we made in 2001. Those are three separate commitments we've kept. But you know what, Mr. Speaker? It's equally important... We recognize on this side of the House that the only way that government can achieve its goals is to have a professional, non-partisan civil service that's supported in its efforts to do its work, that is a dynamic workplace that actually recognizes the value of the people that work in the public service, that supports their professional growth and that actually wants to restore the B.C. public service as a career of choice for people to come and work here.

I was a member of the public service. I worked for the former government, and I know what it was like when someone would mysteriously show up at the cubicle next to you. You never knew there was a job posting in the first place. You certainly never heard of any interviews, but all of a sudden somebody happened to be sitting beside you that you would casually find out is a good friend of someone who's a good friend of someone who's a cabinet minister. That's not the way you run a dynamic public service.

[1705]

It's interesting. Let me read you a quote. This is from January 15, 2000. "We became the employers that we always wanted to legislate against." That was from Corky Evans, who I understand is actually now going to be the candidate in Nelson-Creston. He's part of that old gang — part of the Glen Clark reunion tour — that drove people out of this province, that destroyed mining, that completely decimated and demoralized the public service. They're back.

We said in 2001 that we would return 75 percent of all traffic fine revenue to municipalities to allow them to support community policing and other policing activities. We aren't just returning 75 percent; we're returning 100 percent to communities. In my community

that's \$1.5 million that's going to help public safety, because we said that was a key element.

We said we would scrap photo radar, which is what we did. The list goes on. I'm on page 32 now, so the opposition can continue to keep track here. They said we broke promises. I need to prove that's not true.

We said we'd fight for B.C.'s fair share of federal tax dollars. We've seen a new deal on health care. We're seeing a new deal for cities. We saw a new equalization formula that benefited British Columbians, because we're working with the federal government, not always fighting with them, on behalf of our constituents here in British Columbia.

We said we'd push to eliminate interprovincial trade barriers. We have joint cabinet meetings now with the province of Alberta, because Alberta's concerns are British Columbia's concerns. By working together, we can enhance western Canada's economic opportunities.

We said we'd invite all members of the B.C. Legislature and all B.C. Members of Parliament to hold joint conferences aimed at publicly identifying and overcoming issues of regional alienation within Canada and B.C. We've had several provincial congresses that have been both instructive and effective in actually moving B.C.'s issues forward either with municipalities or with first nations — with the provincial issues and the federal issues.

One of the reasons why we had such a unified bid for the Olympics is because we all identified that whether you're an MP or a city mayor, it's the same taxpayer and the same voter you're representing, and it was in the best interests for all of us to work forward on that.

I know why the NDP don't actually have anything concrete to say about this budget. It's because their own record of budgets is dismal. When the NDP ran for office in 1991, they said: "Don't worry, British Columbia. We won't spend any money we don't have." Well, in 1991-92 they ran up a \$2.3 billion deficit. The next year it was \$1.5 billion; the next year, \$900 million; the next year, \$230 million; the next year, \$320 million; the next year, \$385 million; the next year, \$170 million; the next year, \$1 billion. I'm not including the two fudge-it budgets.

In other words, they don't have a plan. They don't have anything but a hidden agenda that will attack low- and modest-income families. We've had a plan for the last four years. We've accomplished 95 percent of it, and I know that on May 17, British Columbians are going to want us to work for the next four years to ensure that we continue on with the golden decade.

J. Nuraney: It is now close to four years since our government was elected. When we assumed office, we knew of the challenges we would face and the dire need to correct the ills of the past. The previous government not only mismanaged the financial affairs but showed no leadership or vision of the emerging challenges.

We have spent three and a half years bringing our financial house in order by balancing the budget and creating an investment climate that has triggered our economic recovery. The service delivery models in health care and social agencies had to be restructured to ensure efficiency and better outcomes. More autonomy to the school boards and to college and university boards assured an education system that answered better the needs of our children and the student population.

[1710]

Our mandate was not only to repair the damage of the past but to articulate a vision that will ensure a route that will land our province forward on higher ground and higher purpose. It must be mentioned that this formidable path to recovery and prosperity was achieved by a lot of hard work and a cohesive approach by this government. For example, reduction in income tax by an average of 25 percent — and by 28 percent for those earning less than \$30,000 a year — resulted in more money in the pockets of hard-working British Columbians. This extra spending power fuelled consumers' buying and contributed to economic growth.

Reducing red tape and regulations that were stifling the expansion of businesses and new ventures has also played a major role in creating confidence in the investment market. Mining and exploration have also seen a healthy growth. This vital core resource industry is the beneficiary of approximately a \$130 million boost that has led to more jobs. It was a combination of these measures and the expression of real commitment that created an enabling environment that has turned the fortunes of our province around to a more positive course.

Burnaby also saw the benefits of our efforts. The past three years saw more businesses being incorporated in Burnaby than ever before, and as we all know, small businesses are the engines of job growth.

Housing starts in Burnaby have also seen a record increase. Major businesses in my riding are expanding rapidly. Electronic Arts has expanded and has almost doubled its capacity, creating approximately 2,000 new jobs. Metropolis at Metrotown, a major shopping centre, has invested over \$80 million to expand and improve its facilities.

Other high-tech companies have reached new, higher levels of achievements. Xenon concluded a deal with a Swiss company that will inject over \$250 million into the joint venture. Creo, a major company in the printing technology, has recently concluded a deal with Kodak and has seen a substantial increase in its investment capital. The list goes on and on. These are the signs of better times on the economic front.

Today we are entering a golden decade for British Columbia. Our financial state has achieved a level of respectability among peers in financial markets around the world, and the commitment made by this government to stay the course is much admired. It is not a secret that when you establish a positive cash flow, you are then in a position to direct funds in the areas of priority spending and to establish a continuum of services.

The throne speech outlines the direction our government will follow in the coming years, and education continues to be a priority. It is our hope that we will make British Columbia the best-educated, most literate jurisdiction in this country. Contrary to popular belief, our government has increased funding for education over the past three years. The extra block funding of \$150 million announced in the throne speech will bring the total increase in school operating funding to \$305 million since 2001.

We have targeted funding of \$10 million for new textbooks that should eliminate any textbook shortages. Over the past few years, I have listened to teachers who have told me they have to spend money from their own pockets to buy supplies and textbooks. Due to the extra investment made by our government, I hope this will never happen again.

Another concern brought forward by teachers in my riding was in regard to the resources available for students with special needs. We have listened, and we will increase funding to the tune of \$28 million toward this need. School districts will now be able to make necessary adjustments to class size and composition.

[1715]

Parents have also expressed concern about library services in schools. The block funding announced in the throne speech is specifically targeted toward this service in schools. We should now have the librarians and the resources necessary to offer this very valuable service to our students.

The autonomy granted to the school boards to manage their affairs, depending upon their local needs and what dictates their priorities, has empowered them to a flexible situation in order for them to tailor their services to the needs of their communities. The assurance of three-year envelope funding has enabled school boards to plan for the long term. Our school district in Burnaby was able, under this new arrangement, to manage its affairs better and show a very encouraging surplus of \$2 million. This is proof that when you reduce government intervention, you get better results.

Our children are our future and must receive the best care possible. Our government is committed to the best child care and early childhood development: 32,000 more day care spaces have become eligible for funding, and 10,000 more children are eligible for day care subsidies.

There is an old saying that says an ounce of prevention is worth a pound of cure. With this in mind, our government has developed programs to identify physical and emotional problems in infants and toddlers. Through to 2007, \$76 million will be invested to expand diagnostic screening services in hearing, sight and dental testing to every child. We have also put in place a new Ready, Set, Learn program to help parents prepare their preschoolers for public schools.

The Action Schools B.C. program to promote physical education and active lifestyles among the student population is another important initiative of this government. This program will be expanded to every school from grades K-to-9 in the next four years. Junk

food will be eliminated from schools to promote better eating habits. All this and more will be done in the best interests of our children.

In the matter of higher education, we have made some huge strides. We gave universities and colleges the ability to realize their vision of providing more British Columbians with an advanced education. The expansion of seats in universities and colleges will ensure that our children are not denied the opportunity for higher learning. BCIT, which is one of the finest institutions of higher learning in British Columbia, is located in my riding of Burnaby-Willingdon and will benefit with the addition of another 1,145 seats.

We also heard the concerns of students attending these institutions that there is a need to control the increase in fees so that they can better plan their lives. We have therefore decided to limit future tuition increases to the rate of inflation, effective this September.

As our economy expands, with more global trade encouraged, we will need to prepare our younger generation to better prepare for challenges that lie ahead. There is no doubt in my mind that our government is committed to providing the brightest possible opportunities for future generations to come.

[1720]

To all governments in all provinces, health care continues to offer challenges. In order to improve access to universally accessible and publicly funded services, this government took steps to make health care administration more efficient and accountable through its restructuring. Thanks to the mismanagement of the health care system by reckless and irresponsible NDP policies, British Columbia was suffering a shortage of doctors and nurses. The conditions in which they worked were intolerable, and the burnout rate was very high. I am pleased to say that over the past three years, more doctors and nurses are now practising in our province.

Also, the NDP failed to address the looming problems of our aging population. We have addressed the shortcomings and are doing more to ensure that our elders live in dignity, including more home care services. While more improvements to our health care system are needed, it is beyond any dispute that significant improvements have been made over the past three and a half years.

One of my goals when I got elected was to protect the services of Burnaby Hospital. There was a strong rumour at the time that the hospital was slated to close. I am happy to report that not only has Burnaby Hospital continued to offer good service, it has actually undergone improvements to its services through prudent investment. We have added a 25-bed in-patient psychiatric ward with a two-bed assessment unit, and \$3.2 million was invested toward renovations to accommodate 25 more in-patient beds plus an out-patient service and three additional crisis stabilization beds. A further \$537,000 was spent to provide appropriate space for ten regional tertiary-level palliative care units.

Burnaby Hospital has also received a state-of-the-art picture archiving and communication system. This

will allow the doctors and pathologists to transmit images that can be manipulated to better recognize the ailment. This replaces the old X-rays of the past, which needed to be transported in their hard copy from one place to another with consequent time delays. This system has become the envy of the medical professions and has helped Burnaby Hospital to enter the world of new technology.

An adult ear, nose and throat program was added. As a result, surgical procedures in this area were increased significantly. More major diagnostic and medical equipment was purchased, including \$170,000 for two nuclear gamma cameras, \$200,000 for a urology table, \$120,000 for operating room microscopes and \$2 million toward IT equipment linking the entire Fraser health region.

As I said before, even though we have a lot more to do in our health care system, considerable progress has been made and will continue to be made toward achieving our goals of no wait times and no wait-lists for those who need it. Health care in the past focused on crisis intervention. To combat this, this government has committed more resources to study and to encourage changing lifestyles. We will also place emphasis on physical fitness as we prepare for the 2010 Olympics.

[1725]

We have learned in the past three years that we need to strengthen our system to support persons with disabilities, special needs, children at risk and seniors. I met with over 100 seniors in my riding who expressed a concern about their safety, and I am very pleased to see in the throne speech that an augmentation of funding to fight crime, on top of the 100 percent of all traffic fine revenues, has also been made available.

Burnaby will be a beneficiary of about \$2 million more from traffic fine revenues and, with this new increase announced, will now be able to add more RCMP officers to provide more protection for our seniors. Seniors are the pillars of our society. Whatever benefits we are now enjoying are a result of their hard work and perseverance in the past. It is our solemn duty to ensure that their welfare is taken care of.

On the environmental front, the environment continues to be a global concern. It is our hope to lead the world in sustainable environmental management, with the best air and water quality and the best fisheries management.

Growth in our economy has to continue so that British Columbia can lead our country in job creation, and we must continue this trend. China and India are the two newly emerging economies of the world. Therefore, it is important that we concentrate on how best we can create linkages with these countries. We must capitalize on our advantage as the gateway to the Pacific in order to improve our trade relationships with these countries.

Our industries must be competitive for their survival. The initiatives to form a B.C. competition council will help identify our strengths and challenges.

Multiculturalism and diversity are some of our greatest assets in British Columbia. Our mosaic of cul-

tures and communities has made our province a better place. It is therefore important that we ensure their development and offer the opportunities for them to thrive. New immigrants in our communities and our province have brought with them their skills and capital, which have contributed to making our province a better place.

The idea of establishing a network of B.C. trade and cultural centres in key international markets is a laudable one. The formation of the Asia-Pacific trade council is the right direction toward developing our ties with the emerging Asian countries. Commonalities of language, culture and lifestyle will give us the added advantage and help strengthen our relationships.

The opportunities that the 2010 Olympics will offer, coupled with the visionary direction of this government, will ensure a brighter future for us all. In less than four years, we have re-established our province as a national force, as a job leader and as a leader in health reform and educational advancement. We are leading the nation in investor confidence and small businesses. This government's prosperity plan has worked, and we must continue to travel down this path so that a good future for our families and our children in British Columbia is ensured.

The fact that our plan is working is abundantly evidenced in the budget announced by the Minister of Finance. Our ability to bring our financial house into order and to create new wealth has resulted in a healthy surplus. Through prudent fiscal management, we are now able to invest more resources to priority spending in areas such as health and education.

[1730]

Under British Columbia's new tax regime, we will now be the lowest-taxed citizens in the whole country. People earning less than \$16,000 a year will pay no provincial tax, and those earning up to \$26,000 will pay a much lower rate. The new threshold to qualify for the Medical Services Plan premium assistance program will reduce and eliminate premiums for 215,000 people.

The corporate income tax threshold for small business has been increased from \$300,000 to \$400,000. The improvements to the first-time homebuyer program will increase the number of first-time homebuyers, who will now have to pay no property transfer tax on eligible residential properties. Again, investment in the health care services and education has been increased significantly.

The most important announcement, in my opinion, is the lowering of our debt. Our debt will be reduced by \$1.7 billion, the largest reduction in the history of our province. As a result of this commitment, debt service costs through interest payments will be reduced, and it will allow us to use this extra money to invest in social programs.

[J. Weisbeck in the chair.]

Budget 2005 is a true testament of our success as a government. British Columbia is now in much better

shape with a solid structural foundation in place. This province cannot afford to return to the dark days of the NDP and their foolhardy fiscal plans. We need to persevere and expand our social programs — something the NDP is not committed to doing.

We are today standing at the threshold of a golden decade with immeasurable opportunities. We must stand firm in our resolve to making British Columbia the best place on earth.

G. Halsey-Brandt: It's a pleasure to rise in the House today and participate in the debate on Balanced Budget 2005. In my constituency, in the city of Richmond, we have been celebrating the lunar new year to welcome in the Year of the Rooster. This budget coincides wonderfully with the new year wishes for prosperity and good health. Gung hay fat choy in the golden decade ahead.

I made a decision in late 2000 to resign my position as mayor of Richmond to seek a seat in the provincial Legislature. I did not make that decision lightly. When I began my period as mayor in 1990, the provincial economy was good, people were moving into the province and there were jobs for our young people. The NDP were elected in 1991. As the decade wore on, their taxation policies drove business and investment out of the province. Mining exploration dried up, construction slowed, and more people began to leave the province to Alberta, to Ontario or back to Asia.

My city felt the negative impact of provincial policies and despair by many families and businesses. I then decided to try and do something about the situation. I greatly appreciate the confidence that the voters of Richmond Centre showed in me when I was elected to this House in 2001.

Our government set off on a four-year plan to turn B.C. around — to focus provincial spending on core services such as health services and education, reduce personal and corporate income taxes to increase consumer spending, bring business back to British Columbia and balance the provincial budget in our first term. The people of British Columbia and of Richmond Centre understood our plan and stuck with us over the past three and a half years. As we now know, we have been successful in carrying out our plan and the decades ahead look very promising.

[1735]

As part of the preparation for this year's budget, I had the opportunity to serve on the Select Standing Committee on Finance and Government Services. As such, I had the opportunity to visit 20 communities all around this great province of ours and hold public meetings or visit different sites to gather the input of citizens of this province into what choices they would make in structuring the 2005-06 budget. The committee heard 244 oral presentations, received 220 written submissions and 1,335 on-line responses. I believe these 1,800 responses set a record for public submissions to the Select Standing Committee on Finance.

I want to touch on the major recommendations of the committee — which, by the way, were unanimous

with both the B.C. Liberal and NDP members on the committee. The first recommendation of the committee dealt with a fiscal plan. The Finance Committee recommended that the government continue with its fiscal plan to provide balanced budgets and ensure that the forecast allowances remain in future budgets to deal with unanticipated changes in revenue streams and develop a debt management plan.

What has been the response from the Minister of Finance? As we know, this budget will pay down a record \$1.7 billion on the debt, reducing it to \$36.6 billion. In addition, this budget forecasts surpluses of \$200 million in each of the next three years. Paying down the debt by \$1.7 billion this year saves \$125 million in debt-servicing costs in this year alone. This is money that we can then spend on needed public programs.

Debt repayment is the third-largest expenditure by government after health and education. By paying down debt, we can have more choices on where to spend our money. The taxpayer-supported debt as a percent of our gross domestic product is dropping steadily, from 20.6 percent in '03-04 to 18.2 percent this year to 17.3 percent by 2007-08.

We are paying down our operating debt, which is the cost to run the day-to-day operations of this government, while we will be increasing capital debt, which is used to fund schools, bridges, highways and other infrastructure projects that are amortized over the life of the project.

A good comparison for us on these two types of debt is that the first is akin to credit card debt, which you might use for your day-to-day expenses. Of course, you want to pay that off as quickly as possible — hopefully, before the bill becomes due. Infrastructure debt is more like a mortgage, which provides an asset like a school that you can use over decades to come while the mortgage is indeed being paid off.

I would like to quote the reaction from the Chartered Accountants of British Columbia, perhaps one of our toughest financial critics on our financial plan.

"After a period of economic decline brought on by high taxes, deficit financing and excessive red tape, we are now seeing the rewards of an improved investment climate in the province," said Richard Rees, CEO of the Chartered Accountants of British Columbia. "We know that a strong economy and competitive investment climate pay enormous dividends for the province, providing the financial capacity to fund the programs British Columbians need."

"The CAs are particularly encouraged by the budget's record \$1.7 billion debt reduction. 'We are pleased to see debt reduction in this budget,' said Rees. 'Taxpayer-supported debt as a percentage of GDP is now forecast to decline over the next three years, and that is positive news for British Columbians.'

"According to the CAs, when debt is reduced, it allows the government to put more money into priority programs and services, such as health care and education, that otherwise would have gone to debt-servicing costs."

The second area of recommendation of the committee is that related to K-to-12 education, post-secondary

education and skills training and recognition. The legislative Finance Committee recommended more support services for the K-to-12 system for students with special needs. Well, this government responded in spades.

Overall funding for special needs children for diagnosis, early intervention and education will have increased by \$134 million over the next three years. It is estimated that 15 percent of all B.C. children have a developmental or learning disability or a mental health condition. This new money will enable these children and their families to access the assessment, intervention and support they need.

This budget provides an additional \$622 million over three years for K-to-12 education. Of this money, the \$150 million increase for the '05-06 school year is the largest increase in education spending in a decade. This also comes at a time when student enrolment is falling around the province and, particularly, in my community. This results in an all-time record per-student funding level of over \$7,000 per student — up more than \$860 per student compared to 2001. Some \$372 million will be given to colleges and universities to fund our share of the more than 16,000 student spaces we promised by '07-08. We are well on our way to reach the 25,000 new spaces by 2010.

[1740]

I'm also very pleased that tuition cost increases at colleges and universities are going to be limited to the rate of inflation. Our post-secondary institutions have had to play catch-up after the tuition freeze of the former NDP administration. Now that fees are about the average in Canada, some restraint must be shown.

I know students realize that something had to be done to improve the buildings and laboratories where post-secondary learning is carried out. Now that the major improvements are underway and more post-secondary student spaces are in the works, we can take a breather. As a father of a university student, I can relate to the concern over fees expressed by B.C. families, and we have acted.

We hear about skilled immigrants working in jobs that are unrelated to what they were trained to do. That's a waste of their potential. This is particularly true in my constituency of Richmond Centre, where we have many new immigrants. We have many nurses, engineers, pharmacists and others who cannot work in their profession.

Therefore, I am very pleased that we have launched the B.C. Skills Connect for Immigrants program, with a budget of \$14.5 million. Now our new immigrants can be given career assessment, workplace language upgrading and orientation, and skills enhancement. We are short many professionals in trades in British Columbia as our economy continues to grow. Therefore, we must assist these individuals to reach their potential and fill our labour shortage.

Another area the select standing committee made recommendations on was that of targeted tax reductions. We wanted the government to explore ways of

extending tax relief to low-income British Columbians, consider raising the small business tax threshold, raise the surtax on passenger vehicles and increase the property transfer tax exemption.

Of course, I am very pleased that the Finance minister responded with a new non-refundable personal income tax credit. This will reduce or eliminate provincial income taxes for about 730,000 British Columbians. Most individuals earning up to \$16,000 a year will pay no provincial income tax, and those earning up to \$26,000 will certainly pay a lower tax.

As an additional financial measure on the health front, the budget calls for a \$4,000 increase in the threshold to qualify for the Medical Services Plan premium assistance. This will reduce or eliminate MSP premiums for about 215,000 people. I know it will be welcomed by many individuals and seniors on low incomes in my constituency.

An 18 percent increase in the threshold of property value in the first-time homebuyer program will exempt thousands of first-time buyers from the property transfer tax on eligible residential properties. The budget also increases the vehicle surtax threshold by \$2,000 to eliminate surtax on passenger vehicles valued below \$49,000.

This budget goes a long way to meet and exceed the recommendations of the legislative Committee on Finance. I want to thank the Minister of Finance for listening to the people of British Columbia.

Mr. Speaker, this budget goes far beyond those recommendations, and I want to acknowledge this briefly in my allotted time here this afternoon.

It provides \$95 million for the return of traffic fine revenues to 70 municipalities for community policing, crime prevention and other safe communities programs. In addition, \$122 million is provided to add 215 RCMP officers throughout British Columbia. These are very welcome initiatives in Richmond, where marijuana grow operations, criminal gang activity, break and enters, purse snatching, street racing and other criminal activities persist.

The budget provides \$194 million to increase income assistance for persons with disabilities by \$70 per month — the first significant increase in more than ten years and the largest one-time dollar increase of its kind in B.C. history. The budget adds \$36 million for social housing and \$48 million for emergency shelters and support services for the homeless.

The budget adds \$37 million for transition homes, outreach programs and related services for women and children fleeing domestic violence. I know that the Chimo Crisis Services, the Richmond Women's Resource Centre and Nova House in my constituency all welcome this announcement.

Therefore, as can be seen from the highlights of this budget, our provincial finances and our general economy have come a remarkably long way since I was first elected in 2001. Government revenues are up. Debt is down. Expenditures on health, education, seniors, public housing, the environment, conservation and community safety are up.

[1745]

In my constituency of Richmond Centre, this budget is welcome news. It will continue to add stimulus to our local economy while providing public services. The unemployment rate in Richmond is at an all-time low of just over 6 percent. The classifieds are full of job ads, and help-wanted posters are in storefronts. B.C. is a leader in job growth, with over 200,000 jobs created since December 2001. Almost all of those are full-time jobs.

Passenger volumes at Vancouver International Airport, which is in my constituency, are back to all-time record levels of over 15 million passengers per year. This growing airport activity as a gateway to North America and to Asia is a generator of 26,000 jobs. United Parcel Service just opened its own cargo and jet hangar on the north side of the airport, creating dozens of jobs. WestJet is now negotiating to select a site for a new maintenance hangar. For the first time, their jets will have an overnight maintenance facility in British Columbia, creating hundreds of additional jobs.

The airport itself is spending \$1.4 billion to expand international arrival gates, runway improvements and parking expansion. Final alignment and funding for the Richmond-Airport-Vancouver rapid transit project has been decided. My constituency eagerly awaits the opening of this new \$1.7 billion rapid transit line in 2009.

Richmond city was successful in the bid for the long-track speed-skating oval, which we built in my constituency. It's a \$154 million project, with \$60 million from the Olympics and \$94 million from the city of Richmond. Not only is the community excited about hosting this event, but the facility itself will provide an ongoing legacy for a host of indoor sporting activities in the year to come. The oval will create an indoor clear span space big enough to house four ice hockey rinks.

In 2004, British Columbia had the best year for housing construction starts in a decade, and 2005 is expected to be even better. Richmond is certainly part of that boom. Residential, commercial and industrial building activity is taking place all over my community, with construction cranes visible on our skyline.

I want to quote a short piece from an article in the February 8, 2005, edition of the *Vancouver Province*, which I think sets the tone of economic activity around our province. The headline reads: "B.C.'s Residential Building Boom Setting Pace for the Nation." It provides stimulation for commercial and institutional markets.

"As the residential market heated up, you have to have the services for them — malls, highrises, medical centres," says Wayne Peppard, executive director of the B.C. Trades, an umbrella organization representing the province's construction unions. "The economy has been picking up, and if you have people moving into the province, you have to have all the services the public needs."

"Peppard said the strong Canadian dollar and the potential of B.C.'s oil and gas, mining and fibre industries should drive further construction in the coming years. If Prince Rupert goes ahead with its port expansion, there will be more money for the infrastructure to support it.

"We are looking forward to mills beginning to rebuild and possibly expand. I think we're there now," he said. "I think we're in a pretty good position in B.C. for the next five to eight years. I don't see any softening of commercial, residential or institutional building markets."

A ringing endorsement from the B.C. Building Trades on our economic policies.

I could go on about the good news in this budget and the tremendous economic and spiritual recovery that has taken place in our province, but before my allotted time runs out, I want to comment on a couple of other matters. I want to thank my caucus colleagues for their support for the past four years. We've engaged in a lively discussion of issues and have stayed together to build a better province. Thank you to members of cabinet for always being responsive to constituency issues, to being available 24-7 and for moving government programs forward in their portfolios.

Thank you to the Premier, who leads by example. He has a tremendous work ethic, as we all know, listens to all our opinions and builds a consensus. He's a leader who shoulders his responsibilities. Apart from an economic recovery I described above, he has truly led a revolution in the way we do politics in this province. We now have fixed election dates, the first jurisdiction in Canada to do so.

The Premier voluntarily relinquished his prerogative to call an election and returned the power to the people of British Columbia. He encouraged us to set up a citizens' assembly to examine the way we elect MLAs in British Columbia. This group of citizens has made a recommendation that will go before the voters in a referendum this May. The process was entirely independent without any political interference. This democratic process is entirely without precedent in the world.

[1750]

A fixed legislative timetable for the throne speech, budget and legislative session all facilitate improved democracy in our province — not to forget our personal and family lives as MLAs.

In the rebuilding of British Columbia, I would like to recognize the role of the Premier in putting British Columbia back on the world stage. In the 1990s, our relationship with Alaska, Washington State and Alberta was at an all-time low. You remember the blockade of the Washington State ferry in Prince Rupert. Now, these states are our close economic allies, along with the Yukon, Montana and Idaho. Our cabinet has twice met with that of the province of Alberta to discuss common policy objectives. Examples such as joint school textbook purchases and shared truck weigh scales at the B.C.-Alberta border are concrete results of these meetings.

In the 1990s, the relationship with the federal government in Ottawa was at rock bottom. Failure to reach agreement on leasing Nanoose Bay embarrassed the

federal government in front of the Americans, cost B.C. taxpayers millions of dollars and resulted in expropriation of the area by the federal government.

In the first week of being sworn into office, the Premier went to Ottawa to meet with the Prime Minister and establish a positive working relationship. Federal help and cooperation with highway cost-sharing, BSE cost-sharing, the pinewood beetle strategy, border infrastructure improvements, Kicking Horse Pass upgrades, health care accords, the purchase of Burns Bog, RAV line funding, the Vancouver Trade and Convention Centre funding and numerous other benefits accrued from this positive relationship.

Perhaps the best result was the winning of the bid to host the 2010 Winter Olympics, which might not have happened if the Premier had not built this critical federal-provincial relationship. The Premier has clearly established British Columbia on the national and international stage by focussing on the problem, not on the politics — on what is best for B.C. taxpayers, our families and our children.

In conclusion, we have a great 2005 budget that will enable us to move forward into the coming decade. I feel confident, as this parliament comes to a close in a couple of months, that the people of British Columbia are in good hands for financial management and the delivery of social services.

Finally I would like to thank the staff in the Richmond Centre constituency office: Sherry Bohnenkamp, who has worked with me for four years and for my predecessor, Doug Symons, for eight years. Sherry has a widespread reputation around our city for being able to help people with their problems in accessing government services. Thanks also to Hilda Ward, who has carried out community outreach work over the past year on my behalf. The residents of my constituency appreciate the work of both of you. And thank you to Laura O'Connor, my legislative assistant, who has made sure the Victoria office runs smoothly and that I get into the Legislature on time before they lock the doors.

It has been a great privilege to serve the people of Richmond Centre over the past four years.

G. Halsey-Brandt moved adjournment of debate.

Motion approved.

Hon. K. Falcon moved adjournment of the House.

Motion approved.

Deputy Speaker: The House stands adjourned until 10 o'clock tomorrow.

The House adjourned at 5:54 p.m.