



6th Session, 37th Parliament

OFFICIAL REPORT OF
DEBATES OF THE
LEGISLATIVE ASSEMBLY
(HANSARD)

Thursday, February 24, 2005
Afternoon Sitting
Volume 27, Number 18

THE HONOURABLE CLAUDE RICHMOND, SPEAKER

ISSN 0709-1281

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

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6TH SESSION, 37TH PARLIAMENT

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Published by British Columbia Hansard Services, and printed under the authority of the Speaker by the Queen's Printer, Victoria. Rates: single issue, \$2.85; per calendar year, mailed daily, \$298. GST extra. Agent: Crown Publications Inc., 521 Fort St., Victoria, B.C. V8W 1E7. Telephone: (250) 386-4636. Fax: 386-0221.

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THURSDAY, FEBRUARY 24, 2005

The House met at 2:04 p.m.

Introductions by Members

L. Mayencourt: It is a pleasure to introduce several guests I have in the gallery. The first is Joel Libin. Joel is a young man who has survived a very tragic incident where he was beaten and left in a coma for quite a while. He is joined by Asmi Jumbram. Asmi is a young man who came to speak to us, along with Joel, about issues around bullying, harassment and intimidation in the school system. Diane Galbraith has brought her daughter, Emily Galbraith, to join us also on the same topic. Joel's parents, Judy and Len, have joined us as well.

All of these people have come over to speak in support of the safe schools act to ensure that this Legislature passes legislation that protects children in our school system. Would the House please make them all very welcome. Before you do that, it's also Emily's seventeenth birthday, so our best wishes to her as well.

[1405]

Hon. L. Reid: Today in the precincts we have a number of delegates who are attending the Fetal Alcohol Syndrome Disorder Conference, the international conference that is being hosted this year in Victoria. There are over a thousand delegates. There are individuals from across the globe who have come to British Columbia for this conference. Last night my colleagues were instrumental in welcoming them to Victoria. I'd ask the House to please make them very welcome today.

B. Lekstrom: It's my pleasure today to stand and introduce a friend of mine, a gentleman who has worked endlessly on the production and promotion of ethanol in our province, which will help us meet the One-Tonne Challenge and certainly enhance our environment in British Columbia. Will the House please join me in welcoming the president of EnerGreen Power, Mr. Bill Vanderland.

V. Roddick: In the gallery today is someone who worked with the House Leader when we were in opposition and made our side of the House tick. Today she is the director of correspondence for the Premier, and we're still ticking. Will the House please welcome Antoinette De Wit.

R. Masi: It is my pleasure today to introduce a very active and energetic member of the Delta North executive. Mr. D'Arcy Warner is visiting us today. Will the House please make him welcome.

V. Anderson: For the second time this week, I'm delighted to welcome 85 different students from grades 4 to 6 at Jamieson school in Vancouver in my riding. They are once again here to learn about government, about parliamentary procedure and about the history of British Columbia. They're accompanied by their

teachers Miss Peggy Wu, Mr. Daniel Biela and Mrs. Nadine Rodriguez, and 12 parents. Would the House please join me in welcoming these children.

I might say that when I met the children last week, they wanted to know who the young people were that were waiting on us and bringing us water in the House. Please make them welcome.

J. Reid: Joining us in the House today is an exceptional young woman from Parksville, now studying at the University of Victoria. Her name is Breanna Roycroft, and I'd ask the House to join me in making her warmly welcome.

E. Brenzinger: Today I would like to introduce to the House Mr. Joseph Vollhoffer, who will be Democratic Reform B.C.'s candidate in the forthcoming election in Surrey-Cloverdale. Joseph is employed by North America's leading retailer of consumer electronics as a senior in their leadership development program, is active in community affairs and is well known as a sporting enthusiast and coach. Joseph has become a candidate who, with DRBC, supports the yes vote in the forthcoming referendum on electoral reform. Fellow members, please welcome to the House Mr. Joseph Vollhoffer.

Statements (Standing Order 25B)

ABUSED WOMEN IN COASTAL COMMUNITIES

V. Roddick: *Navigating Desolation Sound*, by Antoinette De Wit.

"Tugboat Tammy, battered and bruised from a well-logged length of service, sitting alone along the shores of virtually anywhere in British Columbia's coastal communities, purrs along the waters of Desolation Sound today, silent and sturdy like a steady workhorse. The unprotected waters have been violent and controlling, overwhelming to her hull as she struggled to meet her immediate needs with limited visibility.

"Tomorrow is the beginning of her freedom. No more pushing, pulling, dragging or lifting; no more letting down. She will be safe — shielded from danger, frequent loneliness, mortal fear, extreme anger, opposition, depression, suppression. She will be an example of history for future generations to realize and use as a basis upon which to set their goals, dreams and aspirations.

"Tammy has rediscovered her soul, her *raison d'être*, her full potential. A unique tune-up has given her a breath of fresh air, a resurgence of energy and new hope for an active and appreciated future."

[1410]

Tugboat Tammy is a metaphor for abused women who live in isolated communities along our coastal waters — up and down British Columbia's islands and up and down the province's main coastline. This story draws a parallel between the actual life of the quiet, mysterious and struggling tugboat navigating troubled waters and the unknowns and struggles of women in isolated coastal communities who have had to navigate troubled lives because other options are either unknown or not available.

INSTITUTE OF CHARTERED
ACCOUNTANTS OF B.C.

B. Kerr: Last week we recognized the Rotary Club and their 100th anniversary. It is a very well respected community organization. This week it is a great pleasure to recognize the 100th anniversary of the Institute of Chartered Accountants of British Columbia, an organization of which the hon. Minister of State for Immigration and Multicultural Services and I are proud members.

Since being established by official charter in 1905, members of the ICABC have played a pivotal role in shaping the province. One hundred years later our members continue to contribute to the province's economic and commercial growth.

Today the ICABC has over 8,900 members. Many hold key positions in local large and small businesses, often as comptroller, chief financial officer or chief executive officer. Many others advise businesses from within public practice accounting firms. Whether they're working for or with businesses, these men and women are following a 100-year tradition of B.C. CAs in helping business grow.

The contributions of CAs are not limited to the boardroom. Over the years our members have held positions in municipal and provincial governments as mayors and MLAs. Ken Dye, BCFCFA, served as Canada's auditor general from 1981 until 1991. The position of B.C.'s auditor general has been held by a CA since the position was first created.

CAs also extend their contribution to education. Instructors at SFU, UBC and BCIT as well as the university colleges and colleges throughout the province have taught the next generation of business pioneers, many of whom have, in turn, become chartered accountants. Many of them, in turn, have devoted their careers to ensuring that the next generation of B.C. students receives a top business education.

In addition to growing businesses, serving voters and inspiring tomorrow's business leaders, our members are generous, giving several hours of their time to local non-profit organizations and agencies. Whether they are serving as treasurers, directors or front-line volunteers, CAs around B.C. offer their time to countless causes.

I'll finish up very quickly. This year, in recognition of the 100th anniversary and the organization's role in shaping the province, the Institute of Chartered Accountants of B.C. has been inducted into the Business Hall of Fame. I would like to offer my congratulations to the organization and my fellow CAs, both past and present, and encourage our students in B.C. to consider this profession as a worthwhile and rewarding career path.

THE JADE BOOK

K. Stewart: Last Saturday I had the opportunity to view a book with only three sentences, but this book took 5,600 hours to complete. This was the love and

dream of one person, Cosimo Geracitano. There has only been one other book like this ever made in history, and that was made for Chinese Emperor Kang Xi in the seventeenth century.

What's so different about this book? Well, it weighs 150 pounds, and unlike the earlier edition from the seventeenth century that had its pages tied together with silk, this book has its hinges made contiguous to the single block of B.C. jade from which it was made. In the theatre of your mind, you might start getting a picture of what we are talking about — a book the size of our desktops.

On the cover of this book is a carved dove. Within the pages, accompanying the words of three of the world's greatest humanitarians, is a carved portrait of each: Mother Teresa, with the words, "Works of love are works of peace;" Martin Luther King, "Let freedom ring;" and Mahatma Gandhi, "You must be the change you wish to see in the world."

As a person who's been around a bit, I have seen many jade carvings in China, Taiwan and Thailand, and I have been to the Arctic Circle to view the Inuit soapstone carvers at work. I can assure you that I have never seen anything as impressive as this. It is not just the carving or that it's a hinged book made out of a contiguous piece of jade — which is miraculous in itself — but the message that comes through with the words and portraits of these three great people. The combination of the two is a sight to behold.

[1415]

It wasn't till after the book was to the point of having the page separate that the inspiration came to Cosimo of what actually to carve into these pages. The inspiration came from his grandson with Down syndrome: to do a book of peace and hope. This is definitely a piece of art that inspires. If you wish to view this book or to get any information about where it can be seen, you can view it at www.colossalcreations.com.

Mr. Speaker: That concludes members' statements.

Oral Questions

CAPITAL FUNDING FOR
SURREY MEMORIAL HOSPITAL

J. Kwan: The cat is out of the bag. It turns out the B.C. Liberals cancelled a plan to expand Surrey Memorial Hospital as soon as they reorganized health care into chaos. The new capital investment at the hospital was the new wing completed under the previous administration in 2001.

Following these revelations, will the government — anybody in government — now admit that this government deliberately put the planned expansion of Surrey Memorial on hold for four years, or are they content to shoot the messenger and hope for the best?

Hon. C. Hansen: I assume the plan that the member is referring to is one that is discussed in this morn-

ing's *Vancouver Sun*. That particular plan was one that had been put forward to the previous government in 1999 and was rejected by the previous government. I gather it was updated late last year. It was a concept; it was certainly not a capital plan.

J. Kwan: The last capital investment at the hospital was the new wing completed under the previous administration in 2001. Here's what Bob Smith said: "Surrey Memorial's emergency department was top of the list in the former health regions. When the new region was formed, all those capital plans went on the shelf because there was no new capital money."

The gun is smoking. Is this government saying Bob Smith is a liar, or will they admit that Bob Smith is the one telling the truth about how B.C. Liberals ignored Surrey Memorial for four years?

Hon. C. Hansen: What we did when we formed government was actually integrated capital budgets with operating budgets so that we didn't have the kind of things that happened when the NDP were in office, where we had a tower at Vancouver General Hospital that sat almost totally empty for the entire time that the NDP were in office.

We also saw new facilities being built around the province that they couldn't open because they hadn't actually planned for operating dollars. We also know, in terms of Surrey Memorial Hospital, that there were proposals put forward to the previous government for expansion of an operating room. Instead they decided to build a tower, probably because it was seen to be a little more politically expedient.

J. Kwan: The capital dollars dried up after this government took office. That's what Bob Smith said. It wasn't Bob Smith who was stalling on the expansion of Surrey Memorial; it was this government. He brought forward the plan for expansion back to this government as recently as November and was given the brush-off again.

Can this government explain why the B.C. Liberals only asked for a plan on Surrey Memorial when the election pressure was on and the red-hot lights of the provincial media were shining on this government's dismal, dismal performance on health care?

Hon. C. Hansen: The health authorities around the province today have responsibility for setting their priorities to meet their capital needs in their regions. We flowed increased dollars to every one of them. Fraser health authority, over that period of time, received an increase of \$200 million per year, a 16 percent increase.

The concern that came to the attention of the health authority board was that some of the challenges in these facilities were not being met by the leadership that had been there. They've made a decision that they're going to seek new leadership to take them forward to the years ahead.

SERVICES AT SURREY MEMORIAL HOSPITAL

J. MacPhail: Here's the government's excuse today: they're abdicating complete responsibility because they've reorganized health care. Isn't that great for the patients?

[1420]

The fact is that the B.C. Liberals deliberately did nothing for Surrey patients until they were forced to. The government was told last fall that the emergency room at Surrey Memorial was "truly in a crisis situation." Bob Smith says that it was not until last Friday that the Minister of Health's deputy came back to ask for a briefing.

Can the government explain why it took until last Friday for the minister to express any interest whatsoever in Surrey Memorial, when the government was told that there was a crisis in the hospital as recently as last November and almost every month previous to that?

Hon. C. Hansen: It is the health authority CEOs that have responsibility for identifying the challenges....

J. MacPhail: Are they elected? Shall we elect them?

Mr. Speaker: Order, please. Let's hear the answer.

Hon. C. Hansen: They report to the boards and to the chairs of the health authorities, who in turn report to the ministry.

We've given great latitude to the health authorities to meet the challenges in the regions, to set their capital priorities, and we've provided the funding to the health authorities in order to fund the capital needs within their operating budgets.

The Fraser health authority board determined that those challenges were not being adequately met, and they are seeking new leadership to move forward on those challenges in the future.

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

J. MacPhail: It's the government that fires its hand-picked people. It'll be the British Columbians on voting day that will seek new leadership. I can tell you that for sure in Surrey.

Not only did the B.C. Liberals fail to plan for a new emergency ward, but they transferred the \$28 million surplus that was intended to recruit new staff. Then they got rid of any ability to recruit new staff so that they could do a quick political fix.

Dr. Les Vertesi, well-known to this government — the government's chief spokesperson on national health issues — said just yesterday that the crisis at Surrey Memorial can only be fixed long term by staffing more beds to clear up the backlogged emergency room. Now the government has done away with any ability to hire more staff by ordering the health authority to use that \$28 million on a quick political fix.

Will the government admit that in a panic they made the crisis now worse at Surrey Memorial by transferring staffing recruitment dollars to the emergency room after doing nothing for four years?

Hon. C. Hansen: I have not heard so much hypocrisy in a long time. What we saw during the decade of the 1990s was no addressing of the challenges we had in human resources and the health sector. We did not see any additional doctors being trained at UBC medical school. We did not see any significant increase in the number of nurses that were trained.

When you look at the challenges we have today in terms of some of the nursing shortages around the province, keep this in mind: in September of 2001 we had the opportunity for the first time to expand some of the nursing seats in our colleges and universities, to get more registered nurses trained in British Columbia. Those nurses have not yet graduated. They'll graduate this spring. That's how long it takes to correct some of the problems that we inherited from the previous government.

SURREY MEMORIAL HOSPITAL SERVICES AND HEALTH ESTIMATES DEBATE

J. Brar: What we hear from the government is that it is the health authority's responsibility to improve the situation in every health region, including Surrey Memorial Hospital. Here's what Bob Smith recommended. Bob Smith said that the plan he took forward in November required a \$300 million investment to expand Surrey Memorial Hospital as well as Royal Columbian Hospital.

According to the Fraser health authority's own budget proposal in November, they told government they needed \$200 million over the next two years to get started. By February of this year the Fraser health authority's capital budget had been cut by about the same amount — clear evidence that they were told that the funding was not coming, that they should shut down any plan for the expansion.

Again to the government: why did the government turn down Bob Smith's request for funding when the ministry knew very well that there was an emergency crisis going on at Surrey Memorial?

Hon. C. Hansen: As I mentioned earlier, there was an increase in funding to the Fraser health authority of \$200 million a year. That's a 16 percent increase. Four years ago the South Fraser health region, where Surrey Memorial Hospital was at the time, was the most underfunded on a per-capita basis of any of the health authorities in the province at the time.

[1425]

We've actually flowed the dollars to the health authorities so that they can make their decisions around their necessary capital needs. The board, in this case, has made a decision that some of the challenges were not being met, and they're going to seek new leadership to enable those challenges to be met as we go forward.

Mr. Speaker: The member for Surrey-Panorama Ridge has a supplementary question.

J. Brar: The paper trail tells this story very clearly. I'm not clear whether it's the government or the health authority that is responsible for improving the health care situation or emergency room situation at Surrey Memorial. Despite the pleading of the Fraser health authority, patients and health professionals, this government did no planning for four years to expand capacity at Surrey Memorial.

Now, three months before the election, the government is doing damage control. Will the government agree that we need a full, line-by-line debate on the health budget to get to the bottom of this issue?

Hon. C. Hansen: We had this morning, actually, committee stage debate on two of the most important bills to implement the budget. It was an opportunity for every member of the opposition to come in and to raise questions about the implementation of the budget. Quite frankly, they did not avail themselves of the opportunity to debate that. On day 4 of a six-day debate on the budget they've got every opportunity to raise those, and I'm looking forward to the remarks by the members of the official opposition.

LOGGING TRUCK OPERATORS LABOUR DISPUTE

P. Nettleton: Has the junior Minister of State for Mining also entered the realm of personally breaking promises or making promises that the Premier will not support? I refer to the promise he made last week offering his support to push for better pay and a new bargaining structure, even suggesting strike action for the now striking independent log truckers, as reported by the *Prince George Citizen*.

My question is: does the Minister of Labour stand by the promise of his junior Minister of State for Mining to the independent log truckers? What action does the Minister of Labour intend to take to keep the promise to the truck loggers?

Hon. G. Bruce: The Minister of Forests has been dealing with this issue with the truckers in the area with respect to the costs associated. What we're more concerned about in the Ministry of Labour, of course, is the safety aspect on the jobsite. We have instructed and asked the Forest Safety Council, as they've done in a number of other initiatives, to look at this particular sector to see how we can improve the safety record in that area and eliminate the fatalities and injuries on the trucking side.

COLUMBIA BASIN TRUST LENDING PRACTICES

E. Brenzinger: My question is to the Minister of Energy. My question today concerns the conduct of the Columbia Basin Trust, which in addition to fun-

nelling millions of dollars to a subsidiary, CBTE, and ZE PowerGroup, has made tens of millions of dollars in questionable loans. For example, the Columbia Basin Trust wrote off almost its entire \$8.3 million loan to the St. Eugene's Mission Golf Resort in September 2004.

The bad loan portfolio of the Columbia Basin Trust has now grown into the tens of millions of dollars. Can the Minister of Energy confirm whether or not the office of the comptroller general is also investigating the Columbia Basin Trust and its highly questionable lending practices?

Hon. R. Neufeld: I will restate what I've said, I think two times now. This is the third time. The comptroller general is bringing forward a report on some aspects of the Columbia Basin Trust. We hope that report comes soon.

I'd suggest that the member go out in the hallway and talk to those who were the previous government. They had an MLA on the Columbia Basin Trust that authorized the loan to the resort. She can maybe get some explanation from the Leader of the Opposition on that issue. The Columbia Basin Trust is there to expend money on behalf the Columbia basin residents. I don't know how they made that decision, but they made the decision while the NDP were in power.

HEALTH CARE TRAVEL ASSISTANCE FOR INCOME ASSISTANCE RECIPIENTS

W. Cobb: My question is to the Minister of Human Resources. We've been working hard to provide health care as close to home as possible and to assist with travel expenses. Often my constituency office has to deal with issues and individuals on social assistance needing to travel to specialists for follow-up treatment that is not available in our community, and they're being told it's not available.

To the minister: have we changed the rules around travel funding for people on assistance?

[1430]

Hon. S. Brice: I can assure the member that we have made no changes that would impact negatively on the eligibility of income assistance clients to access the travel assistance plan. In fact, we recognize that it does impact on our clients, having to travel inside and outside of their area. We have actually increased the rate from 12 cents to 20 cents a kilometre in order to provide more compensation to individuals who need that service.

I can assure the member for Cariboo South that we are building the best possible program for those most in need across Canada.

[End of question period.]

Point of Order

J. MacPhail: Mr. Speaker, I rise on a point of order.

Normally by this time in the session the opposition and the government have exchanged written agreements on how to proceed with estimates. That has been a practice that has flowed from the fixed calendar. This Government House Leader, unlike the predecessor, has failed to clearly indicate the government's intentions regarding estimates to the budget tabled last week. He absolutely refuses to tell us if he will allow full debate, given the many weeks remaining in this fixed, set legislative calendar that the Premier promised in the last election.

It is a historical moment. We're establishing precedent for a legislative schedule that was set precisely for the purpose of improving government accountability. Any wrong decision, of course, will reflect very poorly on this government and the Premier.

Can the Government House Leader please clarify for members what his intentions are, or is the government plan a new plan to simply shut down this House and campaign for the next two months on the taxpayers' dime?

Lastly, if the plan has changed, it is incumbent upon this government to stand up now and say why they're changing it.

Mr. Speaker: Hon. member, your point of order is noted. However, I feel this is a matter that should be discussed between the two House leaders.

J. MacPhail: We tried. We tried, Mr. Speaker.

Mr. Speaker: It is not up to the Chair to arrange such a meeting.

Hon. G. Bruce: I'd like to say, Mr. Speaker, that on the communication basis of what's been transpiring and what we're doing on a daily basis, I think it has been unprecedented in that we've been giving you information, lead time, supplemental estimates — trying to keep the agenda ahead of the game so that you and your members know when we'll be sitting, where we'll be sitting and what's on the agenda. I think you have acknowledged that.

J. MacPhail: That's nothing new. That's what you're supposed to do.

Hon. G. Bruce: No, in fact I think it has....

Interjection.

Mr. Speaker: Order. Let's hear the answer, please.

Hon. G. Bruce: What I'm intending to do is work this through.

We had a debate here this morning, and your particular interest....

Interjection.

Mr. Speaker: Order, please.

Hon. G. Bruce: You didn't wish to be in here, and I'm just working our way through. We have business of this House to do, and you have an opportunity to participate in that business. As things progress, I will be happy to keep you posted, as I have been.

Interjections.

Mr. Speaker: Order, please.

Hon. G. Bruce: As I have been, I will be happy to keep you informed as to what the business will be in this House, as I'm trying to do for all of our members...

Interjections.

Mr. Speaker: Order, please.

Hon. G. Bruce: ...so everybody can plan effectively.

Orders of the Day

Hon. G. Bruce: I call response to the budget.

Mr. Speaker: Debate continues on the budget with the Minister of Energy and Mines.

Perhaps we could just pause a moment while members make their way to their duties.

[1435]

Budget Debate (continued)

Hon. R. Neufeld: I continue from my remarks this morning. I want to touch on a few areas of my ministry in regards to what took place under the NDP — the socialists — and what took place since we became government in 2001.

Mr. Speaker, you'll know that we introduced a mining plan in the province to look to the decade ahead and how we can actually encourage mining in the province — something that's never been done before, certainly not under the last administration. It's a mining plan that lays out how we want to move forward, so we can have this industry back in the province providing the great jobs that it does.

We've also introduced *Mineral Titles Online*, bringing British Columbia into this century, as far as staking claims goes, in accuracy and the ability for everyone — regardless of what your age is — to be able to go out to stake claims.

As some members talked about earlier, a \$25 million fund put in place for geoscience for the province — I think that's remarkable. When we debated the \$25 million fund for geoscience in British Columbia, the Leader of the Opposition came into the House and berated everyone, and me, for actually cutting the ministry and doing terrible things to it. I think it serves us well to look back at what the socialists did when they were in government for those ten years.

Let's look back at what they did to the geological survey branch. When they came to office, there were 90 staff members that worked in the geological survey branch of the Ministry of Energy and Mines. When they left office, ten dismal years later, there were only 24 left — absolutely unbelievable. Today we still have 21 and are intending on keeping them.

I think, when you look at those kinds of records, you see who decimated mining in the province. Fully half of the miners — well-paying jobs in the province, men and women — lost their jobs under the leadership of the socialists in the province, with some of them still here. B.C.'s share of national mineral exploration. Historically, British Columbia has received about 12 percent. When the NDP came to office, it was at 17 percent. In ten years it went to 5 percent.

People talk about commodity prices. That was when we went through a high commodity price cycle also — in minerals, globally. The NDP were still able to actually destroy the industry. Under their leadership 21 mines were closed. Think about how many jobs that was. Think about how much economic activity that represents.

We've had the most mineral claims staked under our administration, up from a dismal 18,000 under the socialists to 45,000 under our administration, in four short years. That means we brought the industry back.

Expenditures on exploration in the province were at a dismal \$25 million. You will know from being here before that they ranged to as high as \$200 million to \$250 million dollars prior to the NDP coming in. In four short years we've been able to bring that up — industry has, I should say — in the province, because it is a good place to invest. We have great mineralization. They brought it up to \$130 million from a measly \$25 million. I think that is remarkable.

[1440]

I also came to this ministry and looked around for an energy plan, a plan that would take us forward in energy. British Columbia has an abundance of energy, and we rely on it every day in our lives. We also rely on it to provide the services we need in health care and education. I looked around for an energy plan and found none. Should that surprise me? I was here for those ten years in opposition, and I could see them jumping from pillar to post. They didn't really know a gas well from an oil well or where it was located — whether it was in northeast B.C., southeast B.C. or off the west coast. No wonder the socialists didn't have an energy plan in place.

We got to work, and we put in an energy plan that brings four cornerstones to the energy plan that will take us forward, again, a long time into the future, looking after the resources we have, trying to maintain them the best way we can and using them to benefit all British Columbians. In fact, since we came into office, in four short years investment in the oil and gas industry is \$4 billion a year. That's with relatively good prices.

But let me say this. Under the NDP, their best year in investment in the oil and gas industry was, I think,

\$1.8 billion — just under \$2 billion. But the price for natural gas during that period of time was two to three times higher than what it is today. That tells you that it's not all commodity prices; you actually have to have the environment for people to come and invest, and folks just don't invest when there's a socialist government around. In fact, this year we're looking at the oil and gas industry bringing some \$1.8 billion into the coffers of British Columbia, which will go a long way to health care in British Columbia, which the NDP stand up and talk about on a constant basis. We should be looking at actually encouraging more growth in that area.

We've also had some successful P3s in British Columbia within the oil and gas industry. We have one road in northeastern British Columbia that's a P3, a full P3. The Ministry of Energy and Mines and Partnerships B.C. won the gold award across Canada — not in B.C. across Canada — for that innovative thinking and that moving forward, actually building a bridge across the river and building a road so that men and women are safe daily when they go to work in the oil and gas industry in that part of the province. They can travel back and forth, and I think that's remarkable.

You know, we have a great offshore opportunity, a huge opportunity — billions of dollars for British Columbians, billions of dollars in investment that could happen and thousands of jobs that could happen over time in offshore. We're working towards making that happen. Let me tell you what the leader of the NDP says. I haven't seen her around lately, but I quote Carole James: "I say no to offshore oil and gas — not now and not ever." Interesting. Isn't that shameful? Billions of dollars could come in to pay for health care in this province, and we have the socialists saying no to that.

What's really remarkable is that their parent company — the socialists in Ottawa: the NDP, Jack Layton — stands up in the House in Ottawa and actually votes in favour of and speaks in favour of offshore for the east coast of Canada, for Newfoundland, and says it's good there, but we can't have it here. It's typical. It's typical for a socialist to say that. They don't want to see development and jobs and good, solid communities and those services that people need and want.

We should look a little bit at hydro, because there is often a lot of discussion about B.C. Hydro in the province, and I want to assure British Columbians that it is a Crown-owned corporation as long as BCIC.... It was never anticipated not to be. The only time it was anticipated not to be was when the socialists were in power, when the NDP were there. They were the ones who talked about selling B.C. Hydro lock, stock and barrel so that they could take that money and spend it. Just like they did, as I spoke of earlier about \$17 billion and nothing to show for it — that's exactly what they would have done with it.

Also, the NDP often talk about privatizing B.C. Hydro and that we're buying hydro from the private sector. Let me tell you that I went back in the records. What did I find? The NDP bought all their new, incre-

mental power when they were in office or instructed B.C. Hydro to do it from — where? — the private sector. They say that quietly, because I think they do know. Sometimes they catch on. It's interesting. It's not often, but they do.

[1445]

When we look at issues around greenhouse gases, around clean air, you will have Mr. Layton and Carole James stand up and say how terrible it is in British Columbia that we have all this dirty air and that we're doing all these things. Well, I want to read into the record just a few things.

The NDP — the socialists — when they were in power from 1991 to 2001, made calls for hydro totalling 2,140 gigawatt-hours. I went to find out where that power came from. I found out that they didn't do it fairly. They didn't do it through the BCUC. They directed it. They told B.C. Hydro where to get it, and in fact, they bought 1,900 of those gigawatt-hours from a plant up-Island that burns natural gas. Interesting, isn't it?

There's nothing wrong with burning natural gas, but if you're going to do it and if you've been part of it, don't stand in this House and say you haven't been. That's their record.

Then, of course, there's the Pakistan power plant that burned natural gas also. That's the only plant they instructed B.C. Hydro to build. It was to go to Pakistan and build a plant. We know that. It's fact. In fact, it took about ten years after they built it to actually get it into operation. I believe it is generating some electricity.

The total call under B.C. Liberals was for 5,400 gigawatt-hours. As of February of 2005 there will be 3,100 gigawatt-hours producing and 2,400 coming on, and it's all green, clean power — every gigawatt-hour.

In fact, when the NDP were in power, they ran every plant they possibly could to sell electricity to the United States. They even fired up plants on the northern part of Vancouver Island that burned diesel fuel. They had Burrard Thermal running full out.

Under our administration, we have reduced greenhouse gas from electrical generation by 65 percent. Three units at Burrard Thermal are in storage. The other three are there in case we need it if there's a power shortage, contrary to the way the NDP did it. They ran it full out, as hard as they could. So much for them being concerned about good air in British Columbia.

When I speak about generating all that electricity and selling it to Americans, there's one thing that the socialists certainly don't ever want to talk about. But I think my good friend from North Vancouver brought it to the House's attention at the time. While they were generating all that electricity with the diesel plants that they could find and the natural gas plants that they could find and selling it to the U.S.... We're still trying to collect \$300 million from the U.S. for that sale. They didn't even figure out how they'd get the money. They just sold it.

They were selling power to the Americans, to a U.S. aluminum plant, for 50 percent of what they were sell-

ing the power to our own consumers for in British Columbia. That is socialist policy. That's socialist economics: "What we want to do is build up the U.S. We have so much electricity that we want to generate it with natural gas. We want to send it to the U.S, and we want to send it there for 50 percent less than what we would charge our competing companies in British Columbia." Is it any wonder that we inherited a fiscal mess in this province? It's no wonder we did. If we ever go back to those dark days under the socialists, I fear how many people will again leave this province.

Also, under our administration, under the Premier's leadership, we are moving forward with alternative energy. We've just invested \$2 million in hydrogen to kick off the hydrogen highway with seven hydrogen refuelling plants between Vancouver, Victoria and Whistler for the 2010 Olympics. We are the hydrogen centre for the world. We should recognize it. We should recognize this as an alternative energy source in the future.

[1450]

We're putting money into it, along with the industry, so that we can actually maximize for British Columbians and for British Columbia those opportunities here in the province. I think that is remarkable. That shows the leadership of our Premier. That shows a Premier who thinks into the future, who thinks about the wealth generation in the province so that British Columbians can actually work, have a job and have solid, family-supporting communities and jobs here in the province.

I note my time has gone. I'd love to talk a little bit more about all the things we've done for the environment — clean cars and those kinds of things — but as we roll it out, I'm sure that the socialists will take notice. I hope they learn.

J. Brar: I rise to respond to the budget speech. It's Budget 2005, the last in this government's mandate but my first as a new MLA for Surrey–Panorama Ridge.

I want to start by again thanking the residents of Surrey–Panorama Ridge for the trust they have put in me to be their representative in this great democratic institution, an institution to which I am new but upon which rest the hopes and aspirations of a vibrant democracy and a strong, tolerant, peaceful society.

British Columbia is a beautiful province. It is beautiful because of its natural beauty. We have the ocean, beautiful mountains, green forests and clean air. It is also beautiful because of its people, who come from every part of the globe. I am certain that it has been said many times in this House, given its tradition of cultural diversity, but as an immigrant to this province I want to express my admiration and respect for our society that has given me this opportunity to serve. In a divided and often dangerous world, I don't think any of us should ever forget what a gift it is to live in a province and a country where that is now not only possible but entirely routine.

I come to this Legislature with one purpose in mind: to work as hard as I can to represent the con-

stituents and contribute to the democratic life of our province. In that spirit I respond to this budget, not as a partisan politician seeking only to score political points but as a citizen concerned about the direction of our province and the policies of this government.

When I decided to seek office, there was — and remains — a deep frustration with the government. Many residents of Surrey felt that the government's overwhelming majority was contributing to its obvious arrogance. They voted for moderate change in 2001 but found themselves in the grip of an extreme agenda, which only few had expected, that was revealed — an agenda of tax cuts for the wealthy, paid for with an aggressive program of government downsizing.

With a small opposition not even granted the right of official status, it seemed that this government acted as though it could do whatever it wanted. The checks and balances of our democracy had been compromised. The scale tipped too far in one direction, so it did not come as a surprise to me that the citizens of Surrey rejected the government's rather blatant attempt, by promising more than it planned to deliver, to retain the seat I now hold.

The residents of Surrey had experienced longer wait-lists, higher taxes and fees, larger classrooms and increased crime. They knew to be suspicious of a last-minute political makeover. The citizens of my community sent this government a strong message.

[1455]

Three months later that credibility gap is wider than ever. Like the political promises made by this government to win the Surrey–Panorama Ridge by-election, the promises made in this budget are also falling on very skeptical ears. Cynicism is made worse by the fact that this government is not even willing to put the budget to the test of full legislative debate.

I was sent here by the residents of Surrey to speak up on their behalf. Now I have to go back to my community and say that I and every other MLA here was not given that full opportunity, not given the opportunity to ask for details about the emergency room crisis at Surrey Memorial Hospital — a situation that affects every single one of my constituents and is the result of this government's policies — nor to ask for details about the transportation issue in Surrey or about rising crime, longer wait-lists or funding for immigrant settlement programs.

I was not sent here to sit quietly and let the government off the hook. My voice may be quieter than some in this House, but I am also a fighter. I remember the words said to me by my basketball coach when I was entering the basketball court, fighting the final match of the national championship. My coach said to us: "Quitters never win, and winners never quit." Mr. Speaker, I will continue working hard for the victory of my community in this House.

In the short time we have left in this House, I will continue to ask the government how they can again promise 5,000 new beds for long-term care without the proper funding, after watching the government break its promises and close long-term care beds in my com-

munity. I will ask the government — and do again today — why we are expected to believe they will keep tuition affordable after putting it out of reach for so many young students of average means.

I will ask the government about their broken promise on gambling, about the expanding wait-lists — up to 30 percent since 2002 — about the broken promise to children in need and about rising poverty and homelessness. I will ask the government how we can trust them on taxes when they spent four years shifting the tax burden onto the backs of middle-income earners and why they waste millions of dollars on their failed privatization schemes.

In short, I come to this House as its newest MLA to hold the government to account for its record. In the short time we are allowed to carry out our duties, I will stand here every day and fight for my constituents. I will carry forward the fight in my community with a message that B.C. can do better; that fiscal responsibility, a dynamic economy and a caring and compassionate society can go hand in hand; that the key of our future is a quality, accessible and affordable post-secondary education system; that innovation in public health care is the answer, not privatization; and that to succeed we must go beyond conflict and confrontation, seeking to bring people together from all walks of life and all parts of the province to move forward.

This budget is only seen in the context of one that preceded it. It follows four years of broken promises and policies that hurt average families. It is in every respect an election budget, designed to wipe away the memory of the government record, but as my own experience shows, British Columbians know what this government is doing.

They know it governs for the few at the expense of everyone else, and they know that to show balanced responsibility and compassion in B.C. we will have to make a change in the way government operates. I believe that Carole James and the NDP offer that opportunity. I look forward to the debate — short though it will be — and the coming election campaign.

[1500]

It is clear to everyone that we are in election mode, but that does not mean that those of us here today can dispense with our responsibility to British Columbians. It is our job to ensure that hard-earned tax dollars are spent wisely, that the programs and services are meeting the needs of everyone in the province and that innovation is behind the choice of government.

I fear that the budget put forward last week is nothing more than a pre-election political ploy, and the understanding that this House will not be engaging in full estimates debate is only fuelling this fear. I have many questions about the priorities of this government, and rightly so. After four years of drastic cuts to health care and education, the selling off of our public assets and failed privatization schemes, I believe that my skepticism is fitting. After all, it is only a reflection of this skepticism being expressed in communities across the province, and certainly in Surrey.

British Columbians have a right to fully understand the plan for the \$236 million that has appeared in the Ministry of Small Business and Economic Development. This is a lot of money with no strings attached to it. Who is accountable for that spending? How is that money going to be allotted? Who will scrutinize the projects? I have all those questions. Such questions are even more pertinent as we head into an election campaign, where there is the potential for government to spend tax dollars as part of its election campaign.

[J. Weisbeck in the chair.]

What about our health care system? For my constituents, Surrey Memorial Hospital is the only hospital they have easy access to. Yet cuts to long-term care beds and capital shortfalls have meant an increase in hallway medicine, an emergency room backlog and overflowing wards. What plans has this government made for my constituents, for the Fraser health authority and for Surrey Memorial Hospital? Now that this government's action is in the spotlight, they are directing the Fraser health authority to spend its surplus on the emergency room expansion.

Why is the Fraser health authority spending operating dollars on capital projects — dollars that could and should be going to recruit desperately needed doctors, nurses and other health professionals? I will tell you, Mr. Speaker, that it is because this government ignored the growing crisis in Surrey — a crisis that they created — and cancelled capital projects in their shortsighted approach to health care. We now know that the plans for the expansion of Surrey Memorial were cancelled by this government. Despite the continued insistence by former Fraser health CEO Bob Smith for action on the needed expansion, it took a man's death and a political embarrassment for this government to move.

What move did they take? They scapegoated the CEO that dared to ring the alarm bells on the crisis in Surrey and then forced the Fraser health authority to spend operating dollars on capital projects.

The Premier has been to Surrey on a number of occasions in recent months, yet he has been more interested in speaking to partisan political supporters than visiting Surrey Memorial Hospital. Maybe if he had visited the hospital, he would really understand what my constituents face when ill health falls upon them or their families.

[1505]

For the record, a new paint job and more signs in the ER, although worthy contributions from a concerned community group, do not make waiting eight hours to see a doctor any more comfortable. What I'm hearing from this government is a lot of shiny promises with no detailed explanations and no credibility. I have learned and my constituents have learned the hard way that this government doesn't keep its promises.

I wanted the opportunity to explore the details of this budget. It's my job to represent my constituents and their interests. This Premier is denying the right of my constituents and all British Columbians to total

scrutiny of this budget. British Columbians deserve better.

G. Hogg: I want to welcome and congratulate the member for Surrey–Panorama Ridge on his inaugural address to the House and on bringing the issues and concerns as he sees them from the residents of Surrey–Panorama Ridge.

Interjection.

G. Hogg: Unlike you, hon. member. We believe everything that you say.

The challenges of the past three years should not be underestimated. They have been large — the issues of being able to balance the budget, encouraging growth in the economy. There have been hardships in doing that, there have been sacrifices, and there have been challenges.

Ultimately, the balanced budget and a growing economy have been the outcome, but they have not been our ultimate goal. Our goal has not been to balance the budget or to grow the economy. Those have been the means to achieving our goal. Our goal of a province which gives more freedom, more choice and more options to the citizens is indeed the focus and the intent of the challenges that we've gone through in order to get to the point we are now with a balanced budget and a growing and burgeoning economy.

The options and the choices were more limited during the 1990s. We were in the back of the pack in economic growth. Government spending was exceeding government revenues. Communities were struggling. Indeed, many families were struggling, and young people were leaving British Columbia at an unprecedented rate. They were leaving to build their futures somewhere else.

Our challenge was to bring hope back to British Columbians, to get our fiscal house in order while protecting funding for both health care and education and to ensure that the economy started to grow. We have now tabled two balanced budgets in a row and have increased spending for health care and education by \$1.8 billion. We are now leading the country in job creation, with almost 200,000 jobs created since December of 2001.

Now, Budget 2005 provides the plan for the fiscal framework for the next decade. It is our guide, and contained in that guide are five goals. Those goals: firstly, to make B.C. the best educated, most literate jurisdiction on the continent; secondly, to lead the way in North America in healthy living and physical fitness; thirdly, to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors; and fourthly, to lead the world in sustainable environmental management with the best air and water quality and the best fisheries management.

My colleague the Minister of Energy outlined a number of those issues earlier today with respect to air quality and water quality. I know, as a former mayor

and a representative of the greater Vancouver regional district in charge of strategic planning, that when we did *Creating our Future*, the number one issue for people across the GVRD — and I believe across this province — was that of quality air and quality water.

[1510]

The fifth goal is to create more jobs per capita in British Columbia than anywhere else in Canada. We can now talk about these goals, this vision, because all British Columbians have done the belt tightening necessary, the things necessary — not easy things, but necessary things — to get us to this point of opportunity.

British Columbians have, to a large extent, been the heroes in this turnaround. These true heroes are heroes that are not found in our sports arenas or boardrooms or on movie screens. These heroes are found in every community across this province. They are found coaching our children, organizing our celebrations and helping those in need. They are found in small businesses and in ventures all over this province. Many are volunteers. Many are in the helping professions. All are passionately committed, one way or another, to making this portion of the world a more caring, better place — a place with more opportunity.

They are working towards what Archbishop Desmond Tutu referred to, in his visit here last year, as being a place where we have what it takes to be human. In this culture, that comes through other people. It comes through caring, compassion and giving and from growing the economy and the options that come out of it.

This is how we can become more human and freer together, freer from the debt which was laid down and which took away from the opportunities that once existed and are now coming back again. Albert Schweitzer said that he did not know what the next millennium might bring, but he did know that those who were truly happy were those who searched for and found a way to serve, a way to have opportunity.

Free and human together. Free means the opportunity to explore one's potential and to explore that potential in all of its facets: physically, emotionally, spiritually and fiscally. The philosophical underpinning of this year's throne speech and budget is to provide a vision and the first steps of a fiscal framework in which British Columbians can thrive.

As we move forward, 71 percent of our funding is directed to health care and to education. As we reduce our need to borrow, we will be given more choices, and more opportunities will be given to individuals, families and communities to look at and realize their goals.

In health care, this budget provides: \$465 million more for Pharmacare; \$200 million more for home care, residential, palliative and critical care, such as cardiac and kidney care as well as hip and knee replacements; \$70 million for childhood screening for looking at hearing, vision and dental needs in youth; and \$100 million for health care promotion and prevention programs.

I had the privilege of sitting on the Select Standing Committee on Health, and we looked at and listened to

and heard from experts from across Canada who had done research on health care and looked at the issues of our acute care system. They were emphatically stating that one of the most important directions that we needed to go in was the promotion of health care and prevention, because we're spending too much time at the acute care end looking at people as they get to the edge of the waterfall, when they've been pushed into the river far above that. We need to spend time, as they euphemistically said, building fences on the side of the river, so that we spend more time preventing people from falling in instead of spending time digging them out as they get close to the falls.

This budget responds to that focus, that direction and that priority given by the Select Standing Committee on Health. In Surrey-White Rock we have already seen a large increase in the number of hip and knee replacement surgeries taking place and the start of the first publicly funded independent living facility in South Surrey-White Rock. At Evergreen Heights, 84 beds are being built, and it will soon be a full campus of care with the full range of services right up to complex care.

That provides us with a direction and focus that allows for our people to age in place with a full range of services, allowing couples to stay together. It is those types of creative innovations that not only provide quality health care but also respond to the social needs of people, ensuring that couples and families are able to stay closer together rather than being divided by a system that only has places for them at their home or an acute care system.

[1515]

In education, per-pupil funding is up \$860 since 2001-02. That comes to a total now of \$7,079 per student. The Surrey school board has assigned a further \$12.7 million for enhancements to go directly to the classrooms in '04-05. The Surrey school board has more flexibility and more opportunity to respond to the nuances and needs of the students and the classrooms of Surrey than they've ever had before. They're able to respond by looking at those and looking at the broad cultural nature of Surrey and responding effectively to the needs as they exist in different neighbourhoods.

With Simon Fraser University's Surrey campus announced, along with the Kwantlen campus being announced and being built in Cloverdale, those of us in Surrey and in Surrey-White Rock have an important new tool and local focus for our post-secondary students. These enhancements are part of the 25,000 new seats being developed in British Columbia for post-secondary students by the year 2010. In this budget we've announced that tuition fees will be tied to the rate of inflation, while student loans and assistance programs have been enhanced.

I've also had the privilege of chairing our Caucus Committee on Seniors. We have met with over 20 seniors organizations from all over this province, and they have told us that they want a focal point for their issues. This government has listened. The Premier's council on aging and seniors issues has been announced. The council will examine ways to improve

the full spectrum of services, housing and home care. It will also consider the issue of mandatory retirement in this province and engage all of our citizens in a dialogue about what changes should be made to improve services to allow seniors to become more independent and to improve their quality of life.

Yesterday I had the privilege of meeting with 24 seniors in the Nanaimo area. They were seniors from the centre to the top of Vancouver Island and represented a number of different jurisdictions and communities. They said they felt that the biggest concern at this point in time was communication. They felt that there was a great deal of miscommunication, that there was some fearmongering taking place. They felt that some of the information being conveyed to them didn't accurately portray the reality that they were experiencing as they met with others in their communities and as they went to professionals that were providing issues, particularly around services in health care and, more broadly, services to seniors.

I was quite encouraged by their enthusiasm, their intent and their expectation to step forward and say: "There is a great deal of misinformation around these services across this island, and we want to make sure that we help to clarify that." They are saying they're going to personally take on some of the responsibility, as they experience it in their local communities, to reflect — more effectively, more appropriately and, in their opinion, more honestly — the issues and initiatives as they apply to themselves and to seniors.

I'm encouraged to see seniors with the energy, the vigour, the intent and the resources to step forward and say that this is, in fact, not what's happening. They are looking at the initiatives that are coming through the newspapers in letters to the editor and at the misinformation that they feel is coming from a number of sources which may be oppositional to the direction and focus of government. They want to ensure that there is more reality reflected in that.

One of the things they talked about is this budget, which provides senior couples with a net income of \$30,000 a year \$930 less taxation than they received in 2001. The threshold for premium assistance is up some \$4,000. These seniors saw these as very positive initiatives that reflect the sensitivity that this budget has shown to a number of issues that have been brought forward by seniors.

The budget provides more financial support for cities, arts, sports, and cultural groups, as well as supporting environmental issues. Certainly the arts groups have been, in some cases, effusive in their praise of the direction and focus of money that's going to the arts council and of the way that it's filtered to so many arts groups across this province. In so many communities, arts are a part of their economic development — an integral part of us understanding who our heart and what our soul is in communities. The encouragement to the arts is certainly an important part of this budget.

[1520]

With the environmental issues, we have committed money to a conservation corps and funding to the habi-

tat conservation fund. That's along with the purchase that has occurred over the past years of Burns Bog — and 37 new parks in this province and 34 expanded parks along with four new ecological reserves across British Columbia. Indeed, as a government we have responded, in my opinion, extremely well to the issues of environment and the ways that we can look at ensuring that this wonderful province is available to and will continue to be available to future generations in so many ways.

Mr. Speaker, \$37 million more has gone to programs preventing violence against women and to a 38 percent increase in funding for social housing. Those are important for the more vulnerable citizens of our community. In Surrey-White Rock we have Ama House, which I believe is the only seniors transition home that exists in North America — indeed, it may well be in the world. We've been very proud of that facility and the services it provides. We are delighted that those types of programs continue to be funded and that we find options to help those people who are vulnerable get back into having the opportunities and the options they want to have to have a more normalized and positive life experience.

There is \$91 million for the community living system to look at and respond to the issues of respite. Some of the true heroes in this province.... I've made reference to heroes before, but I think closer to my heart in terms of that notion of heroes are the parents of special needs children, parents of the developmentally disabled, who put in enormous hours and give enormous commitment, devotion, love and support to their children. The challenges can in no way be minimized. These people, in my opinion, in many cases should be sainted for the work they do and the options they give and create for their children.

As a government, we must try and support them when they have reached the limits. One of the things we've talked more recently to parents about is the notion that we have a ceiling in terms of the financial opportunities they can have. If they get money above that ceiling, then that money can be clawed back. It may well be, as we look at trying to develop a system that provides for and responds to those types of citizens — the citizens with needs — that if we're going to have the best system in the province, we have to look at creating a floor rather than a ceiling and have a floor in terms of that type of funding model so that they can be encouraged to actually grow and learn and earn more and do more, and rather than having that clawed back, allow them to grow within that.

We have many instances where we're thwarting and preventing and creating roadblocks to extended family members from participating and supporting and allowing them to assist their nieces, nephews and in many cases their children. When they put their own resources into it, it reduces what the state does. In many cases, I think the state should be looking at a floor and allowing further growth to that. We certainly need to have more discussions with the federal government to ensure that we create this type of option

and that people — all people in this province — are allowed to see, to grow and to look at the options available for them to realize their potential.

Budget 2005 builds on changes, and it builds on momentum of the past three years. It does that with other moneys.

It does it with \$198 million to keep communities safe and prevent violence against women. I've referenced Ama House and some of the services that are provided in the Surrey-White Rock area.

It does it with \$777 million for economic development issues and initiatives across this province — with the Spirit of 2010 and the Olympics and Paralympics coming to our province, those initiatives seem to carry with them an extra sense of urgency; with \$150 million to enhance environmental protection and land use certainty; with \$240 million to enhance the capacity of families and communities to care for and protect vulnerable children in our province. We know that we have been receiving up to 100 phone calls on average a day with allegations of abuse and neglect. I think that number is down slightly, but we certainly have to continue to respond to and be available to assist those children who are most vulnerable.

I think it was Albert Camus who said that we probably cannot eliminate abuse and torture of children, but we certainly can reduce it. I trust that with these initiatives and the structures we put in place, we will do exactly what Camus was suggesting.

[1525]

Mr. Speaker, \$618 million to improve supports for people in need and support for B.C.'s communities; and \$372 million in funding for post-secondary education, including fully funding the province's share of costs for 16,205 new seats, with a goal of creating 25,000 new seats by the year 2010. Three billion dollars in annual capital investment, reflecting government's priorities in the K-to-12, post-secondary and health sectors and Crown agencies — the infrastructure we need to be able to flourish and grow, the roots we need to have the wings we want to have and to be able to utilize them.

And, Mr. Speaker, \$308 billion to help improve access to critical care services, such as cancer care, cardiac care, joint replacement and sight restoration. All these issues are very important and continue to be very important in a demographic that is continuing to get older, as we see the cohorts and aging in our province — and have to respond to, manage and look at that.

The potential of individuals, families and communities will continue to grow as opportunity is provided in a budget which reflects not just goals but principles. I believe that one of the principles reflected in this budget is that we want to have a society which recognizes people not just for the deficits they have — and all of us have deficits — but also for the gifts they bring and for their potential, indeed the potential of all British Columbians. This budget provides us with that opportunity, with that sense of hope, and the potential that we may be able to realize our potential as individuals, families and communities.

R. Lee: It's my great honour and privilege to respond to the historical budget speech delivered on February 15, 2005. Forty-five months ago the majority of British Columbians made a decision to choose a political party to form a government to carry out a plan to restore hope and prosperity in this province. We know the essential elements of this plan are getting our financial house in order while protecting funding for health care and education, and revitalizing the economy.

This plan is working, as our government has now delivered two balanced budgets in a row. The funding for the health care and education budgets has increased \$1.8 billion over the last three years alone. Their share of the total provincial budget has steadily increased by 2 percent each year, from 62 percent in 2001 to 68 percent in 2004. This growth of the B.C. economy has been very notable over the last three years.

With almost 200,000 full-time jobs created since December 2001, we are leading the country in job creation. We are leading the country in housing starts. We are leading the country in the increase in value of building permits. We are leading the country in small business optimism.

The B.C. unemployment rate has dropped to a 23-year low. It's clear that the decade of decline is behind us and that we are stepping into a golden decade of prosperity and opportunity. When this government pays down the provincial debt by \$1.7 billion this year, we know this government has kept its promise to reduce the debt when it has the ability to do so. This government is a responsible government. This government has the future of our children in mind.

I'm excited to see that this government has established five new goals in the throne speech. These goals are further stressed and expanded in the budget speech. I am not surprised by these emerging goals, as over the last three years many steps have been made towards these objectives by the efforts of the government caucus members, the ministers and the Premier.

[1530]

Most importantly, these goals reflect the values of British Columbians, and these goals are what British Columbians want the government to reach and go beyond. I remember one of my high school teachers saying in our annual: "When you're setting a goal, aim high — but not too high." Looking at the track record of this government, I believe these goals are all achievable.

The first goal is to make B.C. the best educated, most literate jurisdiction on the continent. Student achievements in this province are improving steadily. The completion rate of high school education is higher than ever. Many students are winners in science, in mathematics contests and national scholarship competitions. In my riding of Burnaby North, 51 students from Burnaby North Secondary achieved the designation of advanced placement scholars in 2004, the most ever for one Canadian school.

The budget we are now discussing contains a large increase in the total spending in education, which in-

cludes spending in K-to-12, advanced education and skills training. Over the last four years, we saw the total spending in these sectors increase from \$7.8 billion in the year 2000 to \$8.3 billion in 2001, then to \$8.4 billion in 2002 and \$8.6 billion in 2003. Last year it was \$9 billion. This budget has put the number up again to \$9.8 billion by 2007. This represents a \$2 billion increase, or 26 percent in annual spending, in seven years.

This budget allocates an additional \$150 million for K-to-12 education, the largest funding in a decade. The financial supports for K-to-12 students have been increased over the last four years, while the enrolment continues to drop. The fact is that since 2000, we have had a reduction of 29,000 students in the public school system, yet there has been an increase of \$863 to over \$7,000 per student.

When the Minister of Education met with parents and teachers in Gilmore Community School in North Burnaby last month, the parents, teachers and students wished that more resources were available to fund school libraries, literacy programs, music and arts programs, and supports to the students with special needs.

With this budget, Burnaby school boards may now use the additional funding to improve all these areas. Over the past few years, school boards in British Columbia have had more flexibility to manage their finances as well as more freedom to develop innovative revenue sources. Many school boards have taken these advantages to generate more resources for their districts.

Our government has been a fiscally responsible government. When there are savings in the Ministry of Education, these funds are flowing back to the schools and the students. Last May, during a visit to Sperling Elementary School, I found out that a 1971 science textbook was still used in the class. I subsequently brought the issue of outdated textbooks to the attention of the Minister of Education and the Premier. In September of last year, voila — \$10 million was allocated to new textbooks for the students.

[1535]

In Burnaby, the number of K-to-12 students has not changed too much over the last few years. There was no school closure. In fact, new schools are being opened. This September a modern, brand-new secondary school will open its doors in southeast Burnaby. I am looking forward to having a new elementary school in the Brentwood Town Centre area. I believe it's now ranked second on the priority list in Burnaby.

Burnaby is home to two distinguished advanced education institutes, Simon Fraser University and BCIT. Since this government has committed to opening up 25,000 new post-secondary spaces in this province by 2010, we have seen substantial growth opportunities in these institutes. Some 1,145 and 1,115 new seats will be added to BCIT and SFU respectively.

Other than taking in more students, more and more choices will be available to the students as well. Yesterday, I was at the inauguration ceremony of a very innovative and unique cooperative venture featuring

Simon Fraser University and Capilano College. They have established a master's program in international leadership. This new professional master's degree will prepare Canadians to work internationally in leadership positions in the private, non-profit or government sectors.

Indeed, education is the best mechanism that human beings have ever invented to equip themselves with knowledge about the local environment and the world. In the world today, the flow of financial capital and human capital is very fluid. With advanced communication technology, we are truly living in a global village.

In this intimate yet very competitive environment, there is a huge demand for professionals who are knowledgeable in the geopolitics, geo-economy and geoculture of various regions of the world. British Columbia, as the gateway to the Asia-Pacific, will see more and more activities in international trade, tourism, education and cultural exchanges with Pacific Rim countries. Our education system must be flexible enough to seize the opportunities and overcome the challenges.

Our government is committed to helping students. It is great news that in this budget, \$450 million will be provided for students' financial assistance, including loan reductions for students in need, debt relief, a loan forgiveness program and grants for students with disabilities. It may take a few years to nurture a tree, but it clearly and certainly takes much longer to nurture a child. I believe that education is a lifelong learning experience. When individuals participate in early childhood education, K-to-12, advanced education, continuing education or research and development, society benefits from their acquired knowledge.

Many children enjoy reading. Every year in September, the Burnaby Public Library has held an awards ceremony for children who have completed the summer reading program. The children and parents are so overwhelmingly enthusiastic about this event that there is usually a long lineup outdoors, rain or shine. When parents are reading to their children, not only do the children learn, but the parents learn as well.

Adults, especially new immigrants from other parts of the world, are eager to learn the English language. Professional immigrants are eager to practice their professions in this land. Entrepreneur immigrants are eager to establish their new businesses here. I am pleased to see that over \$14 million in this budget is allocated to a B.C. Skills Connect for Immigrants program to help new British Columbians find work in their fields of expertise and to speed up the process of foreign credential recognition. This will ultimately improve the overall productivity of our economy.

[1540]

Over the past few years, I have tried to take some steps of my own to help improve and promote our education and training systems. I organized education seminars to help parents. I organized round-table discussions with community leaders. I visited schools. I participated in the activities of schools, colleges, institutes, universities and aboriginal education centres.

I advocated for foreign credential recognition. I arranged meetings between professional organizations such as the Association of Professional Engineers and Geoscientists of B.C., the Vancouver Regional Construction Association and SUCCESS. I've also had meetings with the Society of Internationally Trained Engineers of B.C., and tomorrow I am meeting the Canada-China Building Industry Society. I'll raise issues regarding seismic upgrades of schools and promote academic exchanges between education entities.

I've also met with a variety of different groups, including the B.C. Heritage Language Association, Northburn agency, the Burnaby Arts Council, the Royal Life Saving Society and Literacy B.C. I could go on, but I would like to talk about the second goal of the golden decade to come, which is to lead the way in North America in healthy living and physical fitness.

Let me start, first, by linking education to physical fitness. Yesterday I watched a presentation showing there's a strong correlation between physical activities and academic achievements, so achieving the second goal will help our first. It's obvious that one can avoid getting sick by prevention, and if we can do that, it will cost the health care system less overall.

I am glad to see that this budget allocates \$100 million for public health initiatives, including Act Now B.C., which is a new health promotion and prevention program. It designates \$50 million for regional sports facilities and \$60 million for major post-secondary sports training facilities. It's also obvious that if one's disorder or disease can be cured earlier, it will cost the health care system less overall. I am pleased to see that \$76 million is allocated for infant and early childhood vision, dental and hearing screening initiatives.

The biggest piece of the health care budget is for critical services, when our bodies need to be fixed and cared for. Health care budgets have been increased every year, although many British Columbians believe that they were cut. Under generally accepted accounting principles, the health care budgets have been increased from \$9.5 billion in year 2000 to \$11.8 billion in 2004. It is budgeted to be \$12.6 billion this year, which is a 33 percent increase in five years.

The projected revenues from all provincial personal income tax are \$5.2 billion; from PST, \$4.1 billion; and from MSP premiums, \$1.4 billion. These will not be enough to cover this health care budget, but as our own population is aging in larger proportion, the demand for health care services will continue to be challenging.

This budget clearly recognizes the need to improve access for critical services such as cancer care, cardiac care and joint replacements. I am particularly excited about an additional \$77 million for recruitment, training and retention of nurses; the additional \$200 million for better access to hip and knee replacement; the additional \$100 million for B.C. Ambulance Service; and the additional \$200 million to improve access to home care, residential care, palliative care and mental health and addiction services.

[1545]

I know that more and better services will be provided by Burnaby Hospital. My constituents will benefit, as well, from the additional \$465 million for Pharmacare and \$100 million for health research in the long term, but we must do more to promote healthy living and physical fitness as preventive measures. That's why I joined the B.C. Table Tennis Association and the Greater Vancouver Table Tennis Association. I encourage my children to swim and to play sports, and I encourage students in Burnaby by attending events like the annual Royal Canadian Legion 148 track and field meet.

I support the 2009 World Police and Fire Games, the 2010 Winter Olympics and Paralympic Games and the Spirit of B.C. community sports. Last year I co-chaired the first-ever volunteer fair in Burnaby, and I was pleased to see that organizations like the B.C. Special Olympics Society, Burnaby Mountain Mantas Summer Swim Club, Vancouver Area Cycling Coalition, Race Event Volunteers of Vancouver and Burnaby Coalition to Prevent Falls, etc., are promoting their organizations and recruiting volunteers.

The third goal set for this golden decade is to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors. This budget spells out the need for the government to protect and improve the quality of life for British Columbians most in need. Indeed, with the power of a strong economy, more resources can be directed to social services.

I know that organizations in my region like the Burnaby Association for Community Inclusion, the Down Syndrome Research Foundation and the Neil Squire Foundation are particularly pleased with the addition of \$194 million to increase income assistance for persons with disabilities by \$70 per month, the largest increase in B.C. history; the additional \$91 million for adult community living services; and the additional \$134 million to enhance services to children and youth with special needs.

The United Way, the Salvation Army, the Seniors Well Aware Program, the North Burnaby Retired Society, Burnaby Hospice Society, Burnaby Seniors Outreach Service Society and Burnaby Meals on Wheels must be happy with the additional \$36 million for social housing, etc.

I am sure the Burnaby Family Life Institute, Marguerite Dixon Transition House, South Burnaby Neighbourhood House and the Charlford House Society for Women are looking forward to seeing the additional \$37 million for transition homes, outreach programs and related services for women and children fleeing domestic violence; the additional \$15 million for family law initiatives designed to balance the needs of citizens with the capacity of the legal system; the additional \$26 million to support prevention and out-of-care options to keep children safe within their families and communities; and the additional \$5 million to make more families eligible for child care subsidies. Over the past three years, I've attended many functions

and fundraising events organized by these organizations, which are providing excellent services to their clients.

Many of the organizations in our society depend on volunteers to operate. Associations like Volunteer Burnaby, the Burnaby Hospital auxiliary, Scouts Canada, Royal Canadian Air Cadets, etc., are providing many valuable services to our youth, seniors and patients. Our society is indeed indebted to many volunteers.

[1550]

I would like to take a look at the fourth goal of the golden decade for British Columbians, which is to lead the world in sustainable environmental management with the best air and water quality and the best fisheries management, bar none.

The air and water we take in every day are critical to a healthy life. Our province is famous for its beauty, clean air and the water. We must try our best to preserve the natural environment of British Columbia, and this budget put forward an additional \$150 million to preserve and protect our environment. The creation of a new \$80 million B.C. community water improvement program will benefit us and our next generations with safe and reliable drinking water and better wastewater management.

Additional resources in contaminated sites cleanup, increased capacity in the environmental assessment office and establishment of the B.C. conservation corps, with up to 150 members and the addition of up to 15 new park rangers and conservation officers, will certainly improve environmental protection. I am still thrilled by the availability of funding for the Capital Hill sanitary sewer extension project in Burnaby North by the three levels of government. This would certainly improve the environment in the Burnaby North area.

Our fifth goal of the golden decade is to create more jobs per capita than anywhere else in Canada. Our government has been successful in the last three years in doing that, and if there's no interruption in government policies, this goal is readily achievable — no question about it.

With more jobs available in British Columbia, more people are working, and the average unemployment rate is dropping further. One consequence of this is that people from other provinces and immigrants from other countries are moving to this province. We saw eBay move into Burnaby two years ago, and just last month HSBC established another branch of its technology centre in Burnaby North, employing more than 240 people.

We can see that in this province, we are leading the country in retail, in wholesale, in building permits issued, small business optimism and employment growth. However, we must keep the momentum of the economy going by investing in infrastructure. Otherwise, the inefficiency in the transportation system will create a bottleneck of growth.

I support the addition of \$777 million for economic development. I am pleased to see that issues, including the small business corporate income tax threshold, the mountain pine beetle and the forest fires, oil and gas

and the mining sector, tourism and the Pacific gateway initiative are all being addressed in this budget, and I am looking forward to entering the golden decade with my fellow British Columbians.

K. Stewart: As we deliver our final throne speech and budget for this thirty-seventh parliament, I believe it's a great opportunity to look back and review what we've accomplished to date. Just how far have we come in the past four years?

The feeling I get from most people in my riding is that things are definitely moving ahead, and they have little desire to move backward. But as history constantly teaches us, if we don't occasionally look back to where we came from, we're bound to repeat our past sins. So where were we in 2001?

On strikes and in disputes — the nurses, the doctors, paramedics, transit workers, teachers. Our hospitals were in chaos. Our education system was faltering, and our transit was in gridlock. Crisis management was the order of the day for the previous government. Finally, we were headed financially into a steep dive when we took over.

[1555]

Where are we now? After a decade of transportation neglect and deficits in the provision of health care and education, we are first today in economic growth in Canada. We had the fewest days due to labour strikes than they've had in the past two decades. We brought in our second balanced budget, and we've met or exceeded all our financial targets to date since we formed government. When it comes to nursing, even Debra McPherson thinks things are improving.

We've presented a budget, so let's look at the review of the budget. Let's see what some of the accountants supporting the NDP say about the budget. They say it's five times better than theirs, beating ours 2 to 1. Well, their budget's the same as their math skills — nonexistent.

How would they pay for some of these new increases they're talking about for programs? I guess they could always go back to their old friend Maureen Maloney, with her ideology that we should bring in a cumulative annual wealth tax so that we can tax our parents for all the savings they've made over the years, tax the seniors on the dollars they've put away for their old age. Or we could just follow Jim Sinclair's lead and tax business — tax them to death, push them out of the country again.

What do the real accountants out there say? The Certified General Accountants Association of British Columbia has this to say about our budget: "B.C.'s certified general accountants are pleased with the government's action on debt reduction, tax cuts for the elderly and the less fortunate, and the increases it made to health care and educational spending." Sounds like they can read books, and they don't read "cut" into that anywhere. The association's president, Rita Estock, said today: "A combination of the government's sound fiscal management and a strong economy play key roles in funding these initiatives."

As we move forward, with four years of fiscal responsibility and budget transparency behind us, we're moving on with accounting practices that are fully supportive of GAAP, the generally approved accounting principles.

What else have we done to ensure that British Columbia's system of services we provide have the scrutiny of proper accountancy? We've enacted the Budget Transparency and Accountability Act, which requires the government to fully implement generally accepted accounting principles. These are the types of accounting principles that do not allow you to hold off-book deficits, off-book debts, nor hold funds off books for a future day when you might want to slide them out. Every penny has to be accounted for.

They required the budget, under our legislation, to be balanced by 2004-05. As we did with all the rest of our financial planning, we held true to that, and we balanced our budget. And we continue to balance our budget. The legislation prohibits us from doing anything else into the future.

Let's move on to a few issues that are concerning us all. Education. There's been a lot of talk about education, and we've had many speakers before me here that have spoken eloquently about all the provincial initiatives that are going on and the general budget applications that affect all British Columbians.

I'd just like to look in at my school district, No. 42, and at what they had to say this spring. This is long before we brought in some of the extra targeted funding. At its regularly scheduled public meeting on April 14, 2004, the board of school trustees — Maple Ridge-Pitt Meadows — passed motions that will balance the 2004-05 budget, establish a fund to enhance student achievement and add significant resources back into the classroom.

School board chair Cheryl Ashlie stated:

"It was our goal going into the 2004-05 fiscal year not only to balance our budget but to create a fund aimed at enhancing student achievement and putting additional resources into the classroom. In establishing this fund, the board has directed staff to develop a process that will require schools to prepare plans that will not only outline the proposals for these funds but also include measurements and benchmarks to be used in assessing the effectiveness of each distribution from the fund."

Now, there's a school district that's really working hard for the people of Maple Ridge-Pitt Meadows.

What have we done to help support that? Over the last few years since 2001, our local school district has had an increase to its budget of over \$10 million. How much is that? It's over 11 percent, and the student population has only increased by less than 1 percent. This doesn't even calculate in the additional provincial \$150 million that is targeted for the funding that was just announced.

There are extreme challenges in education, and we're all aware of that. The demographics are definitely changing. It was recently reported to me that in the area of Chilliwack, there were 1,800 new homes. As a result of the growing economy, in my area and in many other areas of the valley, the home-building business is just booming.

[1600]

When you think of 1,800 new homes.... What kind of impact is that going to have on a school district? I bounced this one off a few of my friends the other day. Someone said: "Oh, it will be at least 500 students." Someone else said: "With 1,800 homes, that's got to be a thousand kids." Someone else a little more realistic said: "Oh, I bet around 200." The reality was that with 1,800 new homes there were 11 new students in the school district. That's showing how the demographic shift is swinging.

It's not the same everywhere. I know that my area of Maple Ridge-Pitt Meadows has a higher rate of children in the family home than other areas. The average is 1.2 and we're 1.4. The average for seniors in British Columbia is 13 percent, and there are only 11 percent in my area. This shows you some of the trends. Even in many of the areas where the housing starts are booming, the number of grade 12 students is double the number of those entering grade 1.

I'd just like to touch on some of the local health care issues. I always hear about the health care cuts. How can you have a cut in funding when you add \$3 billion? There's NDP math again. You add \$3 billion. That's got to be a cut. It may have been a cut the way they used to spend their money, but we're trying to get accountability and effectiveness put in with those dollars — those dollars that are added through the accountability that we've put through the system. We know where they're going.

We're starting to get a handle on what things cost in a hospital. It's amazing. In 2001 we had no idea what things cost in a hospital. Today I'm sure there are areas where we still don't have accurate numbers, but we're moving towards a system where we can track. I can go to a private clinic downtown, have a knee operation, and they will tell me it will be X dollars. "Mr. Stewart, if you want that done, it will be \$986.42." If I went to my local hospital and had it done, they wouldn't have an idea whether it cost \$1,500 or \$15,000. We're trying to bring that kind of accountability to health care, and we need comparatives to do that.

We've had some local successes in health care in my region. We've had our area designated as an area of need for the recruitment of doctors as a result of the low per-capita relationship of doctors to people in the community. As a result of that, we've had 15 new family doctors and seven specialists come to our area. It's an accomplishment we're quite proud of. We actually have doctors advertising for patients. How many communities in British Columbia can say that?

We've also been very effective in assisting the Asante Centre for Fetal Alcohol Syndrome by securing over \$800,000 in grants to help support this system and this centre, which has recently become a provincial resource as a result of a \$450,000 grant recently received.

With regards to the hospital, we're just undertaking an \$11 million upgrade to the emergency ward. Initially, the provincial government was going to add \$6 million to this, with the local community coming up

with \$2 million. Since then, we've managed to get the province to up their portion to \$8 million, and the community has come up with another \$1 million. So we're going to be looking at an \$11 million uplift to our emergency ward, and that construction is starting now.

Also at our hospital are 130 beds for senior care that are definitely outdated. Immediately, within the next couple of weeks, we're going to be starting construction on 130 new beds to replace those. Even though we're not adding beds as quickly as we'd like to, we certainly are replacing those that are antiquated and need to be replaced, so at least the people that are there are living in a standard we would expect.

We've also added some other facilities in our community. We've expanded the surgical capacity at the Ridge Meadows Hospital with the opening of a fourth operating room, along with an additional weekend slate. That has allowed them to add a full-time orthopedic specialist to help supervise that. Things are happening in health care in my area.

There's one other area I'd like to touch on before I move off this speech today. That is on the area of environmental protection. I was very pleased when I looked on page 31 of our *Budget and Fiscal Plan 2005/06-2007/08*. I looked at the increase that we're going to put back into the environment. I know there was a lot of criticism in my area when we added parking to a provincial park. I was supportive of it only if we started returning some of the dollars back to those parks.

[1605]

I've been a park user ever since I was a teen, and I've seen a steady degradation of those trail systems. They need funding, they need support, and we need to find that money somewhere. One of the ways was to charge users for parking. Again, it wasn't very popular, but now we are starting to see the funding go back into those parks.

I was so pleased to see in here that there is going to be a \$16 million increase to the number of park rangers and conservation officers and that there is \$91 million more for the investigation and remediation of contaminated sites on Crown lands — something that has been far too long ignored. Also, we're adding \$8 million to help improve our drinking water.

The other thing I was pleased with locally is that we've managed to save a piece of wetland from being developed and allowed it to be preserved for wetland enhancement for all future generations. That was certainly thanks to the work of our ministers and cooperation with other agencies. We've managed to preserve the Codd Island wetlands. That was with a \$1.5 million contribution from the provincial government, which I'm quite proud we managed to get.

What do other agencies that work in the wildlife area say about us? Well, the B.C. Wildlife Federation recently applauded a \$6.5 million cash infusion that they've got. They recognize, as we recognize, how important volunteers are into the conservation area. I'd just like to quote." The members of the B.C. Wildlife Federation pour fees and volunteer energies into enhancing habitats in our province, and it is welcome that

government is stepping in to give a helping hand with so much additional financial support," said BCFW President Dave White. It amounts to special recognition by the Premier and the ministers that the volunteer work of the BCWF and its members is a valuable asset to the community and deserves a boost when our province can afford it. The B.C. Wildlife Federation has been a great supporter of environmental issues for a very long time.

In closing, one thing I would like to talk about is the future. As we look forward, we can now see that we've got the basis for a strong economy. So many of my fellow members have so eloquently expressed what that economy is. I don't feel I need to take 15 minutes of your time to go over that today, but I will say that what it has done is given us opportunity. Having our books balanced and having a strong economy allows us to put money in areas that it is really needed. It's definitely false financial management to think you can spend money you don't have. By first stabilizing our economy and stabilizing our financial situation, we are now able to enhance those that are less fortunate than those of us in the House here today.

I'm very pleased with the direction we're taking. I'm very pleased to be part of this government, and I certainly look forward to the acceptance of this budget by the House, allowing us to move forward in British Columbia to make British Columbia the best place in the world to live.

Hon. K. Falcon: It is a day on which I rise with great pride to talk about the budget, the record of this government, the progress we've made — recognizing that we haven't yet reached our destination. But my goodness, we are on a path towards a destination that I think looks exceedingly promising in the short time we've been here.

[K. Stewart in the chair.]

I was attending a speech this morning for the tourism association representing all of the tourism associations right across British Columbia. The individual who was introducing the Premier pointed out that this economic turnaround in British Columbia has been the greatest economic turnaround in the shortest period of time that they've ever seen in all their years of working here in British Columbia trying to build tourism.

Before I talk about some of those positive things, what I would like to do is touch on a little bit of the record. It's a bit of a refresher course, if you will, on why it is we undertook the changes we did, why we undertook some of the difficult decisions that needed to be made to ensure that we could turn the economy of British Columbia around and ensure that we've got in place a plan, a workable plan, that is going to actually lay a foundation for opportunity and growth once again in British Columbia.

[1610]

I think it's important and instructive to remember what the previous government's economic record was

in British Columbia. It was a calamitous record by any yardstick. Anyone that wished to measure what happened over the last decade will recall that with the NDP, when they got elected in 2001.... Boy, you know, I hear the same talk now from their current leader, talking about how they've got a new, moderate.... They're going to be careful with money. They're not going to spend any more than they're going to take in. We heard all those same words back in 2001. In fact, I remember the ads they used to run with the little piggy bank and Mike Harcourt saying: "We won't spend one penny more than we take in." I think members of this House will recall that.

What happened? We had ten years.... Actually, in fairness to them, we had eight years of successive deficits. From that point on, they doubled the provincial debt from \$17 billion to \$34 billion. We saw two separate credit downgrades by the international credit rating agencies. We became, under the NDP government, a have-not province for the first time in the history of this proud province, a province in which I'm so proud to be born and raised. Yet in 1999, here in this province, we became a have-not province for the first time ever in British Columbia's history, meaning that we had to suffer the humiliation of accepting equalization payments from other provinces, because British Columbia wasn't pulling its weight.

The government of the day engaged in all sorts of ridiculous investments. They poured a billion dollars into business subsidies. The government of the day said that they didn't like business, etc. But they couldn't resist trying to throw good taxpayer dollars into failing businesses. I could go on and on about that.

I'll touch on a couple that always jump to my mind. There's the \$25 million they lent to Delta Fraser Properties so they could pave Burns Bog and turn it into an entertainment complex — an absolutely unbelievably shortsighted, irresponsible decision that would have essentially paved over the environmental lungs of the lower mainland and put an amusement park there. They gave the company \$25 million so they could do that. It's absolutely unbelievable, and I'm pleased to say that under the leadership of our Premier, we actually came up with the dollars and got a federal contribution and saved Burns Bog in British Columbia.

Believe me, I've just started. That wasn't the end of it, by any stretch of the means. You'll recall that they gave about \$30 million in an interest-free loan to Daimler-Benz, one of the largest corporations on the planet. That is a particularly interesting situation. They apparently hate big corporations but apparently not enough not to loan them money interest-free on behalf of taxpayers.

They poured money into Canadian Airlines, which of course subsequently was taken over after unfortunately almost going out of business. It was taken over by Air Canada. They put \$60 million of equity into Western Star Trucks and another \$25 million for employee training for Western Star Trucks up in Kelowna. Western Star ended up shutting its Kelowna operations and moving to the U.S.

On and on it goes. One of my favourite stories, of course, is Skeena Cellulose, when they poured over \$400 million of taxpayer dollars. I remember the minister of the day, Dan Miller. He had a famous quote that Vaughn Palmer included in one of his articles. The quote was: "I understand business and these guys don't. They're very bad business people." That was Minister Dan Miller talking about the bankers. I remember that at the time he made that comment, I was laughing, because I thought: "I'll tell you. Here's an NDP cabinet minister saying that he's got the better good on the bankers." Well, what happened? The bankers walked out of that, and the taxpayers took a haircut to the tune of \$425 million — flushed right down the toilet.

Then of course, there were fast ferries. I could go on and on, but I will spend a moment on ferries, because I do actually think.... Actually, I'm going to come back to ferries, because....

Interjection.

Hon. K. Falcon: I know. I get that you want to hear about that, but I have a few other things I want to touch on here.

That was the climate we had in British Columbia at the time, so what we did under the leadership of the Premier is came forward with a plan, a realistic plan that set out an agenda for the province — an agenda that would actually try and get us back into a position where we could revitalize the economy, restore confidence, restore investment and create opportunities for our young people again.

We came forward with a platform that had 201 specific commitments called a new era of hope and opportunity. I am pleased to stand in this House today and say that 97 percent of those commitments have been kept for the benefit of British Columbians. Every time I hear those members opposite talk about broken promises, I shake my head, because I will tell you that 97 percent, when I was in school, was one heck of a good mark. I think it's a great testament to the leadership of this province and the direction we're moving in.

[1615]

Interjections.

Hon. K. Falcon: No, I didn't get 97 percent, I have to confess to the members, but I am pleased that now that I'm a part of government, we are achieving a 97 percent score.

What did we do? One thing we did was say we were going to commit.... One of those 201 commitments said that we would reduce the regulatory burden by one-third in our first three years. We actually exceeded that, a 38 percent reduction — 150,000 unnecessary regulations gone, again freeing up opportunity for the small business community to grow and to prosper.

We said we would introduce a major reduction in personal income taxes — tax relief for working families

in this province. We did that on our first day in this House, a 25 percent across-the-board tax cut.

We said we would review all Crown corporations and ministries of government to ensure that the dollars we invest are actually achieving measurable results. One thing government doesn't do well is measure what it actually gets out of the dollars it invests. This Premier is fond of saying that you cannot manage what you cannot measure, and he is right. You have to measure what it is you are investing in, and you've got to determine whether you're getting the right results. We've started doing at.

Let me just touch on a few areas that I think are important not only to my riding in Cloverdale, which I'm very proud to serve, but also to the province. Let me first of all talk about the school system, K-to-12. Under the previous government, not surprisingly, we had chaotic education policies. That's probably because we had eight ministers in the ten years they were in power — eight Education ministers in ten years. You can't possibly have stability with that kind of turnover of ministers.

In Surrey we had a problem where we had portables virtually everywhere, all over the community of Surrey. The NDP government in 1992 eliminated education as an essential service — something that the previous Social Credit government had introduced. But the NDP wiped that out. What happened? Students lost more than four million student-days of education due to strikes and lockouts.

The NDP government introduced back-to-work legislation three times. Three different times they had to legislate teachers back to work under their own chaotic system, which frankly just never worked. They made sure that parents couldn't volunteer in the schools, because of course that would interfere with CUPE union rights. So parents were banned from sorting books in libraries or helping out with sports activities, or whatever the case may be.

We made sure, with our changes, that parents would once again have a central role in the education of their children. The right to volunteer would be enshrined in legislation, and the right to education would be enshrined in legislation — again, more commitments that we kept. We moved to a per-pupil funding formula so that growing communities like Surrey, one of the rare districts that actually has a growing student population, would not be penalized by the perennial shortfalls under the previous NDP funding formula that resulted in portables everywhere in Surrey.

This government talks about school closures, and their allies in the BCTF union talk about school closures. Well, they forget to mention that we have 30,000 fewer students in the system today. There are districts that are dealing with the challenge of a shrinking population. That was a result of the fact that people were leaving British Columbia under the NDP government. When there is no economic opportunity, people leave the province — 50,000 people between 1997 and 2001 leaving British Columbia, 11,000 of them to Alberta alone. So not surprisingly, our schools started

emptying out of kids, particularly in resource British Columbia.

There have had to be some challenges of shutting down some of those schools that have no students to fill them. Apparently the NDP, because they haven't said any different, would reopen all these empty schools. It would be interesting to see what they actually do on that, although I don't imagine they will do that.

In communities like Surrey, in growing school districts, because of per-pupil funding we have added new schools. In fact, we've added lots of new schools. I can tell you, Mr. Speaker, that we've added over a dozen new schools in Surrey in the last few years alone. I could read off an entire list here, but for the sake of argument, I'll just say that in my riding alone in Cloverdale, Morgan Elementary and A.J. McClelland are brand-new schools in my riding.

We've got Grandview Heights Elementary and our new schools that we also have coming, and renovated schools — White Rock Elementary, Sands Junior, Burnsvie, Delview Junior Secondary. We've got new schools planned over the next few years. In my riding alone, we've got four new schools coming and two more site acquisitions. That's because we're a growing community.

[1620]

In the post-secondary field this is also exciting. Again, what we had under the previous government was a tuition freeze. But the tuition they froze they didn't make up with the dollars that needed to be put into the system, because the post-secondary system was now starved by not being able to have the revenues necessary so that they could grow.

It was interesting that Carole James was speaking at the Nanaimo Chamber of Commerce breakfast recently, about a week before I was there. In response to a question, one of the comments she made was:

"One of the problems with the previous tuition freeze that was in place with the previous New Democratic government was that it didn't include additional moneys for the colleges and universities. You can't simply freeze tuition, not look at providing funding to colleges and universities and then download the costs in some other way."

I was actually glad to hear her say that. You don't often hear her speaking candidly about the fact that their tuition freeze made no sense, but it's true. What we did was said that we're not going to tell the universities what the rates should be. We released that. There were some increases, but I will say this. Today in British Columbia undergraduate tuition fees, if you compare them across the country, are number five out of ten provinces. If you go back ten years and you make that same comparison, they were number five out of ten.

As part of Budget 2005 what we did say was that there will be no further increases, except for the inflationary increase. I think that was a bold move of the Premier and the right move. The reason is that one of the concerns I had as an MLA representing a riding

with an active post-secondary student population was wanting to ensure that the universities and the colleges also reflect on their cost structure. We don't want to allow that to grow unnecessarily. I think that was the right balance we achieved there.

I also want to talk for a moment about transportation. That is such a huge issue throughout the province, and it is so important that we do something. Our record on transportation is exciting. Right now in British Columbia I have the honour of being Minister of Transportation at a time when we are investing in the most ambitious, aggressive transportation infrastructure program that we've seen since the great old days of W.A.C. Bennett and Flying Phil Gaglardi. That's something I'm very proud to be part of.

I want to contrast that, because there was.... The previous government had a decade to look at making those kinds of investments that needed to be made in infrastructure. As usual, they didn't, because they were broke, frankly. What with doubling the debt and running deficits every year, they didn't invest in infrastructure, which is tied directly to the kind of economy we are going to have. No one can better understand that, but....

I see the member here. The Minister of Energy and Mines is in this House. He knows more than anyone else that while he was in opposition, the only thing he saw happen was that a bridge got painted in his riding. A bridge got painted.

Hon. R. Neufeld: In an ugly colour.

Hon. K. Falcon: It was an ugly colour, as the member reminds me. That member represents the northeast sector of this province, an area that is undergoing one of the greatest oil and gas investment booms that we've seen in at least a generation. That's because we're investing in roads.

Let me just give you a couple of quotes from some previous ministers under the NDP government. Art Charbonneau was a former NDP Minister of Transportation. Here's what he said in 1993 about the Port Mann Bridge: "We need to twin the Port Mann Bridge." That was in 1993. He said that we need "an additional crossing of the Fraser — or perhaps even two — in the next ten years." That was also in 1993.

Here's what he said about the Pitt River Bridge: "We need a bridge across the Pitt River." That was Art Charbonneau again over ten years ago.

Okanagan Lake Bridge. I love this one. Here is what Art Charbonneau said about the Okanagan Lake Bridge: "Maybe we have to go back to considering ferries across Okanagan Lake — maybe fast ferries. I don't know."

That was the kind of lack of vision we had in the province. It's appalling. Today I can tell you that we are building a new Okanagan Lake Bridge — \$120 million. We are twinning the Port Mann Bridge. We are going to get a new Pitt River Bridge. We have invested, in Budget 2005, over \$300 million to get started on that gateway program. We are in the middle of a three-year, \$1.5 billion rehabilitation program that will pave roads

and highways and add new bridges and interchanges right across British Columbia in the grand tradition of W.A.C. Bennett.

You know what? There are people who say that's going in the wrong direction. I hear them every day. "Oh, don't build it. Oh, you can't do that. It's going to cause this problem or that problem." But you know what? We're builders again in British Columbia. We're proud to be builders in British Columbia, because we are getting this economy moving. We're going to ensure that in British Columbia we are moving forward, not backward. We're looking ahead, not behind. That's something the previous government never understood, but that's something we understand in this government.

[1625]

Finally, as I get close towards the end, I want to talk about my own riding. I want to talk about what this budget means to real people in Cloverdale and in Surrey. Actually, this applies across the province.

The former government was always fond of saying how they cared about the working men and women of this province. They always talk about how they care about the working folks. Well, let me tell you that the greatest disaster to working folks — working men and women — in this province was ten years of socialist NDP government. It was devastating. It was devastating for the tens of thousands of workers that lost their jobs in the forestry sector, it was devastating to the one out of every two workers that lost their jobs in the mining industry, and it was devastating to those people that lost their hopes and dreams and had to leave this province because they didn't see the opportunity in British Columbia.

What we have done with the revitalization of the forestry sector, where we now see new investment. With the 400 percent increase in exploration activity in the mining sector and with new confidence in the small business sector such that today in British Columbia... When the Canadian Federation of Independent Business surveys their members across the country, British Columbia has the highest level of small business confidence.

What does this budget mean for workers in Cloverdale? Well, there is a coffee shop next to my office. In that coffee shop are workers, young women that earn minimum wage. I can tell you that today, as a result of this budget, those workers now pay zero provincial taxes in British Columbia.

You can talk — as the previous government did for ten years — about how you want to do something for working folks and the working poor. But you know what? Paying no taxes is a big step in the right direction. I'm proud of our Premier, and I'm proud of a government that thinks about those kinds of folks.

Those tax relief measures that we have in this budget mean that in British Columbia we will reduce or eliminate taxes for 730,000 folks that were paying lower taxes and are now going to be paying no taxes or much reduced taxes. For the small business sector we increased the small business tax threshold — the

threshold by which they are allowed to pay a smaller rate, the small business rate of taxation — by \$100,000. We increased it from \$300,000 to \$400,000. When we got elected, that threshold was at \$200,000. We virtually doubled it, and that's good for small business folks.

The \$4,000 increase in the Medical Services Plan premium assistance threshold means that in British Columbia we will reduce or eliminate premiums for 215,000 people. What does that mean in real terms? What it means is that single folks with incomes of up to \$20,000 pay no premium for MSP at all anymore in British Columbia. It means that single folks with incomes up to \$28,000 will pay much reduced premiums on the Medical Services Plan. It means senior couples with an income of \$29,000 or less — which is really the vast majority of seniors in this province — will pay no premiums under the Medical Services Plan anymore in British Columbia. It means senior couples that earn up to \$37,000 will pay much lower Medical Services Plan premiums. It means that senior couples with an income of \$30,000 will now pay almost \$930 less in total provincial taxes than they were paying four short years ago.

That is progress. Let me just say this in conclusion, because I could go on. I'm so passionate about what has happened in this province and about what these changes mean for real people. I want to say this in conclusion. Really, leadership is about charting a course. It's about setting a direction, and it's about having the courage to make difficult decisions.

I will tell you that in politics it's always easy to make the easy decisions, and it's always easy to shy away from the tough decisions. I've never been more proud to serve with a Premier who, when faced with a choice between doing what is easy and doing what is right, will invariably choose what is right, because he is thinking long term. He's thinking not about us and not necessarily about our short-term interests. He's thinking about our children and our grandchildren, about their heritage and about the kind of province we are going to leave them. That, at the end of the day, is what leadership is about.

I know this. When the public of British Columbia, on May 17, which is our fixed election date — another of the 201 commitments we kept is to have fixed election dates — go to that booth and think about the record of this government and the positive direction British Columbia is moving in, I have no doubt they will say that we, over the last four years, charted the right course for British Columbia; that we indeed are on the edge of a golden decade in British Columbia, a decade of opportunity, hope, inspiration and belief; that British Columbia will once again lead instead of follow the nation; that we are builders in British Columbia; that we are going to pole-vault past our trading nations and our trading partners like Alberta, Ontario and Washington State; and that we're going to become the greatest wealth-producing province in the world again. Because that's British Columbia's future. That's the future of British Columbia.

With those words I will conclude.

[1630]

J. Reid: I rise to give my last speech to a budget in this House. I certainly am speaking in support of this budget and have to do some reflection on the years I've been here. I was elected in 1998 and have seen budgets presented by the former government and budgets presented by our government.

I have to say what an honour it has been to be here. What an incredible honour it is to serve the constituents we serve. I also want to say how much I owe all the other members of this House that have served with me these last six years. My colleagues have introduced me to all parts of British Columbia through their passion for their own areas, speaking in this House so eloquently and so vehemently about the parts of the province they come from — whether it be from Delta and the concerns that have been felt there and the transportation issues; whether it be from the north and the Peace, with road conditions we had to address. All over the province — West Kootenays and bridges and opportunities.... Many wonderful people have offered so much to British Columbia by serving the province in this way.

My constituency is Parksville, Nanoose, Lantzville and North Nanaimo. It's a wonderful place to live and to serve. It's a great group of people — a lot of seniors and a lot of people who really care about the province. They might have moved from other places around Canada to spend their retirement years. They couldn't pick a better place than on Vancouver Island and certainly in my constituency.

I look at the change in the last few years — the changes that have happened, the growth, the productivity, the positive attitude from a number of years ago when people were really struggling. When I first was elected, people were struggling. They were frustrated, and they were scared. That was in '98. In the election people had a new sense of confidence and hope. It hasn't been easy, but I look at my constituency now. I look at that riding, and I know there has been a change.

On Tuesday I received a letter from a constituent that was sent to a local newspaper. I just want to quote some from it. While I'm certainly proud of my constituency, I just want to echo the words of someone else. It says:

"Dear editor,

"First of all, I want to state that I'm not, nor ever have been, a member of any political party."

That's the way he starts off the letter. He says:

"I'm a native British Columbian of 60 years with a small amount of post-secondary education. I have voted in almost every election. I married and raised my family here in Nanaimo, and except for a notable exception, during this entire period I was continuously employed, climbed a few rungs of the ladder and survived the recession of the '80s relatively unscathed.

"Now, here is my reality. For me the storm clouds really began to gather in 1996. Threats of layoffs were already in the air. By mid-'97 the axe finally fell, as my employer closed up shop for lack of work. The economy by now was fully in the tank. However, myself and one other employee were picked up by another company. Fif-

teen months later that firm collapsed too. But not content to waste away on unemployment insurance, I got by being self-employed. That led to a new employer in '99. Once again, in 15 months that company closed shop due to lack of work."

He returned to self-employment, and he says:

"Was this never going to end? Falling back, yet on self-employment, at one point I was earning about \$100 a month. Just in the nick of time, the oh-so-long-overdue change of government arrived."

Then dropping down to his conclusion:

"The effect is my having 2004 as the single most prosperous year in my entire life, bar none — better even than when I worked in construction. Never have I earned so much, and never have I paid so much income tax."

[1635]

That is what's happening in my community. That's why I'm supporting this budget and what this government has done to bring about those changes. So while we think about policy, that's the result of this hard work that we've put into formulating new policy and developing approaches so that people can work. Yes, he's paying more income tax, and he doesn't mind because he's earning more money. He goes on to say that he knows those taxes are going to health care and education, and he's happy with that.

We want to know that British Columbia is a great place to live and work and raise a family, but if you can't afford to raise a family, it's not so great. I do remember those years of not so very long ago.

I personally came from a small business background. The atmosphere of government does make a difference. When you're in small business, you are struggling all the time because all the stress is on you, as an individual, to make it or break it. Whatever comes along, you're often living very close to the line. Little factors which might seem little become very big, whether it be paperwork or permissions that don't come in a timely manner.... All those kinds of things combine together to overwhelmingly affect the small business person. It's not just small business; it's large business too. The framework of government will discourage business or encourage business, and we realize that.

I worked with government for many years before running for politics. I was raising a family in a coastal community, wanting to see this province prosperous and frustrated — along with so many people like the writer of the letter that I quoted from — in knowing that it could be so much more and it wasn't.

When we look at what the government has done over the last four years.... I suppose I want to speak more broadly than just this budget, because this budget is the effect of these last four years. This budget is truly a balanced budget in so many senses of the word. It's come about because of a government that has really wanted to listen. This is one of the most important changes, I think.

The Finance minister told a story that was very symbolic and quite innocent in the way it came about. But for me, being in business and then being in government, it meant a lot. It was a story about how one

tax got reduced. That one tax was on safety helmets, and that came about because one citizen wrote one letter to government saying: "Why don't you do this?"

It wasn't a big lobby group; it wasn't a big pressure group. The remarkable thing about this is that voice was heard. It wasn't lost. Why was that voice heard? It's because this whole government has set a system in place to identify problems and identify solutions. That is what has happened in these last four years — to be able to look at those problems and always look for a solution. It doesn't matter where the idea comes from — a single letter that comes across somebody's desk or a group of people getting together and working towards solutions.

We are a government that wanted to hear those ideas and have taken them in eagerly, because we knew things could be improved. We believed in the ability of reasonable people to present ideas that were workable. Whether it was in making regulations that were more effective and less onerous or looking at outcomes all the time rather than looking at process and procedures, we have changed so much in the way that this province operates.

I remember working and listening to the preparation for the first budget. One of the questions on everybody's minds was: how do we spend these precious taxpayer dollars? Every time I see any item on any budget, I get this picture of a person who has worked eight or ten hours a day — maybe two jobs. That dollar that they've paid in tax is precious to them. It's precious to them, and it has always been precious to me that we make sure that it is not wasted.

[1640]

The whole idea of saying that it is not about the volume of money.... It is not to say: "All right. Well, here's another million here; here's another million here." It is to have said, "What are the outcomes for the money that is being spent? Are we getting the result that we want?" or else: "That precious dollar — has it been wasted?"

As we worked through this and looked at those outcomes.... They are always in the front of our mind. An example is with our education system. If anybody has been tracking the outcomes, we see that because we ask these questions — what are the outcomes we're getting? — we are able to improve outcomes.

The speaker previous to me, the Minister of Transportation, mentioned: "How do you know you are successful unless you're able to track it and measure it?" We have put systems in place in order to be able to judge that. For a while it might have been confusing to people: "Why are you doing this? Why are you getting that information there?"

I remember that in the health system in the early days, as we were asking questions about what to do, it seemed like it was in such turmoil and such a chaotic mess. There wasn't even basic information to answer simple questions about the cost of procedures or what was most effective or where these should be done or how we should even organize doctors together to make an efficient operating unit in order to get the best use of

facilities and time and precious nurse time and everything else that goes into it. We looked at all of those things, and it has been a process over time to do that. We want improved outcomes.

Another example is with early childhood education. I have to commend the minister of state, again, just so much for the work she has done in this area, because it has been incredible and will affect the lives of people their whole life long. It is such a worthy effort to have been put in so that when a child early on in their lives — she calls them these little souls.... When a problem is identified and they get the help they need.... Think — a whole life changed because of that.

We're looking at outcomes and how to be more effective and efficient. There are dollars in this budget to be able to do that, to be able to make sure that not only does the identification of problems take place but that treatment is then going to be available for these children. I'm proud of that. I'm proud of what that means.

The work that we've done with our promises. I can remember in 1991, in the election campaign, we came out with a book of written promises. I remember people saying: "You guys are crazy. Politicians never write down their promises." We were concerned with the prior record of government and people not trusting government. We said: "We want to be trustworthy, so we're going to tell you in advance what we want to do." The Premier said: "We are going to do these things to the very best of our ability. This is our agenda. These are our goals." He laid it out for the entire province to see.

I don't know if this has ever been done anywhere else in North America to the extent that we did it. Often in election campaigns you might see maybe three vague promises come out. You might see supposedly specific — like if we were going to increase money for education by a certain amount.... These were specific, page after page after page of them — a very bold move. The purpose was to increase confidence in politicians and the process of government. What's the result of that? Well, four years later, 97 percent of those have been either done or actively engaged in.

I heard a member of the opposition say: "But you haven't kept them all." I couldn't believe that. I just couldn't believe what kind of nonsense that is. First of all, the only person who ever keeps 100 percent of their promises is God. While she might have high regard for us, we never claimed that status. The idea that we could have kept so many promises is remarkable. I'm very proud of that, and that has come to pass in this budget as well.

[1645]

It has been a huge undertaking. We couldn't predict what was going to happen, and we didn't even have full information on all the things we wanted to address. That information didn't exist, because the previous government hadn't even collected it properly. So how could we be faulted for not using it when it didn't even exist? I'm referring to health care and being able to judge properly what was needed there.

But we did lay out principles, and those principles were clear for everyone in the province to look at. I don't think anyone looking at those principles could have any surprises to any of the things that we've done. We've clearly stuck to those principles, even though it has been tough. The first few years were very, very tough because we were sticking to the principles, not knowing what would come in the future.

We didn't know if it would be a good, productive future or whether it would be tough. We didn't know that interest rates would stay low, that commodity prices would be strong. It could have been the reverse. So we had to follow through with good fiscal policies.

The balanced approach that was in that document and that we now see in this balanced budget is a balance between fiscal competence, which means don't borrow money for operations.... It's like borrowing money for food. Yes, we borrow money for mortgages. We borrow money to build hospitals, but we don't borrow money to consume on day-to-day operations. So that was a principle we believed in.

We believed in the balance of building up an environment for business, because healthy business and a healthy economy is where more tax dollars would come in, and that's what we need in this province. So while we kept increasing the funds for health care and education, at the same time we had to build an environment that would be business-friendly. We've done that.

So what's the result of that? This budget shows there is now more money to spend on the things that we prioritized right back from the beginning — the people who are more vulnerable in our society, the people in the lowest-income range. Those are the people that we wanted to make sure had the assistance they needed. The people who are ill, the elderly — we want to make sure we're properly taking care of those people in our society.

We have never changed. That has been our stance all along, and it is today. We do care deeply about people. We always have. Again, we've always worked to try and find those solutions, but we always felt that we also had to have the money to fund these different programs. As the money has come in, we have also created that balance to say that, yes, we're paying down some debt, but we're also able to fund these important initiatives.

Lowering the income tax for the people in the lowest-income brackets. Well, I would expect the opposition to be standing up and cheering. Isn't that something that they would also support? It is so hard, as I go through this budget, to say: "How can you not say that this is the right thing to do?" These are positively the right things to do.

The NDP government had the opportunity. They had ten years ruling this province. They had ten years to prove whether they were competent. They had ten years to prove whether they could run this province in a way that would create a better standard of living and more care for the people who needed it. They had the

opportunity to prove what they could do, and they failed miserably.

We now have had four years, and we have proved to the people of this province that competent leadership, vision and competent management produce results. That's what we have in this budget. We have the results. We have the culmination of four years of hard work. We have the fulfilment of our promises that we made to the people of British Columbia. There is absolutely nothing to be ashamed of in what we've done and everything to be proud of in this budget.

I want to also acknowledge the leadership that we've had. The Premier of this province, right from before I even decided to run.... Well, I actually met him before I belonged to any political party and was impressed by him at that time. All the time I have been working with him, I have been absolutely impressed by his dedication to this province but also by his vision and his drive. He gets things done. He has the ability to think further.

[1650]

Often we get consumed by the problems of today. The Premier is a man who has the vision and the ability to think further and constantly, restlessly, always thinks further. He challenges us all to be able to look further and build the province for the future — to build the province for our children and for our grandchildren, of which I now have a number I'm exceedingly proud of. I look forward to being able, having been here, to know I'm leaving the province in better condition than four years ago, knowing I can look back and say to them: "It's better for you because of the hard work that was done with this government."

In my riding we have quite a number of seniors, and I am concerned about their care. I'm concerned about their future. I'm concerned about their expectations. I know from experience, meeting with them in so many ways, that these caring, thoughtful, hard-working people invested their lives into British Columbia or other places in Canada. When they need help, they don't want to hear about the expanding requirements on the health care system. Yet that's the reality we have had to deal with.

It astounds me that the previous government could not have read the statistics to know what was coming. When I was in opposition, I know that was one of my largest focuses in my riding — sitting with people and talking about the pressures on the health care system. Then to form government and find out that the previous government hadn't even been doing their planning to deal with those problems, with those issues, those pressures.... They weren't building up the workforce with trained nurses, with more doctors or with more and better facilities.

We had to upgrade facilities when we took over and saw what we were faced with, because needs had changed. We now see that people in care have more acute needs than in the past, and the facilities have to keep up with that. The world has changed. Why didn't the previous government ever acknowledge that or deal with it — or even try to deal with it? It disturbs

me so greatly that the lack of vision, the lack of concern, the lack of preparation endangered all the seniors we're seeing today and over the next ten years.

For the idea that this government could come in and be able to fix everything completely in four years with the pressures that are upon us.... We have done a phenomenal job, and I know that, but I know the seniors who are waiting for the hip replacements or knee surgeries or other treatments might still be frustrated. We want to serve them well, and we continue to be committed to serving them well. We have done so much in the last four years, but there's a lot left to do. We are fully engaged in this budget in doing that.

We look at so many other aspects of our society. Whether it be safe communities and increasing the policing levels, whether it be training, whether it be increasing spaces in educational facilities, whether it be mental health programs — people with disabilities and making sure they have more money and more facilities — whether it be housing.... All of these issues have also been our issues.

We have made improvements, and those, again, are in this budget. We continue to make improvements, and as more money is available, these are our priorities. The homelessness, the child interventions where they're necessary, the support of families — these are all our priorities.

Now that government spending is under control — though I have to say that will never end, for we always have to be very careful and always watchful of how we spend the taxpayers' dollars — we have committed to strong environmental values. We have committed to industry that if you play by our rules, you are welcome here.

[1655]

Our rules need to be clearly laid out and transparent for people to see, with strong repercussions for anybody who isn't going to come and respect the environment we have in British Columbia. If they are, they're welcome. We know the good industries have a great track record, and we see our province productive and industrious once again.

This budget is about balance. It's about social responsibility and fiscal responsibility, and it's about good management. I believe this is a balanced budget in all senses of the word. I'm very, very proud for my last budget speech to support this excellent budget and the government that's brought it to pass.

Hon. S. Brice: It is an honour to follow the member for Nanaimo-Parksville, who has served this House with distinction both as the MLA for her area and as the Minister of Transportation. I know that as she delivers these remarks, the clarity and the wisdom that she has brought to this chamber will be missed, and I know that we will all reflect over time.

It's an honour to stand as the MLA for Saanich South and as the Minister of Human Resources to address this exciting budget. Only two weeks ago I had the privilege to address this House and respond to the government's vision for the future, a vision outlined in

this year's throne speech. Together, the Speech from the Throne and Budget 2005 set out a bold new agenda for British Columbians — a plan we've made possible by three and a half years of hard work.

I'd like to thank all of my colleagues for their commitment and dedication to staying the course and to thank British Columbians for their efforts. The collective drive we have allows us to stand together today on the threshold of a golden decade. There is an energy and a sense of optimism that we've not felt in a long time.

I'd like to tell you that the day after the budget, I was in Port Hardy and Port Alberni and travelling to meet people in the communities of Ucluelet and Tofino. You know what? The people there were very excited. They were excited for themselves and excited for their families and their communities because they know we have a positive future, and that feeling of excitement is everywhere. You will find it in communities throughout the province.

In my own riding of Saanich South, people are telling me that they feel a sense of relief, actually — relief that we are finally back on track to fiscal stability. They're looking forward to their future with confidence for the first time in a long time, because this is a budget of prosperity.

Budget 2005 is a budget built on the confidence, the drive and the leadership of one man — our Premier. When we took office, British Columbia was ninth in job growth. British Columbians were leaving the province, and housing starts were declining by 15 percent a year. Today, thanks to the economic vision of the Premier, British Columbia is first in job creation and first in housing starts. Best of all, British Columbians are choosing to stay, as more and more Canadians find their way here to a place where they feel safe and confident to raise their children. There is no doubt about it. The Premier's leadership has made a huge difference to this province — a difference that has moved us from fast ferries, fudge-it budgets and have-not provincial status to the threshold of a golden decade and a whole new age of prosperity felt throughout British Columbia.

[J. Weisbeck in the chair.]

Signs of prosperity and the confidence it brings are all around us. Just look at the construction that's taking place in the capital region. The value of building permits has jumped on average more than 25 percent in the last year alone.

[1700]

All of this activity means jobs. From 2001 to 2003, 6,300 jobs were created in greater Victoria. Sitting at 5.1 percent, Victoria's jobless rate today is almost 2 points lower than the national rate. There's no doubt: our hard work has paid off. We can finally look ahead to a future of renewed prosperity.

One of our government's greatest achievements, announced in the budget, is that we are making the largest single paydown of B.C.'s provincial debt in his-

tory. That's \$1.7 billion off the books. This means that our tax dollars, more than 125 million of them, can go to the infrastructure that British Columbians need and want — such as schools, health care and highways — not to interest payments on yesterday's debt.

We're taking steps to ensure that the surplus we created in this budget will continue to be created in budgets next year, the year after and the year after that, because we know it is only through responsible government that British Columbians can realize their full potential in the best place on Earth.

To ensure that low-income British Columbians have more money in their pockets to provide for their families and get ahead, our government has reduced or eliminated provincial income tax on more than 730,000 British Columbians. That means that a family of four earning \$30,000 will now pay almost \$1,300 less in income tax than they did in 2001. A senior couple with the same income will now pay almost \$930 less. Our tax reductions mean British Columbians with an income of \$20,000 now pay the lowest taxes in Canada, while our tax changes give a family of four with a \$60,000 income the second-lowest overall taxes in the country.

Budget 2005 also makes it easier for British Columbians to buy their first house, by exempting first-time buyers from the property transfer tax on eligible residential properties. We're raising the eligibility threshold for homeowner grants so that more British Columbians can qualify.

Getting our financial house in order is really making a difference in people's lives. To continue making that difference, the Premier has set five goals for a golden decade: to create more jobs per capita than anywhere else in Canada; to make B.C. the best-educated, most literate place on the continent; to lead the world in sustainable environmental management, with the best air and water quality and the best fisheries management, bar none; to lead the way in North America in healthy living and physical fitness; and to build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors. We know these goals will challenge us all. By setting our sights high, the Premier has shown confidence in British Columbians.

How are we doing in job creation? The most important goal we've given ourselves, the most important goal British Columbians have given us, is jobs — jobs for our families, neighbourhoods and communities. Since December 2001, B.C. has led the nation in job creation, with nearly 200,000 new jobs, many of them in very high-paying sectors. In many areas of the province the new jobs are in forestry, energy and mining.

On Vancouver Island, in addition to those traditional sectors, we find a billion-dollar high-tech industry with a thousand companies employing more than 15,000 people. In my community of Saanich South, I have witnessed firsthand at the Vancouver Island Tech Park the superstars there of the tech world, leading the industry to secure markets and attract the best and the brightest to keep the tech industry growing.

Within the next decade we expect a million new jobs across all sectors in B.C., and we've got a plan in place to make it happen. What's the plan? Investment — three-quarters of a billion dollars in economic development and an additional \$81 million to boost opportunities in tourism. That means more jobs and greater prosperity in the Victoria area and exciting new growth right across the province.

[1705]

The second great goal the Premier has set for us is to make British Columbia the best-educated, most literate place in Canada. I am proud to say that we're starting right at the beginning with new early childhood development programs and thousands of new day care spaces.

Our \$150 million contribution to school boards — the largest funding increase in a decade — means more libraries, more arts and more music programs. Our \$6 billion investment in advanced education means there will be more places for Victoria's students at Camosun College, right in Saanich South, and more seats just about everywhere, as we've committed to adding 25,000 new post-secondary seats by 2010.

I know our students will appreciate that we're keeping post-secondary education affordable, limiting tuition fee increases to the cost of inflation and providing \$450 million to make student financial assistance more accessible.

Our next great goal, one that is not only critical for today's British Columbians but for generations to follow, is that of the environment. Our stunning natural scenery, wildlife, clean air and water all help to define British Columbia to the world. Thanks to our continuing investments in the environment, through 37 new class A parks, wildlife protection programs and our new conservation corps, I know the people I represent are enjoying the best that B.C. has to offer.

We can't stop, though, with just looking after the environment. We also need to look after ourselves. That's why leading the way in healthy living and physical fitness is the next great goal of our government. Our aging population, new technologies, expanded health care, soaring drug costs and higher labour costs all add new pressures every year. This is why I am so proud our government has taken steps to revitalize our health care system with much-needed reforms and \$1.5 billion in new investments. In my riding this means better services at our region's hospitals. I've seen firsthand how our investments in new facilities and medical technology are really making a difference in people's lives.

Just one of our new programs is investing \$76 million in the health of B.C.'s babies and preschoolers, screening their vision, dental and hearing.

Interjection.

Hon. S. Brice: I know I'll always get support from the Minister of State for Early Childhood Development.

So it should be. These are, indeed, the best investments we can possibly make. To support that, we are

increasing dental and optical coverage for more than 343,000 British Columbians. We're making sure B.C.'s children get the best possible start in life. They have a lot to look forward to.

The last great goal we have set for ourselves is to ensure that we build the best system of support in Canada for people with special needs, children at risk, seniors and persons with disabilities. We're doing this by investing significantly in adult community living services, social housing and emergency shelters. We've committed the largest increase in over a decade for women and children fleeing domestic violence, and we've invested in enhanced services for children and youth with special needs. Together, all these investments build the best system of support for British Columbians most in need.

The Premier always said these British Columbians would be among the first to benefit from a balanced budget. Of course, this includes people with disabilities, and as Minister of Human Resources, they are the reason I take special pride in this goal.

Just seven weeks ago we raised disability assistance by \$70 to \$856 a month — the largest increase in the history of the province and the first significant increase in over ten years. The previous government did not raise these rates in a meaningful way for one simple reason: they could not afford it. They destroyed the provincial economy, and they did not have the capacity to help those most in need. We can afford the increase because we have turned the B.C. economy around.

[1710]

We're also ensuring that people with disabilities have a wide range of supports, like low-cost bus passes and enhanced medical coverage. We're doing this because it's our goal to build the best support system in Canada for persons with disabilities, so they can live healthier, happier and more fulfilled lives.

Because we sincerely believe that people are healthier when they are working, B.C. is also leading the country in our commitment to employment opportunities for people with disabilities. We've invested \$60 million in employment programs for persons with disabilities during the course of our mandate. We've doubled the earnings exemption to \$400 a month to encourage persons with disabilities to work as they are able. I am pleased to announce that these earnings exemptions will further increase next year.

We've established a \$20 million Disability Supports for Employment Fund, which generates approximately \$1 million in interest each year forever. It's a fact: getting income assistance clients who are capable of working back into the workforce has been one of our greatest successes. We've achieved this by investing in employment programs and putting an end to an era of welfare entitlement that flourished in the 1990s.

So far our service providers have placed 38,000 people directly into jobs, 3,200 of them right here in greater Victoria. I am proud to say that the number of people dependent on income assistance is the lowest it's been in more than 20 years. Does this make a difference in our communities? Of course it does.

Here's an example. It's from right here in Victoria, and certainly just one of many that I encounter. Ironically, and of course appropriately for Victoria, it's about tourism. It's the story about Frances. Frances was on income assistance and had little job experience, but she had a goal to provide a better life for herself and her family. Through Destinations, one of our job placement service providers, Frances found a job at a local hotel where she quickly became a key member of the team. The hotel manager is impressed and describes her as loyal, dedicated and showing strong leadership skills to the younger staff members. Frances now has more than a job. She has self-confidence, ambition and a bright future. People like Frances say to me: "Thank you, thank you, thank you. You have given me my life back."

The way we see it, a community where people are employed is happier and more prosperous. When people flourish, businesses flourish and communities flourish. That's why our priority has been creating jobs for British Columbians — hundreds of thousands of jobs all over the province. We've regained our position as Canada's leader in job creation. Now we're actively pursuing new trade markets and global opportunities for British Columbians, bringing jobs, health and prosperity home for good to our communities.

Four years ago we spelled out the measures we would take to balance the budget and get the province back on track, because we wanted to see B.C. live up to its potential. Balancing the budget was never an end in itself. We did it because when we have sound fiscal management and a vibrant economy, we can afford to invest in the programs and services that help build our communities so that we can be the best we can be.

That's why we've committed the highest budgets ever to child care, education and health care. That's why we've committed thousands of new post-secondary spaces and long-term investments in our environment. We want to ensure that there is a future — a golden future for our children and our grandchildren — right here in British Columbia, the best place on Earth.

Hon. S. Hawkins: Mr. Speaker, I seek leave to make an introduction.

Leave granted.

Introductions by Members

Hon. S. Hawkins: I had the pleasure this afternoon of meeting Mr. Nav Jhaver. He's a fellow leukemia survivor. He is on a committee that is going to do the first-ever walk called Light the Night Walk, put on by the Leukemia and Lymphoma Society, on June 11 here in Victoria at Clover Point Park. It's Canada's first walk of this kind. Apparently they're done all over the U.S., but Victoria will have the first walk ever. I'd like the House to please welcome him.

Also, I'd like to challenge my MLA colleagues to come and walk with me that night on June 11. Could you please welcome Mr. Nav Jhaver.

[1715]

Debate Continued

Hon. I. Chong: I'm very glad to rise today to speak in response to the budget, because it has been a number of years since my first election in 1996 to this Legislature. I have seen a number of budgets and have responded to each and every one of them.

Obviously, in 1996 to 2001, when I was in opposition, I did not speak in favour of the budget that was proposed by the then government of the day. But since our election as government in 2001, I have obviously and most vigorously and excitedly supported the budget that our government has introduced, because first and foremost, it has always been a budget that has been based on a plan and on a vision that our Premier put out in our election campaign of 2001.

Before I go to my remarks, I wanted to acknowledge the member for Nanaimo-Parksville, who spoke earlier. I did hear her speak, and as she spoke about this being her last opportunity to reply to the budget, I was reminded of how I met her, how she was considering running for office. She came from the business environment, and many of us spoke with her privately and encouraged her, because we could see within her a passion to make a change, a passion to make a difference. That's what it's all about when you come to this Legislature.

Thankfully, and obviously, her constituents were very bright, because they elected her — a resounding majority in a by-election that brought her to this House. Since that day onwards, she has been a valuable member of our caucus and cabinet. She continues to be a valuable member, and she will be right up until the general election is called.

When she talked about the budget today, it reminded me of what brought me here in 1996 — my first foray into the provincial scene. That, too, was because, as an accountant, I was surrounded by a sea of clients who were disenchanted with what was happening, whose businesses were faltering, who were really looking for new direction and did not see any new direction coming out of the NDP government of the day.

We're here today because we have our second balanced budget. When we were elected in 2001, we said we would introduce a balanced budget in our third full fiscal year. Last year, for our '04-05 year, we introduced our first balanced budget. This will be our second balanced budget, and it should be no surprise for anyone that these are true balanced budgets, because they have been presented according to generally accepted accounting principles — GAAP, as we know in the accounting world.

We're the first jurisdiction to do it. We were leaders when we introduced that initiative, and we are still leaders because we have abided by it, and we will continue to abide by it. The fact we have legislation that

commits us to balancing the budget hereafter is also important, because that's what taxpayers want to rely on. That's what taxpayers expect from the legislators. They expect good fiscal management. They expect it because they deserve it, and we as legislators deserve to offer that to them.

I also want to acknowledge an historic initiative — well, I guess it is an initiative — in this budget. We are making the very largest, a record, paydown of debt in this provincial budget — not this budget for last year, but introduced in this budget — a \$1.7 billion debt reduction. That is an incredible amount of paydown.

What would we want to do in our own households but start making large debt repayments? Because when you make those large debt repayments on your mortgage or on your car payment or on your business loan, it means that you will not have to invest dollars in debt-servicing interest costs. It means that what you would normally have to allocate every month, every week, towards interest costs no longer is required of you. What you can then do is reinvest those dollars in other areas, and that's exactly what we're going to be doing — reinvesting savings on debt servicing into spending on programs. We can say they will be sustainable, because we do not have that debt payment to make.

When you take a look at the budget book, when you take a look at the management of public debt and debt servicing as a ministry.... We used to say that it is the third-largest ministry. If you were to put all the interest that we paid into one ministry, it is the third-largest ministry in terms of spending in our budget. So the fact that you could make a debt repayment, the fact that you could reduce interest costs, gets us on the way to better sustainability and better fiscal management. That kind of a paydown allows us to look at other areas we wish to invest in.

[1720]

We want to invest in our families. We want to invest in our communities. That's what we're doing with this budget. We're investing in our communities by increasing spending in our policing and correction services. We're investing dollars in making our communities safe again, by having the largest-ever program spending in women's programs — a 30 percent increase. That is a phenomenal amount, where women's transition houses will see a major increase, where the outreach services that they're looking for.... A 30 percent lift. That is an amazing increase.

In the ten years the NDP were in power, in the two administrations they oversaw, I never saw that kind of an increase.

An Hon. Member: It wasn't there.

Hon. I. Chong: It wasn't there. They couldn't make it, because they didn't know whether they would have the dollars to sustain that kind of a program. But every now and then you hear them talk about the fact that they had a balanced budget and that we inherited a balanced budget.

You know, I do have to acknowledge that there was a balanced budget when we stepped into these offices in 2001, but their balanced budget was one-time. Their balanced budget was not real. Their balanced budget was based on a windfall of dollars.

It's like you suddenly won the 6/49 or, if you want to bring it down a little smaller, you won a scratch-and-win for \$25,000. You used that scratch-and-win, and you started saying: "Well, now we need to create new expenditures — buy a new car or buy a new house — and therefore, I have new payments to make." But next year you don't have that scratch-and-win, so you can't make those car payments. You can't make that mortgage payment. You can't make those loan payments.

That's exactly how their balanced budget occurred — one-time energy spikes, windfall profits. That was great, but you know, they should have done the right thing. They should have taken those one-time dollars and put them to one-time kinds of expenditures. They could perhaps look at investing in their communities or, better, putting it down on the debt. But they didn't do that. They introduced a whole slew of new programs for which there were no sustainable dollars.

That's what they left us with. That's what we inherited, which is why in 2001 the independent fiscal review panel that came along said we had inherited a structural deficit. Yes, the books were balanced, but it was intended to decline and create a deficit, a structural deficit.

We've turned that around. We are going to see a structural surplus, because we've ensured that we will have a forecast allowance within our budget processes. We will ensure that our programs are sustainable. We have looked at our revenue streams. We have been reasonable. We have been conservative. We have just been very good fiscal managers, and we are doing it all within the guidelines that accountants would accept.

That's exactly what we said when we were in opposition: "When we get to this House, when we have the opportunity to be the government of the day, we will have taxpayers know that they can expect us to keep our books the way businesses keep their books." I wanted to talk a little bit about that.

I wanted to talk, also, about why, as my colleagues have said, it's important for us to go forward and why this budget and our throne speech, in fact, were so important at this particular time. We know that in May of this year the voters are going to be going to the polls, and they need to see something. They need to see a vision. They need to understand what it is they want to do to take them into the next decade.

Do they want to go forward into the next decade and see a golden decade of opportunity? Or do they want, as the NDP would say, to go back to 2001 and back to the nineties, where we saw a decade of decline? I don't think so. I don't think voters want that, because voters don't want to see communities struggling, where jobs are lost and families are struggling. They don't want to see their young people driven out to other provinces because that's where the jobs are.

We see that jobs are here. We've created more jobs than ever. We have over 2 million people working in this province, and that is a good sign. That means we have opportunities. That means families can stay together.

[1725]

I have my own personal story to tell you. In the nineties I had a friend. She was the mother of a young daughter, and her husband was in the construction business — the construction business, of all things, which is booming now in this economy. Well, in the nineties — and this was between 1996 and 2001 — he couldn't find work. He had been self-employed, he had been in construction, he had worked as a manager, and he had been a crewperson. He had worked in construction for probably 20 years. He finally had to pick up his bags and go, of all places, to Calgary to find work. He left and he had to find a place in Calgary. He had to rent a house and send money back to his wife to pay the mortgage here. He couldn't get ahead, but he needed to have the revenues to at least keep the mortgage payments up.

When I take a look at that situation.... And he left; he essentially made my friend with her little girl a single mom because he drove — her husband — to another province, and she made it very difficult....

Interjection.

Hon. I. Chong: Breaking up families — exactly. That's not what's happening today. We see people moving back. We see the moving trucks coming from Alberta and ending up here in British Columbia. That wasn't what was happening in the nineties.

I'm also proud to see a number of other initiatives. The Minister of Human Resources was speaking just prior to me, the member for Saanich South. She has been able to provide the largest monthly increase ever to persons with disabilities, a \$70-per-month increase.

I know that, even with \$70, people on disability may say that a little more would help. But the fact that we're getting there, the fact that we acknowledge that they haven't had an increase, that the previous government in ten years never gave them this kind of an increase, the fact that as soon as we have a situation where we have a sizable surplus.... That's what we're investing in our persons with disabilities — a \$70-a-month increase. That has been particularly well received in that community because the people who are receiving this know that this is the largest increase ever. That now makes us, in this country, the second-highest province in terms of offering persons with disability an income. I didn't know that until I saw the budget book, and I think that's something to be proud of.

I also want to talk about the fact that we have other people who look at our province, who look inwards and wonder what it is that we're doing. What they are seeing is.... They're endorsing that we are good fiscal managers. The bond-rating agencies — these are independent people. They're people who can make and

have a direct influence on the cost of our borrowing. Certainly we still have debts. Certainly we may have to still continue to borrow as we continue to build on the infrastructure that has been so sorely lacking.

When we borrow, well.... It's like all of us. When we go to the bank, when we borrow for the car, when we borrow for our house, when we borrow for our businesses, we always are saying: "Can we get the best rate, which is prime plus maybe a small point-five, or prime plus one?" We don't want to go to the highest borrowing. We want to go to the lowest borrowing.

Our bond rating agencies can do that for us if they have confidence in our future finances, if they have confidence that we're going to be able to keep a balanced budget in place and that we will stick to a plan, a plan that works. They have already indicated we will do that.

When we inherited the books of this province, we were on a stable watch, or the outlook was somewhat stable. We are definitely on a firmer stable watch, if you can say that. But more recently we actually did receive an upgrade from double-A negative to double-A. I dare say that I don't want to presuppose, but I do believe that the bond rating agencies and the credit rating agencies will say that we deserve upgrades yet again, because they know that what we've done since our election is stuck to a plan.

I know I keep saying that, but it is just so important to remind British Columbians that it's only by sticking to a plan that you are going to get to the end goal. Certainly you're going to have some decisions you're going to have to manage through, and there will be some difficult decisions. But if you know that what you really want to do is rebuild your economy, revitalize the economy — because that is what is going to provide for the social programs, the social spending that we want.... If that's going to provide for the best education system, the best health care, that's what we must do.

[1730]

When you build an economy, we also have to remember the people who are helping us build it. We've heard it even from the NDP, believe it or not. They say small businesses are the engine of our economy — small businesses. What have they done for small businesses? What did they do for small businesses? They drove them out of this province; that's what they did. They didn't allow them to expand, because their red tape, their regulations and their taxation policies were so onerous. So these small businesses didn't create jobs.

Well, 200,000 new jobs have been created, and most of them have been created by our small businesses. Why? It's because they've invested in this province. What did they do for the small businesses? They had ample opportunity to do this. Well, they didn't.

Here's what we've done in our four short years. We've increased what we've called the small business threshold, meaning that on the first \$200,000 you earn in your small business corporation, you pay a certain level of tax. Once you get over \$200,000, you pay more. We've increased that threshold to \$400,000, which

means they can earn up to \$400,000 and pay the tax at a lower rate before they get to the higher rate.

Some people may say: "Why do they need that?" Well, I can tell you, Mr. Speaker, that when a small business is wanting to grow, when a small business is wanting to invest in more machinery or equipment, it's better to use as much of their after-tax dollars for that.... The more they have left over, the better it is for them. Increasing that threshold means they will have that opportunity to reinvest more of the after-tax dollars into their businesses. When that happens, it means more jobs. It means more jobs for the community and more jobs for families — and that's important.

I notice, as well, in the budget — and I wanted to say this very quickly — that we introduced a film tax credit. That's important, because in British Columbia we need to remain competitive. In Victoria our film industry is growing. Our film industry needs to know that they can depend on having a competitive structure. This is where new jobs are emerging for our young people.

The other area I want to remind people about.... Since we were first elected in 2001, we've gotten rid of what we called the corporation capital tax. Now, this tax was introduced quite a number of years ago. In 1995 — I recall because I was still in public practice at that time, catering to my clients — then Premier Mike Harcourt said that he would eliminate the corporation capital tax. Well, he was gone because there was a leadership issue. Mr. Glen Clark came in, and do you know what? He just ignored it. He didn't follow through on it. It was a shame, because it was the one glimpse of hope businesses had that the NDP might really get it.

Glen Clark didn't introduce a change to the corporation capital tax. While I was in opposition and met with businesses, they all said to me: "Why do you have this silly tax? This corporation capital tax — which is not a tax on income; we have a tax on income — is a tax on capital." After you invest in capital, you're still paying more tax on it just because you bought more capital. That made no sense.

As we were reaching out to our other international communities in Hong Kong, China, India or even in some of the European countries.... When they met with us, they said: "Do you still have that corporation capital tax? Because if you still have that, I don't think I want to bring my dollars to your province."

"Well, yes," we had to say, "we have it, but should we be so fortunate as to form government, that's one tax we certainly will look at, because that doesn't make us competitive." We eliminated it. It was gone last year. You know, some people still are asking us: "Is it still there?" Isn't it incredible? When you bring out such a terrible, onerous tax, even when it's gone, people still think it's here. That's why it's important that we not bring in onerous taxes such as that, which have no direct benefit. That's why it's important that we remind people — our investors in particular — that it is gone.

It is important because investment that comes into this province from outside.... That's new money that

comes into this province. That's not money that's just been circulated out of one pocket to another. It's new money that comes to this province. That's what creates jobs. When a mill says they want to invest \$30 million, those employees should be happy, because if they work for a company that sees a \$30 million injection in their mill or their other manufacturing company, that should tell them something. That should tell them they have jobs for another three, five, ten years.

[1735]

You know, when we were elected in 2001, I can tell you we were the last province that anyone thought of investing in. I believe we are now the second intentioned province when it comes to investment. Alberta still gets to be number one, you know, but that's because they have no....

Hon. S. Hawkins: They've been at it longer.

Hon. I. Chong: They've been at it longer. They've gotten rid of their debt. The people who are wanting to invest money know what they can depend on, and they're starting to see that here in this province as well. That's why it's so important to talk about our taxes being competitive.

Another area in our budget that has been somewhat overlooked — and I just want to say this very quickly before I close my remarks — is the area of arts funding. It didn't get a lot of attention, but I can tell you that when I was in opposition and I was the critic for Small Business, Tourism and Culture, I met with arts groups. At that time, I and the Premier met with the arts community, and they said they needed more investment in the arts.

What we said to them was: "You know, we need to get the economy moving. We need to get a stable economy where we know jobs are being created and we know we've got a good tax base. When that happens, we will put those resources towards the arts community." Guess what. We delivered on that. We delivered on that commitment to the arts community, a relatively small community that takes \$1 and makes it into \$10 in the community and that hires for direct jobs and indirect jobs. More importantly, it's the young people, the young boys and girls who are involved in theatre, dance...

Hon. S. Hawkins: Music.

Hon. I. Chong: ...music, reading, painting, the arts...

Hon. G. Bruce: Sculpture.

Hon. I. Chong: ...and sculpture, as my colleague was saying. All these areas are so important for our young people, and their parents want them to have this. Our arts community has now seen this injection of money, and that's important.

I know I could go on and on, because there is so much to say.

An Hon. Member: Good news.

Hon. I. Chong: It's because there is absolutely so much good news in this budget. I was happy last year with our Budget 2004, but I'm even happier this year, because I see we have built on our last year's budget. I see we are building on that, and our vision, as laid out in the throne speech, will see us build out even more.

Before I conclude, I need to talk a little about my area in terms of the Ministry of Advanced Education. I know I talked about this before, with the throne speech, but I just want to say once again how proud I am to be able to work in this area of Advanced Education, because higher learning is so important. The Premier has said, and has been quoted many times, that literacy opens the door to learning and to opportunities, and he is so right.

One of our goals is to be the most-educated and the most-literate jurisdiction in the continent, and that speaks very highly of where our vision is with our young people. The fact that we have these 25,000 new spaces that will be opening up by the year 2010 is going to help our young people achieve their dreams and their goals. That's important, and it's more important because many of them will come out to be the taxpayers who will support me when.... Well, I won't be a senior by 2010, but I'm getting there, and I need to know that they're going to be there.

I see the young people in this room and the pages who sit here and serve us, who take our messages for us and bring us our water. They are the next generation we are thinking about. The Premier has always said that it's not about next week, next month or even next year. He's always challenged each and every one of us to think out five years, out ten years, which is why we're headed towards this golden decade.

I thank you for giving me the opportunity to speak to the budget today. I wish I could continue, but noting the hour, I move adjournment of debate.

Hon. I. Chong moved adjournment of debate.

Motion approved.

Hon. G. Bruce: Well, it's been a great week in British Columbia again, and I'm looking forward to next week, as this debate will continue.

Hon. G. Bruce moved adjournment of the House.

Motion approved.

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

The House adjourned at 5:39 p.m.