



Second Session, 39th Parliament

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

Thursday, May 27, 2010

Morning Sitting

Volume 19, Number 1

THE HONOURABLE BILL BARISOFF, SPEAKER

ISSN 0709-1281

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

LIEUTENANT-GOVERNOR
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SECOND SESSION, 39TH PARLIAMENT

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Honourable Bill Barisoff

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THURSDAY, MAY 27, 2010

The House met at 10:02 a.m.

[Mr. Speaker in the chair.]

Prayers.

Mr. Speaker: First of all, I think there must be a member who wants to make an apology to the House.

Hon. B. Bennett: Mr. Speaker, I apologize to you and to all members of the House and also to the institution for allowing my phone to go off during the prayer.

Mr. Speaker: Thank you, Member.

Introductions by Members

D. Hayer: I'd like to take this opportunity to recognize the wonderful humanitarian project being held in my riding of Surrey-Tynehead this week. The Rotary Club of Surrey Fraser Heights has set up a disaster village in the parking lot of Guildford Town Centre in my riding to raise awareness and raise funds to help those who are struck by disasters, such as those in Haiti, Sudan, India and so forth.

The fundraiser is for shelter boxes which, at a cost of \$1,000 each, provide a ten-person tent, blankets, a water filtration system, a stove, pots, dehydrated food and other necessities to help people...

Mr. Speaker: Hon. Member.

D. Hayer: ...survive disaster. I'd like the House to recognize the great work that Rotary Club is doing.

Mr. Speaker: Hon. Member, you're not to be reading from a newspaper in the House, please.

D. Hayer: I'm not reading from the newspaper, Sir. I've got my notes.

The instigator of this great and wonderful fundraiser was Cathrine Levan, president of the Rotary Club of Surrey Fraser Heights. Supporting her were many volunteers, Interact students, club members and family members.

Mr. Speaker: Member.

D. Hayer: Also Kildip Ardwarra, who volunteered to help provide information to the *Leader* newspaper. I ask the House to please thank them for the great work they are doing for humanity and raising funds for disasters.

[1005]

Mr. Speaker: I just want to remind members. For an introduction of guests, there is some protocol that

goes with this. We should be more careful in what we're doing and the length of time that it takes to do an introduction of guests.

S. Fraser: I have 37 stellar students from Alberni District Secondary School. I'd like to introduce them all by name, please — no.

Mr. Speaker: It's one of those mornings, Member. You might as well fly at it.

S. Fraser: This is a great group of students all interested in and moving on to post-secondary education. Last night they had the opportunity to stay at UVic. They're here today. We had a great tour this morning. Escorting them are teachers and chaperones Angie Miller, Bruce Carlos, Nick Seredick and Louise Savard. A great group of 37 students from ADSS. ADSS rocks. Please help me welcome them.

Tabling Documents

Hon. S. Bond: I rise this morning to table the 2009 annual report for BCRC.

Orders of the Day

Hon. M. de Jong: I call, in Committee A, Committee of Supply — for the information of members, the ongoing Health estimates — and, in this chamber, second reading on Bill 20.

Second Reading of Bills

BILL 20 — MISCELLANEOUS STATUTES AMENDMENT ACT (No. 3), 2010

Hon. M. de Jong: I call second reading of Bill 20, which is a miscellaneous statutes amendment act and a fairly lengthy one at that, touching on a whole host of particular sections.

[C. Trevena in the chair.]

I'll go through them and can advise the members that when I come to section 36, dealing with the Representative for Children and Youth Act, I will update the House on discussions that have taken place. But to eliminate the anticipation, happily the government will not need to proceed with that section of the act, and it will not be proceeding. I'll provide additional information in a moment.

The act, as I said, deals with a number of statutes. I'll go through them in summary form. The practice, of course, is to deal with them in more detail when we get to the committee stage debate.

There are amendments to the Civil Forfeiture Act to improve its application — clearer definitions and procedures, especially for preserving the value of property until final decisions are made by the court — and related changes to the Environmental Management Act, which have the effect of limiting the government's liability for the remediation of contaminated properties that come into its possession, again through civil forfeiture.

The Police Act is being amended to respond to the first Braidwood commission report. I add parenthetically that the government is now in possession of the second Braidwood report, and we should expect its public release shortly. The changes here provide the director of police services with authority to make standards for the use of force, detention facilities, equipment and supplies used for law enforcement, as well as training and retraining of police officers.

The Coastal Ferry Act is amended to strengthen the B.C. Ferries governance model, establish limits for board and executive compensation, and expand the transparency of B.C. Ferries.

[1010]

There is an amendment to the School Act which implements a platform commitment to give parents, teachers and principals the right to decide whether video surveillance should be installed in their schools.

Legislation related to the community business loans program transfers the forest community business loans program to the Ministry of Community and Rural Development. The legislation authorizes the extension of the program's lending terms to serve a wider range of rural small businesses in addition to the forest sector, including clean and renewable energy, innovative development in the use of technology, aquaculture, manufacturing, eco-cultural tourism and export-ready small business.

The Evidence Act is amended to extend the current fee exemption for commissioner appointments to municipalities, regional districts, the Islands Trust council, treaty First Nations, the Nisga'a Nation and Nisga'a villages. The changes also provide flexibility as appropriate to exempt individuals and classes of persons such as charitable organizations from the required appointment fee and are a response to a request that we received from all of those organizations.

As I mentioned a moment ago, the amendment contained in this bill to the Representative for Children and Youth Act will not be proceeding.

I can alert the House to a statement released just a few moments ago by Ted Hughes that was delivered to the Premier, the Leader of the Opposition, the representative and the press where he states his pleasure in reporting "that the mediation process has resulted in a successful resolution of the issue respecting the confidentiality of cabinet documents that the Representative for Children and Youth may review."

He goes on: "Today a senior member of government and the representative will sign a protocol that meets

and respects the needs of both parties. As a result, no amendments to the Representative for Children and Youth Act will be required." I can add parenthetically, again, that the amendment contained in this bill will not be proceeding, accordingly.

Mr. Hughes continues by thanking "both the government and the Representative for Children and Youth for the cooperative and accommodating spirit which they both brought to the table." He goes on to thank the individuals who "have worked tirelessly" to accomplish the protocol that will be signed later today.

Going back to the bill, there are amendments to the Municipalities Enabling and Validating Act that transfer control of local land use planning for the University of British Columbia's Point Grey campus from Metro Vancouver to the province, prescribing that the Minister of Community and Rural Development will be the decision-maker for land use planning on that campus.

Amendments to the Small Business Venture Capital Act will encourage British Columbians to invest in new companies involved in research and development of proprietary technologies. These amendments give provincial authority to allocate tax credits for small business investment in support of specific sectors such as clean technology.

Amendments to the Forest Act increase the protection for logging contractors when licensees are transferred in insolvency proceedings by requiring the transfer of associated replaceable logging contracts when a licence is transferred. That is a measure that is here in response to repeated requests for additional protection from those involved, particularly in the logging and harvesting sectors of the forest industry.

Amendments to the Gaming Control Act ensure that all forms of gaming continue to be strongly regulated as the industry becomes more diversified, complex and technology-based.

There are amendments to the Greenhouse Gas Reduction (Cap and Trade) Act to help integrate B.C.'s cap-and-trade requirements with those of Western Climate Initiative partners. Amendments to the Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act ensure the effective implementation of the regulations and maintain B.C.'s position as a leader in reducing the environmental impact of transportation fuels.

Amendments to the Liquor Control and Licensing Act provide the province with new authority to control and enforce the licensing process to prevent serious safety risks such as gang-related activities and service of liquor to minors.

[1015]

Changes to the Mineral Tenure Act will improve the tenure process and increase the efficiency of mineral claim acquisition and the administration of mineral titles.

Amendments to the Safety Standards Act support B.C.'s bioenergy strategy and give businesses more flexibility by

allowing them the choice of developing alternative safety plans using innovative and emerging technologies.

Changes to the Transportation Act ensure that future properties within a municipality acquired by the province for provincial highways remain under provincial ownership when the plan dedicating the property as highway is provided to the land title office.

Amendments to the Vancouver Charter allow the city of Vancouver to provide permissive tax exemptions to local charitable, philanthropic or other not-for-profit organizations such as the Royal Canadian Legion.

These amendments are consistent with the existing authorities of other municipalities under the Community Charter and address an issue that comes to the fore at least once a year, on November 11. The amendment will ensure that the city of Vancouver has the same flexibility and options available to other communities in the province.

Amendments to the Tobacco Control Act permit an exemption for signage on buildings designated as heritage properties under the Local Government Act or Vancouver Charter.

Finally, the bill makes consequential amendments related to a number of statutes, including the Nisga'a final agreement and the Maa-nulth First Nations final agreement.

I know as always, particularly with a bill covering as much territory as this miscellaneous statutes amendment act, that there will be general commentary in the discussion we are having now and more specific questions and observations and critiques as the bill proceeds into committee stage discussion later in the proceedings of the House.

With that, I move, as I did at the outset, second reading of the bill.

L. Krog: I firstly want to express my thanks to the Attorney General, who kindly offered a briefing on Bill 20, which I did not have time to take advantage of. But our able research department has provided a great deal of information on this.

I secondly want to thank the Attorney General for the announcement this morning of the withdrawal of section 36 of this bill, which was going to prove highly contentious. It is good news and good news. It's good news for British Columbians, and it's good news because I won't take as much of the House's time this morning talking to section 36; nor will the other members of the opposition caucus who were adamantly opposed to that particular section.

This bill, in some respects, makes me think it should be the Mary Poppins statute. We're doing a lot of house-keeping and cleaning up here this morning on a number of areas, but I would be remiss if I didn't make comment on some of these — and to go through it not with any great detail.

Firstly, around the issue of the changes to the aboriginal relations and reconciliation amendments. Much of this, I assume, has resulted from discussions with the Nisga'a people themselves and represents requests on their behalf, but that is something that I hope the government will be able to address during the course of committee stage of this bill.

The other sections by and large appear, as I say, to be of a housekeeping nature. There is nothing of great significance. But going through the bill without wishing to dwell too long, I do note the obvious concerns the opposition has with respect to part 4, the education amendments.

I know my friend the MLA for Skeena will be speaking to this in his role as critic, but I must say as a lawyer and as someone who is very conscious of how much our privacy is invaded each day — often by consent, implied or given specifically — these proposed changes are extremely troubling to me.

I have read articles that indicate there is now in Great Britain something in the order of a video surveillance camera for every 14 citizens of the United Kingdom.

[1020]

When I was young, which wasn't that long ago — notwithstanding what some members of the House may suggest — I read *1984*, and I read *Brave New World*. You can argue, I think, without having to join the ranks of the crazy conspiracy theorists, that in some respects we are almost there.

When you purchase any item in a store now, if you're one of those people who happily pick up the points card or put it on Visa or want to collect whatever, this information is being gathered and stored so that you can form profiles of all of us in terms of our shopping habits, in terms of what we do and what our interests are — whether we read highbrow or lowbrow literature, whether we read magazines, what kind of soap we use.

I appreciate, and I don't wish to be seen to be straying off the point of Bill 20, but what is proposed here is to authorize the installation.... I'm referring specifically to section 43, which says:

"A board" — referring to a board of school trustees — "may install and operate a video surveillance camera in a school facility or on school land for the purposes of protecting (a) the safety of individuals in a school facility or on school land, (b) an individual's belongings in a school facility or on school land, or (c) school property with the prior approval of the school planning council for the school where the board proposes to install and operate a video surveillance camera."

It strikes me as incredibly Orwellian. If our schools are unsafe, if we require video surveillance cameras for the purposes of protecting students, protecting individuals in school facilities or their property, surely there are better ways to go about it. The concept that a grade 5 student — not an adult at law, not capable at law of giving consent to be surveilled — is going to be the subject of surveillance on a school playground or in a corridor or potentially in a classroom, because there is no restriction on this.... That concept, I think, is actually quite repugnant.

Now, my understanding is — and I'm sure the Minister of Education or the Attorney General will correct me if I'm wrong — that the whole purpose of this is to fulfil a campaign commitment made by the Liberal Party in the last election. Now, every party that ever gets elected to power campaigns on a platform generally, and one should never expect or accept that the election of that party to power represents a public endorsement of every specific provision of their platform.

As much as many in our province have concerns about crime and violence, and bullying in our schools in particular, I cannot believe for a moment that the majority of British Columbians actually think it's a good idea to have surveillance cameras on school property. I cannot believe that we have so descended into a climate of fear in our province that there is a public expectation that the surveillance of children is important. I cannot believe that we have so descended as a society that we are prepared to submit to what Orwell described.

It's bad enough that if you walk off the school grounds and go into the convenience store, chances are you'll be under surveillance. That's a private facility. It's a choice a student makes to go and purchase a candy bar, a bottle of pop or whatever. But in a public school, which by law you're required to attend because we see public education as such an important public value in our society.... An institution that you're required to attend by law is now going to be engaging the same kind of practices as private industry, private shops, who wish to protect themselves from theft or being victimized by criminal behaviour.

[1025]

I want to quote what Patti Bacchus of the Vancouver school board said. She said: "Are we going to be replacing people with technology? I don't know why the government would feel this was an election promise it had to keep. I don't see any spike in crime or any demand for surveillance." She goes on to say: "What will keep schools safe is having school support workers, counsellors, teachers — not cameras." No one could have put it more simply or more eloquently than Patti Bacchus did.

If we are to ensure that our schools are safe, there are a multitude of things we can do in order to ensure school safety. We can ensure that the teachers in our system, the teaching assistants, custodians — all who work in the public education system — have some kind of training to be able to detect and understand and see bullying when it's occurring, to recognize the symptoms and the behaviour of the students, to be able to step in and intervene.

You have to ask the question: if the surveillance is designed to deter bullying or criminal behaviour...? We know there's been no discernible drop in crime rates because of the institution of surveillance cameras. There are no defining studies that say it's going to happen. I heard no evidence in the Attorney General's remarks

earlier today, nor have I seen any public justification for the institution of surveillance cameras.

And if we do bring them in, at what cost? I'm talking monetary cost, hon. Speaker. Are we going to erase them every 30 days? Are we going to store them in a library? Who is going to be responsible for them? Are we hiring extra staff or expecting school boards who undertake this to hire extra staff? Is the Ministry of Education going to put this line item in the education budget each year now, for surveillance for the various school districts?

Will the trustees of my board of education, Nanaimo, be able to come to Victoria and say: "Minister, we need a half-million bucks this year in order to make sure our cameras are up and operating — that they're working, that they're watching what children are doing in the classroom or on the playground"?

It is an admission, I would suggest, of failure that the government would consider bringing in this provision.

It's also troubling because many groups involved with public education — the B.C. Teachers Federation, the B.C. School Trustees Association — have all commented that the planning councils, which specifically are the groups that have to approve the installation of video surveillance cameras, are not actually working very well. We know that teachers have boycotted them for a long time. The school trustees are basically saying that these planning councils don't work very well.

Candidly, although I have no children in the public education system anymore, I'm not fond of the concept that a school planning council is going to determine the rights to privacy in a classroom of any children. I don't think I agree with the concept that a school board — which, for whatever reason, hasn't been able to address a bullying problem appropriately in the school district — is now going to fall back on video camera surveillance.

If there was some tremendous public demand for it, if there were some studies, if there was some evidence that this would actually have a positive impact, that this would improve the learning environment.... Even then, in fairness, I'm not sure you could convince me of this, because I think this is very much a matter of principle.

Children are required to go to school. They're entitled to be safe and secure in our public school system, but I don't think we're going to address education and the quality of education in this province by surveilling children.

[1030]

Hon. Speaker, the government has very wisely chosen, I think, to withdraw section 36. I would respectfully suggest to the Minister of Education, to the Attorney General, to the government in general, that they consider very carefully why they are proceeding with part 4 of Bill 20. Because there is a time to step back as a society and say that something is actually offensive to the basic principles of privacy that we all believe we have the right to enjoy.

That cliché-ridden, sexist statement that an Englishman's home is his castle.... Surely for our children, the school is their castle, in a sense. It is an institution designed and built for them by all of us, through our contributions as citizens. It's a place where they can be safe and secure and learn, because we see public education as a great value.

I sincerely hope the government will reconsider its position on this particular provision of Bill 20. If it passes, the questions, as I've indicated earlier, become: at what cost to the system and for what benefit? What precedent will we have set?

You know, we have seen movies, documentaries, films, programs, newscasts about the condition of some of the American schools where violence is almost akin to mayhem, where there are armed security guards. I would like to think that here in British Columbia, before we descend into that hell, if you will, surely we can do things other than bring in video surveillance. It sets a tone in public education that I don't think accords with the values of British Columbians.

There are a number of other provisions. The Attorney General spoke briefly about them. We have, if you will, the baker's dozen. It covers 12 different ministerial areas. The one that does stand out, in particular, I think, is those changes that are provided to be made with respect to transportation, particularly B.C. Ferries.

Formerly my constituency boundaries included the Gabriola Island ferry terminal, the Duke Point ferry terminal and the Departure Bay ferry terminal. I'm now like the character in a Victorian novel, living in somewhat reduced circumstances. I only have the Departure Bay terminal.

As a native-born Islander, ferries are important to us. No one understands ferries better than those of us who want to get back and forth to the Lower Mainland or places further afield. Most of us have not seen the passage of the Coastal Ferry Act as being the greatest step forward in the provision and enhancement of public transportation in British Columbia's history.

It's amusing that we find ourselves now with a number of provisions being proposed with respect to amendments that the opposition politely suggested some time ago were going to come about.

When you took B.C. Ferries out from under public scrutiny, when you removed the scrutiny of the freedom of information, when you put it behind closed doors and somehow pretended it was independent — when the only shareholder was the government and therefore the people of British Columbia — the opposition quite rightly screamed loud and long, because we knew it was a sham. It was a sham to pretend that the only shareholder wouldn't really be in charge of the ferry corporation.

[1035]

Now we're coming back full circle — without really much of an apology, I might add, for having led us down

this path this long — to trying to bring the ferry corporation to heel, so to speak, to deal with some of the issues that have arisen, particularly around compensation, management and making it subject to FOI.

I think the government has to learn that just because the opposition proposes something or says it's a good thing to do or a wrong thing to do and it doesn't accord with what the government says, it can't actually be the right thing to do. The government may have to accept that proposition from time to time. Smart governments do.

What we're really seeing here are improvements, but they really don't go far enough in many respects. We know that amendments are certainly required and improvements made, but with great respect, these amendments and improvements simply don't go far enough.

There are provisions that relate to environmental changes and the greenhouse cap-and-trade. These amendments really don't give us any details about how this model would operate — leaves it up to the discretion of a ministerial-appointed director and comes back to the old hobbyhorse that I continuously ride in this Legislature, and that is the fact that we see more and more statutes and provisions that hand regulatory authority over to cabinet, as opposed to having bills before this House where the meat and the focus and the effect of the legislation is actually debated.

This just carries on with that rather disturbing trend in legislation. What we are seeing here is a continuance of that approach, which may lead to efficiency, may well save debate in this chamber. But I'd like to think that spending time debating something in this chamber was actually what we were really elected to do, that we weren't elected to simply get into government, become cabinet ministers and then take over the power, if you will, and the authority to do things that historically would have been the subject of public debate.

The phrase has been used, in a recent court case in British Columbia, about how something could be done with the stroke of a pen. Well, that's really what we're talking about here. With the stroke of a pen, things can be accomplished that will have and do have a significant impact on the lives of British Columbians. Including these changes....

Again, no details. All aspects of the system up to the regulation and discretion of the ministerial-appointed director. That's the effect of this.

Now, the director may be a fine, wise, capable, intelligent person, but surely there comes a point where those things that impact on people's lives should be the subject of at least some modest form of debate, and that's not happening here.

Now, I know that many of my colleagues have some comments to make about some of the specific areas that relate to their critic roles. I have tried to address some of these provisions.

I do note with some amusement the change set out in section 119. I would call it the "happy hour at the home" provision. It provides, and this is really for the listening audience, that in care facilities — that includes assisted-living residences, community care facilities and hospitals — "a person in charge of an assisted living residence, community care facility or a hospital may, subject to terms and conditions imposed by the general manager" — that's the liquor licensing branch — "if any, allow liquor to be provided to a patient or resident of that institution" or a guest or patient and charge for that liquor.

So in future, instead of having to take granny out of the home down the road to the local pub, she'll be able to enjoy an afternoon cocktail in the care facility. Now, I say this with a small smile on my face, but I can't help but think that the ghost of W.A.C. Bennett is in this chamber as we speak — a teetotaler himself, surrounded by some members of his cabinet who were somewhat famous for imbibing on occasion.

[1040]

We've come so far in the modernization of liquor legislation in British Columbia that now not only are we selling liquor in all kinds of places.... I see the former Solicitor General here. We're selling it in liquor stores all over the province. We're now going to ensure that you don't even have to leave the old folks home to get a drink in B.C.

Now, this may be a good thing. Maybe if and when I get to that stage, I will appreciate this amendment. But at this point I do find it somewhat amusing that we have come so far that we're now authorizing the sale. A cynical person might think this has to be a stream of revenue to ensure that the government will be able to keep down the costs of long-term and extended care stays, and I'm sure that's a consideration.

Interjection.

L. Krog: The former Solicitor General says I'm being terribly cynical, and perhaps I'm being slightly cynical. It's my nature. One can't practise law or have spent any time in politics without developing a certain level of cynicism.

In the meantime, I will watch with interest how things change in the care system across this province for our seniors and people with disabilities, who will now be able to enjoy the kind of socialization that more mobile British Columbians presently enjoy.

With respect to the rest of the bill, I leave it to my friends to comment. As the Attorney General has wisely pointed out, the devil is in the details. It would appear there are a number of provisions here that may have far more impact than on the face of it.

I think all members of the opposition look forward to being able to debate the sections in committee stage to find out what the true import of this bill is. After all, this

is a 248-section monster, and it's coming late in the session. Our job is to actually spend time ensuring that the people's will is done and the public is protected, so I look forward to that debate. I look forward to hearing what my colleagues will have to say this morning.

H. Bains: I, too, would like to take this opportunity to speak on Bill 20. As my colleagues before me have said, it has wide-ranging effects covering wide-ranging subjects affecting our constituents' daily lives. There are some particular sections in there that deal with my role as critic of Transportation, and there are some other issues that I have some concerns about.

First, I want to talk about part 4, section 42. This is the one that allows schools to install cameras inside the schools. That is a serious concern to me, and I'm sure that will be a serious concern to many parents out there. No one has given any explanation. What is the purpose of those cameras inside the schools, school hallways?

I could understand the need for cameras as far as vandalism is concerned or property damage is concerned, if they were installed for that purpose outside of the building, monitoring areas around the school buildings. Yes, let's face it. There has been quite a bit of damage to school property, and we need to do something about that. But there has to be some demonstrated need.

I think, from a previous life, when the issue of cameras at workplaces came up, that issue went all the way to the Supreme Court of Canada, as I understand it. I think they set up some very strict guidelines on where and under what conditions you can install those cameras.

First of all, there has to be demonstrated need that there is some evidence of property damage, theft, etc. Then only at those places can a camera be directed, not at the workers or people within that facility who have nothing to do with the concern that the employer may have.

I think what we're talking about here is more alarming, because we're talking about our children. The teachers are in the classrooms. Teachers are watching our children right from the time they enter the classrooms or they are inside that building, and they are monitoring them outside when they are playing in the playing fields. I think the issue is when the school is closed, after school hours and/or in the summertime when the schools are shut down.

[1045]

I think those are the issues. If those are the issues, then I think that's where we should be concentrating our efforts to protect the property of our schools and to see what can be done as far as installation of the cameras as a concern. But inside the schools it's a serious concern, and no one has said anything.

What is the purpose, and what is the need to have those cameras installed inside the schools? I think at the committee stage we will be asking a lot of questions about that. What is the purpose? Why do we need this

legislation to allow them to install those cameras inside the school buildings?

I want to move on, because I'm told that the time allocated to this bill is only so much. I'm going to move on to some of the other sections pertaining to transportation. I want to talk about part 12, transportation and infrastructure amendments to the Coastal Ferry Act, and the other sections that cover the South Coast British Columbia Transportation Authority Act, the TransLink act.

First of all, on the B.C. Ferries, I think finally this government has listened up to the concerns of the ferry riders, the public and the opposition, who brought those issues to the attention of this government. In 2008 my colleague from North Coast introduced in this House what we called the Fair Ferries Act, 2008. The government ignored that completely.

That's exactly what the comptroller general has come up with — the recommendations that we were recommending under that bill, that my colleague from North Coast recommended. Asking for an act to increase the accountability of B.C. Ferries to both the government and the public, and requiring that the public interest be taken into account when rates charged on designated routes are set were part of the act that my colleague from North Coast brought forward in this House.

Then we talked about consideration of ridership, public good and available access by ferry-dependent communities. "It rolls back the salaries of directors to a more fair and reasonable compensation and requires legislative approval of subsequent salary increases." The act also brought the B.C. ferry corporation under the authority of the Freedom of Information and Protection of Privacy Act. Those were the recommendations that were recommended by my colleague back in 2008 in this House. The government completely ignored them.

Finally, the new Minister of Transportation — who I guess has some questions about the ability of the previous Minister of Transportation — called for the review of both B.C. Ferries and TransLink. You know, so much confidence of the new minister in the work of the previous minister. Under the comptroller general's recommendations, the report that she put together, these were exactly the recommendations she came up with. I'm glad that some of those recommendations are in this act.

For example, bringing B.C. Ferries under the Freedom of Information and Privacy Act is a good thing, because this is a taxpayer-run organization, a Crown corporation. They don't call it that; they call it a quasi-private organization. But it is our organization. It is a public organization. This is the entity that is doing the service that the public needs for transport from the mainland onto the islands.

Also, to make the top executive compensation in line with the public sector.... Before, the minister would stand in this House and say that she had no control over

it. I say that those executives we have out there are doing a fine job. There's no question about that. I think they're pretty good in what they're doing, but I think we as public representatives must act on behalf of the public. The public perception was that there was no one watching the till when it came to the B.C. Ferries executive salaries.

Finally, the comptroller general came up with a report and said that there has to be much more control over that.

The other part which I agree with wholeheartedly is separating the board of directors and the authority, because it was leaving an impression of conflict. You know, you are authorities setting the guidelines, and you're also the board of directors running the same corporation. So I think that is also a good thing.

[1050]

There are a number of good things in there. I think about 80 percent, my colleague from North Coast will tell us, of the recommendations that this side and my colleague put forward in 2008 are in this bill, which I think is a good thing. Finally, they listened. I know that my colleague from North Coast will speak more in detail on those recommendations.

I want to move on to the TransLink side. I'm really concerned about that one. There were 12 recommendations through the same report that the comptroller general came up with dealing with TransLink. Three of them were directing TransLink themselves, and do you know what? I must say that they have done their part. They complied with all three recommendations, and they put in or brought in the changes that are necessary to deal with those recommendations, so good for them.

But the other nine that required this government and this minister to make changes? The minister has ignored all nine of them — except small changes that are in here. Instead of a ten-year fully funded plan, the comptroller general recommended that it should be only a three-year plan, which I think goes a long way in dealing with some of the issues that TransLink was facing. Between years four and ten, it will be the six-year outlook they are required to put out.

I think there's a small improvement in that area, but the majority of the recommendations.... The key issue that TransLink is facing today is the funding issue. There were recommendations in the comptroller general's report.

This minister had the opportunity to deal with those recommendations so that we can put together and put in service the provincial transportation plan, which means the Evergreen line extension; which means extension of the SkyTrain into Surrey; which means the rapid bus lines south of the Fraser; which means, also, the line to the UBC; and a whole host of other changes that were recommended by TransLink in their own report.

The only reason that they cannot put them into practice is because they have no operating funds available to

them right now. The minister continues to say that they will build the Evergreen line, but there's no operation money.

The other example of how mismanaged that can be or how she can mismanage that particular part of the project is — a prime example before us — the SeaBus. The third SeaBus was purchased before the Olympics. It was reported by this minister that that third SeaBus will be in operation by early 2010. Well, during the Olympics the third SeaBus was in operation.

The minister promised that the SeaBus service will be every ten minutes, but now this SeaBus is sitting in storage. Why? Because TransLink does not have the revenue stream and the operation funds available to put in the third SeaBus.

The public has demonstrated the desire and need that that third SeaBus is needed. TransLink's own data shows you that in March this year there was 18 percent higher ridership compared to March of the previous year. The need is there. Public desire is there. They have demonstrated that, not only during the Olympics but post-Olympics as well. But TransLink's hands are tied because this government wouldn't come to the table to provide them with the revenue stream they need to put that SeaBus in operation, so here's a SeaBus purchased but parked because there's no operation money.

Now, she's talking about Evergreen line, that they will build it. But where is the operation money? Because of lack of operation money, are we to see that the line will be built, that the cars will be purchased but that they cannot operate them, and then they will be sitting in storage? I mean, what kind of management is that?

I think those are the questions the public has. The minister had the opportunity to deal with these issues in this bill, and she ignored that. Those are some of the serious issues that I have as the critic of Transportation, and my colleague must have and will have, and he will have the opportunity to speak on those on the B.C. Ferries side. Those are some of the concerns that I have.

[1055]

I know that because of the time restraints I will not take any further time. With that, I will take my seat. I want to thank my colleague before me, who actually gave us the overview of this very large, voluminous bill that is dealing with the many aspects of our daily lives.

R. Austin: It's a pleasure to get up and speak in second reading to Bill 20. I'm going to confine my remarks to part 4, sections 42 to 44, and that's the section that's making changes to the School Act, making amendments from here in Victoria that enable schools to have cameras not only just outside the buildings but inside the buildings.

Following on some of the remarks made by the member for Nanaimo, I'm a bit astounded that this is actually happening here, notwithstanding all the concerns we have around privacy issues, especially for our children.

The reality is that within certain circumstances there have been cameras at schools for a number of years. In fact, I had a long discussion with a Victoria school trustee who passed on a report to me that was done, I believe, in the 1990s. It took several months of consultations with parents, with administrators, with school board officials to come up with a policy for the Victoria school district to enable, under very specific circumstances, the introduction of cameras into the school system. I'm sure that if I was to canvass school districts throughout the province, I would find similar examples of that.

I'm really wondering why we're having to have this debate and bringing this into the Legislature here, because schools have already been doing this, in large part. The big change, I guess, is in dealing with school cameras that have mostly been used on the outside of buildings and making it allowable to bring them, by statute here, inside a school. That changes the discussion very much.

When our kids go to school, when our parents send children to school, there's an expectation that schools are safe places. There's an expectation that it is a nurturing environment, that it is a comforting environment, that there are lots of adults within that building who provide that safety and that nurturing environment.

Those adults in the school building obviously aren't just the teachers. They are the administrators. They are the noonhour supervisors who supervise kids when they are on a break. It's the custodians who also build relationships with the children that they see each and every day.

I think it's very ironic that at a time when schools are having to make cuts — the government calls them difficult choices, but they are cuts — to these live bodies, the people who make our schools safe, at the same time they're bringing in a piece of legislation that enables cameras to come in to do some of the tasks that should be done by human beings and having that interaction with adults and our children.

I think it's very ironic, because you know cameras are expensive. They require maintenance. They require people, obviously, to take the time to go back and look at all of this material that's on a camera, if there's an incident. Yet at the same time, we're cutting people who are so needed within our school system to supply the kind of care and supervision that is needed.

I'm reminded that I'm not the only one who is wondering why the government is doing this, because the minister has been questioned about this and is on record as saying that the reason why they're doing this is because it's a promise. It's a commitment that was made in the election platform of the B.C. Liberals last year in 2009.

I can't help but wonder, as they see fit to fulfil this election promise, about all the other election promises that they didn't see fit to enact. An obvious one is that they promised to protect public education, and yet we're seeing cuts everywhere in the school system. It would be wonderful if they would get rid of this and actually fulfil

the promise to protect public education — not to mention, of course, the promise not to bring in the HST.

I think that if the government is going to be using that as the reason why they're bringing in these changes to the School Act, there are lots of other promises that British Columbians would see as being far more important to keep than to be bringing cameras into the school system.

I'm going to be asking questions in committee stage on this, but I have serious difficulty understanding the consultative process.

[1100]

Obviously, if we're going to have cameras in a school, it has to be parents as well as administrators and teachers who have input into this decision. After all, these are children who are going to be surveilled here, so parents have to have input. Yet the change here says that the consultative process is going to be through school planning councils.

Well, I don't think that'll work, the reason being that probably over half the schools in this province don't have a functioning SPC. They don't have a school planning council that's working.

It's a long debate as to why that's happened, but the bottom line, basically, is that this was legislated into being in the first mandate of this government. Yet a lot of parents have seen it as just a secondary meeting to go to, when there were already the PACs in place to try and bring teachers, parents and administrators together. So a lot of parents haven't been involved. As my colleague mentioned earlier, a lot of teachers have actively boycotted the SPC process, feeling that it's not the right way for schools to be run and to have the input from parents.

To actually put this in statute.... I don't know how parents, using an SPC, will be able to have that commitment and have that say in whether they want their children to be surveilled. Right there I think we've got some serious questions to ask of the government in terms of how they expect this to actually take place.

I also think that there are serious privacy issues that have not been addressed, even by our Privacy Commissioner here in British Columbia. I'd like to see what the office here has to say with regards to this.

You know, we live in a society that has, over the last ten to 15 years, taken on more and more CCTV cameras. As the member for Nanaimo was alluding to, I come from a country that in the last 15 years has been overrun with surveillance of its citizens. I'm now pleased to see that with the change of government there, they're realizing that they have gone a little bit overboard in terms of how much they surveil their citizens.

It's time to pull back and recognize that all of us have rights as individual citizens. And when we are talking about children here, who don't have the ability to speak for themselves, it's important that parents understand

the implications of cameras coming into the school system and understand the importance of them being part of a decision.

Now, I can understand, in very special circumstances.... I'm going to speak to one. I worked at an elementary school in Terrace where there was a case — it was in the boys' washroom — of feces being wiped on walls, not just once, not just a silly act that some silly little boys do in there when they're young, but continually. The school tried to figure out who was doing this. This is obviously completely unacceptable behaviour, so there was the discussion, then, in this specific case of an act that's not normal, about: how do we catch the perpetrators of this act?

I can understand that there are circumstances under which a school administrator and teachers and parents would want to figure out a way as a solution, but I really think that cameras should be the last resort, not the immediate way in which you solve a problem like that. So I think it's fair to say that we have lots of questions to ask with regards to cameras — we have lots of concerns around privacy and around parents having the ability to be a part of the consultative process — and will be doing that in committee stage.

I thank you for the ability to say a few words on this, and I now cede the floor to others to allow them to speak.

S. Simpson: I'm pleased to have an opportunity to take my place for a few minutes and to talk to Bill 20, the Miscellaneous Statutes Amendment Act (No. 3), introduced in this Legislature.

As my colleagues have said, there are a number of members who are looking for the opportunity to speak. We know we have limited time, so I will focus my comments on a couple of very specific sections of this piece of legislation which, as the minister has said, covers a wide variety of legislation that it makes changes to.

I guess at the outset what I would like to do is say how relieved I am — and I know that the members on this side and many, many British Columbians are relieved — that the government made the decision to withdraw section 36 from this piece of legislation. Those were the changes to the children and youth act that would have seriously restricted and limited the children's commissioner's access to information related to cabinet documents.

[1105]

We know that came following a court decision — where the representative was required to go to court in order to protect the access of her office, and succeeded in that — and, of course, Mr. Hughes's comments in a letter to the Premier and the minister.

Now, as we've heard from the Attorney General, there has been resolution reached today, with the intervention of Mr. Hughes, in order to find a solution that, it appears, will be satisfactory to all parties. So we can be happy that

the access of the representative has been protected, the integrity of that has been protected, and she will be able to continue to do the excellent job that she's been doing for the people of British Columbia.

I want to speak to one other section before I get down to an area that relates much more specifically to my critic area, and that's section 37 of the bill. What section 37 of the bill essentially does is take the endowment lands at the University of British Columbia, removes them from any oversight of Metro Vancouver — the regional district — and puts all of that control into the hands of the Minister of Community and Rural Development.

[L. Reid in the chair.]

This is of great concern, I know, to people in the Metro area. It should be of great concern to anybody who looks at questions around democratic process, because this is, among other things, a question of democratic process.

UBC has always been an anomaly of sorts. It sat, to some degree, certainly outside of the city of Vancouver. Even though the city of Vancouver supplies many of its services, it sits outside the city of Vancouver. It has had — at least to some degree, as an electoral district — some relationship or some legislated relationship to the rest of the regional district, through Metro Vancouver and through the relationship that happens there. That relationship is particularly important when it comes to issues of land use planning.

What we know... Vancouver prides itself as, and continually rates as, one of the best cities in the world. And that's not just the city of Vancouver proper; that's a regional recognition, I believe, for the work that's been done in the region and many areas of the region. That often deals with questions of livability, of sustainability — of those matters.

Part of the success of that, without doubt, has been a very vigorous planning regime within the city of Vancouver that looks at livability and quality-of-life issues, but also, within Metro Vancouver, the livable region plan and the sustainable region initiative. All of those efforts have been aimed by the region, very clearly, at ensuring the livability, the sustainability, of this region and how it unfolds and how it plays out.

UBC is a pretty important piece of that mix, particularly as you see the accelerated growth and development that's happening at the university. So now, instead of obliging the university to engage with the rest of the region, the university has a pass on that and is able to deal directly with the minister.

Now, I respect the minister, and I respect the work that he will do, but the bottom line is that he's not elected by the people in that community. He doesn't have any connection to that community, not just as an individual MLA — I'm sure that he can kind of get up to speed on that — but in terms of that position. It really has little connection to that community.

We know that local governments provide the best opportunity for people to be able to engage, to make representations, to talk about development, to find solutions on questions and issues of development within any given area. There is no assurance that that process is going to happen now with section 37, which makes these changes related to UBC.

What the people who are residents there, probably more than anything, have been calling for in that area is actually looking for some way that they get some kind of representative government, some way that they get some kind of say over who makes those decisions for them.

It's not good enough for the president of UBC to say that this is a threat to academic freedom. I think that it's a stretch, to say the least, to suggest that land use planning and development questions are a threat to academic freedom.

This is about livable communities and the livability of these communities, about how the people who are resident there and the surrounding neighbouring communities are impacted and about how you work in some collaborative fashion.

[1110]

This particular change here under section 37 is retrogressive, as far as I'm concerned. It takes away from the livability of the community. It takes away from the planning in that community, and that's an issue. When we talk about sustainability, when we talk about climate issues, which the government speaks about, what we know is that 80 percent of the challenge related to climate is in our urban areas. That's where we need to pay attention and focus our attention, and this seems to take away from the ability to engage citizens in that discussion in a meaningful way.

It's an issue that has been questioned both by people outside of that community, who are concerned about it, and also by people who are very well respected both in the UBC community and in the planning community — people like Dr. Setty Pendakur, who have raised issues around how this will unfold and what those impacts will be. This is a section that I look forward to us having a chance to speak about more in committee stage to try and get some sense of why the government thinks that this makes sense, that this is intelligent policy-making when it comes to that issue.

I want to now move on to one particular area that focuses in my critic area around Housing and Social Development, and that's primarily in the gaming area. There are a couple of other sections there. We will have some questions in relation to those when we get to committee stage, but there are significant changes related to gaming and gaming control in Bill 20.

The first area is an area that I think raises a much broader question about the viability of horse racing in British Columbia. There are significant changes here. These are changes that largely pull horse racing out of

control under Lotteries, will create a stand-alone organizational structure that will — as it appears by the legislation, and we'll confirm this — move the money that currently goes in through Lotteries and into general revenues. It will no longer go there. Those dollars will, in large part, go into an industry-based committee.

Now, we know that the Minister of Housing and Social Development has spoken to this. Industry officials have spoken to this. We know the horse-racing industry is in some trouble. We know there's talk about consolidation of thoroughbreds and standardbreds together in one operation and discussion about where it makes sense to do that.

We know the application of slot machines at Hastings Park and other facilities was expected and was hoped.... It certainly was the claim of the proponents that this would be the saving grace of horse racing by drawing all of those extra dollars, slot machine dollars, into the racetracks. It would allow them to increase the size of purses, would allow them to be able to create a thriving industry. We know those slot machine operations are not generating the kind of dollars that were anticipated, and we know that the horse-racing industry has some considerable challenges.

So there are questions about what this new entity looks like that the minister has been talking to people in the industry about. How will they make decisions? What are the plans? I think what we need to do is recognize that this piece of legislation here.... The changes in Bill 20, as they relate to horse racing, are meant to generate the revenues and the resources for that entity, whatever that is, to be able to move forward — presumably to try to save and put horse racing back on a sound footing in British Columbia.

I do look forward to being able to have a discussion with the minister in regard to what those plans look like and how, in fact, the community will have some ability to have some discussion around this. I know that in my constituency, where Hastings Park racecourse is, the thoroughbreds racecourse, there are lots of people who enjoy the thoroughbreds there. But there's always a discussion about what that future looks like.

Certainly, I know that if the thinking of the government and the industry is to consolidate both the standardbreds and thoroughbreds at one location, and possibly at Hastings Park, the community will want to have an opportunity to be part of a discussion about what the implications of that are.

A big part of this has to be: who is this entity that's going to be making these recommendations or decisions? How do they engage the community? What controls are on them in terms of their decisions? What role does Vancouver have in these decisions as a municipality, and what impositions does the provincial government plan to put in place in order to protect that industry? We will learn more about that as we move forward.

One of the other issues that relates to gaming is certainly in the area of problem gambling. One of the things this legislation looks to do is for people who are in voluntary self-exclusion programs as gamblers, people with gambling problems and addictions, will be to remove their ability to claim winnings. That is an approach that has been used in some other jurisdictions with some effect.

We'll have to have a discussion more about what this all means and what the intentions of these changes are. As we've learned as very recently as last week, there is a huge problem in British Columbia around the program, the voluntary self-exclusion program, around how the government deals with problem gambling. Those problems relate both to, I believe, the 30 percent cut, the one-third cut in support for programs for problem gambling, but equally what has been clearly shown, not just in British Columbia but also in Ontario and Alberta, are the problems around enforcement on the voluntary self-exclusion programs.

These programs haven't worked. We've now had incidences with people in British Columbia who have come forward and said: "I've been on a voluntary program for 18 months. I have an addiction. I'm in the casino every weekend almost, and play for hours and hours and have bet thousands and thousands of dollars, and nobody's ever kicked me out."

There are doctors, addiction counsellors who have also raised those issues around that, so we do know that it is a big, big problem. They have seen similar problems in Ontario. In Ontario there have been at least 12 court cases related to this — nine of which have been settled, but three that haven't — around people who are on voluntary exclusion programs. But because the enforcement was weak, they in fact were continuing in the casinos and continuing to play.

Now, as I understand it, they're moving forward here and proceeding with what is a class action suit in Ontario around Ontario Lottery and Gaming, a \$3½ billion class action suit on behalf of 10,000 people who are in the self-exclusion program and who feel that they're not receiving the support that they need.

Part of what the challenge is, and experts out of Alberta and elsewhere have talked about this, is that what happens is that people who have that addictive nature, particularly when it relates to gambling, of course sign up for this program. When they sign up for the self-exclusion programs, they are under the expectation that in fact they're going to get some assistance. They're going to be helped to not go and be in casinos. The problem is that because of lax enforcement issues, it's not occurring, and they are continuing to be in there.

Dr. Jennifer Melamed, who is a physician in the Lower Mainland and an addictions specialist, has spoken about some of her patients. Her comment in the media the other day, and it was in reference to the program, was that: "If you say you're going to keep them out, then keep

them out. If you're saying it's a scam or a farce and it's not going to work, then tell the patients up front."

What we need to do is have a program that works. I know this piece of legislation does appear to be putting in place a piece around removing the ability of people to gain winnings, and that's one piece. But the critical piece here is: how do we make sure we keep people out of the casinos? I look forward to the opportunity to discuss that further.

Also, the piece that I don't see here and that we'll look forward to exploring with the minister is how the programs will be improved for problem gambling as it relates to electronic gambling — to the Internet and Internet gambling.

We know the government recently increased gambling limits from \$120 a week to \$9,999 per week that people can gamble on the Internet. They've increased the variety of programs and games that can be played that now will be much more appealing.

The government has an obligation to deal with that because, as we've been told by experts, Internet gambling is potentially the most problematic area for people who have an addictive nature. There are also great concerns there that it will appeal to young people — by young, I mean 25 or so — who may not be inclined to want to go to a casino but are very comfortable on their iPhone, on their Blackberry, on their computer using those types of tools to engage.

[1120]

If that engagement includes gambling, then we need to look at how those programs work, too, and I look forward to asking the minister and talking to the minister about how that proceeds.

The last comment I want to make, because we are running out of time here, is on issues around gaming security. We know that the government removed the illegal gambling team for illegal gambling facilities. There has been, certainly, some question around that.

There continue to be issues around to what degree organized crime tries to make use of legal gambling either in order to be able to launder money or around loansharking. The legislation purports to improve and strengthen some of those activities to be able to control that more clearly. We will be looking to get some answers on that.

Also, on the liquor side, it appears to be an easing up of the relationship between liquor and gambling. There are some concerns there, and we'll be looking for some answers about what exactly the intentions of the government are there.

People have speculated on — I have no idea whether it's warranted or not — if we'll end up in British Columbia with a situation like Vegas, where casinos have the ability to give away free drinks to people in casinos, those kinds of things. That speculation out there — we'll be looking for affirmations from the minister that there is

no intention for those things to occur.

With that, I know there are lots of other people to speak, and I will take my place.

V. Huntington: I just wish to be very brief in my comments on the Miscellaneous Statutes Amendment Act — Bill 20.

Firstly, I would agree with my colleagues. I am extremely pleased to see that the government has chosen to withdraw section 36, the children and youth act amendments, and I am delighted to know that Mr. Hughes has managed to arrange an appropriate resolution to the rather difficult situation the government and the representative found themselves in.

Briefly, and much to my own surprise, I'm strangely interested in some of the sections that are amending the Liquor Control and Licensing Act — in particular, section 121, which, if I'm reading it correctly, allows the general manager to exempt certain classes of licensing from review by local government. I am going to want to hear, during committee stage, the thinking behind that and whether I'm reading it correctly.

In my experience, the occasional request for a licence has generated some of the biggest public hearings that I've participated in. Neighbourhoods become extremely concerned about new licences coming into their districts, and I would hope that this section doesn't permit a unilateral decision that licensing is appropriate.

Section 126 of the amendments to the Liquor Control and Licensing Act, if I'm reading it, also appears to be a permissive section, in that the general manager can determine whether or not a licensee can serve specific types of liquor. When reading it, it looks as if they are not allowed to sell some liquors, to the exclusion of others, but when you look at the interpretation and the reference comments, it does indicate a permissive resolution, or a permissive amendment, and that is extremely concerning to me.

I know that there have been many people employed in this province as liquor inspectors who have been working to prevent precisely those types of opportunities for bribery, collusion, threats, payoffs and extortion. I would hope that the ministry is not removing those protections from society.

I'd also like to just comment very, very briefly on my appreciation for the amendments to the Coastal Ferry Act in part 12 of this act. As the Minister of Transportation will know, I asked a number of questions regarding my concern that the ferry corporation had gone into a competitive business arrangement that was impacting a very large and historic company in British Columbia.

I believe that if we want to support the free enterprise system in this province, you need to make sure that agencies of government are not able to compete unless it is on a fair playing field, a level playing field.

[1125]

I know that the ferry corporation would find itself in a conundrum here because they have been authorized or directed by the government to initiate new and innovative ways of creating revenue for the corporation. But when it is a revenue opportunity that directly impacts a competitive company or a company operating in the free enterprise system, then it is an unfair advantage. This legislation appears to rectify that.

I'm also pleased to see that section 216 moves reservation tariffs under the purview of the commissioner. They were formerly exempt — or not deliberately exempt but had fallen off the examination by the commissioner, as he was able to determine the tariff levels.

So I am very pleased with the response of the government to both industry and my suggestions that they review the advantage that B.C. Ferries had. With that, I will sit down and look forward to committee stage.

G. Coons: I rise to speak to Bill 20, the Miscellaneous Statutes Amendment Act (No. 3), and to look at a couple of issues. I just want to look at sections 42 to 44, dealing with the security cameras, the video surveillance. Yes, people are concerned about safety in our schools, but they don't think the solution is Big Brother watching every move, whether it's cameras roaming or creeping into classrooms or into change rooms or into offices.

It seems, again, this government isn't listening. It isn't listening to the concerns of parents, of students, of teachers, of staff and of the public. If this was such an important issue, then they would have given a chance for the public to have input, which they didn't.

The minister refers to this as amending the School Act to fulfil an election promise. Again, if they had concerns about election promises, then they would stick to the election promise of protecting health care and education or the promises from previous elections of not ripping up contracts or not selling B.C. Rail or the promise of not bringing in the HST.

Again, there are major concerns about sections 42 to 44 of Bill 20. The Office of the Information and Privacy Commissioner recommends that a public body should only use surveillance as a last resort. That, I believe, is what the public believes also. What will keep schools safe is having support workers, counsellors, teachers — not cameras in the classrooms.

In sections 42 to 44 they talk about the school planning councils. Their purpose, as described, is to acknowledge the importance of parental involvement, improving student achievement. So I don't really think that the school planning councils, where they are not enacted in, as my colleague said before, over half of the schools in the province, is the right format for putting in surveillance cameras. That's a section that we need to clarify and have many questions about.

I'd like to get to the important sections, in my mind: the ferry sections — being the critic for Ferries for a few

years here now. We've seen this report, the comptroller general's report — which I believe is the enactor of this legislation — indicating that there have been many problems with B.C. Ferries since it was privatized, and then the government walked away from it.

We saw the executive salaries and the director salaries shooting up without any accountability, fares skyrocketing. Customers and taxpayers, who are the major shareholder, have received less service for their money. We've been saying for a long time, for up to five years, that to clean up B.C. Ferries, you need to amend the legislation. The comptroller general in her scathing report, I believe, consolidates those concerns.

When we look at what is in Bill 20, we look at the pay rates for executives to be in line with other Crown corporations and rolled back. But the one problem there is that the current executives are grandfathered in, and I'll come back to that a little later.

[1130]

We look at the separation of the board of directors and the B.C. Ferry Authority board, which was a problem for the Auditor General back in 2006. Four years ago there were concerns about this, and this government failed to listen. Now they are finally separating the two boards.

There are the complaints of the drop-trailer service, of the reservation fees as being a cash cow. The commissioner, in his first three to four reports, told this minister and this government that the reservations system should be part of price caps and not an ancillary, unregulated portion. Now reservation fees will come under there.

Freedom of Information and Protection of Privacy Act. For years the public, the ferry advisory committee chairs, ferry users and this side of the House have pressured this government to make B.C. Ferries accountable and transparent by making it come under FOI.

Finally, the government has listened, after six or seven years. Actually, the Privacy Commissioner, in his recommendation in 2003 on the Coastal Ferry Act, basically said: "The operator should be required contractually to make available to the public on a regular and timely basis such safety reports as have been created in the ordinary course of its operations. I believe the public should have access to the records...." So the Privacy Commissioner had huge concerns about the exemption of B.C. Ferries and the authority from freedom of information.

You know, back in 2008 this side of the House put forward the Fair Ferries Act. The act increased the accountability of B.C. Ferries both to the government and to the public. It rolled back the salaries of the directors, which is now happening under this act, to a fair and reasonable compensation.

We put in that the ferry corporation and the authority come under freedom of information and protection of privacy and that it report annually to the minister so that B.C. Ferries is accountable to both the government and the public. A lot of these concerns that were in the

Fair Ferries Act that we put forward in this House are now being put into this legislation.

Now we look at an interesting section. That's section 246, where it stipulates that B.C. Ferries must hold a meeting by this September, September 2010, to separate the board and the authority. All of a sudden there's going to be a major change happening with B.C. Ferries, which the Auditor General had concerns about in 2006 and the comptroller general had in her report of a few months ago. That is finally going to take place so that there is accountability, there is no conflict of interest and we can move forward, hopefully, in maintaining a ferry system that's affordable, safe and reliable.

Also, what comes under this ferry act is the alternate service providers, where B.C. Ferries is mandated to go out and find alternate service providers, or private companies, to run the ferry system. It's a dismal failure. The comptroller general recommended that this be eliminated or revamped, and that is being revamped in this legislation.

There's a complaints process. Over the last seven years, even though there is the survey that's put out by B.C. Ferries that deals with cleanliness and reliability and safety, what we are seeing is major concerns about skyrocketing fares, decrease in services and how ferry-dependent communities are being treated. The social and economic contract with these ferry-dependent communities had been broken by this Liberal government, and hopefully, this legislation will help solve that.

What is missing in the legislation is the seventh guiding principle that the comptroller general brought forward, saying that the commissioner should look after the public interest when making decisions about price caps. The ferry advisory committee chairs wanted the minister to include this, and she failed to do that. Basically, the minister said that adding the seventh principle of public interest is unnecessary. This is a quote: "Certainly underwritten in the legislation is that there is a consideration of the public interest."

[1135]

Well, for the last five years this side of the House has brought up who is looking after the public interest. The minister of the day would say it's the commissioner. The commissioner says he does not look after the public interest. It was out in limbo, and it still is in limbo. Who is looking after the public interest? That is something we need to question the minister on and perhaps put forward some amendments for.

Also, I believe that the Ombudsman needs to get involved as far as the concerns of the public, and we will question the minister about that.

More importantly, I think, British Columbians have a real concern about executive compensation. This legislation also, I believe, came on the heels of learning that the CEO and president was the million-dollar man of B.C. Ferries, where he made half a million dollars with 110 percent performance bonuses — a 55 percent short-

term performance bonus and a 55 percent long-term performance bonus. All of a sudden that shot his salary up to over a million dollars. Compared to other public sector organizations, it was more than double their compensation.

The other four executives ended up getting a 35 percent performance bonus, both a short- and a long-term, for a 70 percent incentive, and it shot up their salaries to 75 percent higher than comparable public sector organizations.

Again, I believe that as we move forward, the legislation is something that this side of the House has been pushing for and the public has been pushing for, for the last seven years, and it finally justifies the work that has been done by those on this side of the House and those in ferry-dependent communities. But we need some changes as far as the bonus structure, the incentive structure, for those at B.C. Ferries in the executive positions, and hopefully, we will deal with that in the committee stage.

On that, I see this legislation as a lot of work over the last six or seven years by a lot of people in trying to let this government know that when they rammed through the Coastal Ferry Act in 2003 with no consultation, with no time for debate.... Now we are seeing that for the last six or seven years a social and economic contract has been broken with those that see B.C. Ferries as an essential service, as their vital link. This is a right step in the direction of making B.C. Ferries more accountable, more transparent and meeting the needs of those in ferry-dependent communities.

R. Fleming: I want to speak to a few parts of the bill this morning. I'm very pleased that this morning the Attorney General, the Government House Leader, announced that the section of the bill that can only best be described as an absolute assault on the ability of the children's commissioner to do her job has been withdrawn.

There's a lot to be worried about in respect to this government's treatment of independent officers that work for and have the confidence of this Legislature, whether it's some of the workings of Liberal members on committees regarding their budgets and their ability to do their jobs or, in this case, trying to prescribe those powers.

That has been dealt with now, I think, in response to the public furor out there, and that is a very good thing, because this bill in all likelihood will not receive the full debate that it deserves. It's a very comprehensive bill. In all likelihood, it will be passed and then later given royal assent after closure has been invoked.

So on that score, I think, before debate was allowed on the bill, it's a very good thing that the public was listened to, that the opposition was listened to and that government did in fact back down on what was going to be a very poor decision and one that was not in the interests of the protection of children and youth in our province.

[1140]

I want to speak as a coastal MLA a little bit to the section that my colleague just now finished speaking on around the Coastal Ferry Act. As an Island MLA in a ferry-dependent community whose economy is directly related to the efficiency and the service provided by B.C. Ferries, it's important to me that B.C. Ferries is governed properly, that it operates well with regular service. Part of that is that the morale in the company, the ferry service, and the operations of that company work very well, and a huge part of that is how the workforce is managed and how they perform their duties.

I'm concerned with one aspect of Bill 20 that may be a setback in regards to what we all desire in B.C. Ferries, which is labour peace and a positive labour relations climate. I think it's particularly important that that be a goal of government, especially in light of the B.C. Liberals' imposition of B.C. Ferries to be included as an essential service some years ago. That actually raises the bar and the obligation to treat workers with respect, to have an inclusive workplace, to incorporate workers' representatives into decision-making bodies.

My concern with this legislation is that instead of treating workers respectfully and acknowledging their legitimately elected worker representatives, the amendments here will remove the right of unions to have a designated nominee on the board, and that's a bad thing. The elimination of feedback and participation in operational decisions of the ferry — they don't have a majority; they have one representative — is a setback. It will cost management the ability to be informed directly of the thoughts of the worker organizations that are certified at B.C. Ferries.

What I'm concerned about, in an environment where basically the right to strike doesn't exist, is that this will potentially remove a safety valve and inflame the labour relations climate in B.C. Ferries. I don't think the legislation intends to do that, but by reducing worker voices in participation in management decisions, it could well end up doing that, and that's a huge step backward. That was a minor concession given by government when they set up the B.C. Ferry Authority many years ago, and it's being taken away today.

I want to confine the balance of my remarks in the scant time that we have this morning at second reading on this bill to part 5, specifically the Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act amendments. This was an opportunity for the government to write some very serious loopholes in the low-carbon fuel standards that exist in this province and are enforceable for the very first time in this coming fiscal year.

There are some serious flaws with B.C.'s legislation, flaws that threaten to undermine the goal of the legislation, which is to achieve and contribute towards greenhouse gas emission reductions in the province of B.C. by requiring a biofuel additive standard and lower-

ing emissions in the tailpipes of vehicles on B.C.'s road network. We know, and the government is aware, that the fuel standard that they brought into effect in 2008 is flawed, because all the leading environmental organizations have told them exactly that.

They've compared B.C. directly with California, which has a low-carbon fuel standard as well. To quote a news release from a major American and a major Canadian environmental conservation organization, they described B.C.'s low-carbon fuel standard as a 100-pound weakling compared to the California emissions standards that were brought in by Governor Schwarzenegger.

[1145]

There are two reasons why B.C.'s low-carbon fuel standards are flawed. The first is that there is no requirement for fuel suppliers in B.C. to account for the carbon content of the main fuel — not the additive but the fuel. The legislation is absolutely silent on whether the oil that is then refined into fuel comes from the tar sands, for example, in Alberta or whether it's from another conventional crude source.

That is important, because B.C. suppliers could actually increase their emissions if they increase their purchases from that source in Alberta. That fuel that originates from Alberta is 40 percent more carbon-intense than other sources of conventional crude. There is no distinction in this legislation, and the opportunity was missed here, by the government, to close this loophole.

The result is that by 2020, instead of reducing emissions from fuel consumption in vehicles by 10 percent, which is the target, we could be many percentage points higher than we are currently now — a fatal flaw in the legislation that was not picked up by this government and amended.

California, in contrast, does account for, and requires suppliers to account for, where the oil comes from and the carbon content of that fuel. It's also a missed opportunity to help Alberta and Canada get it right on regulations — carbon sequestration and CCS technology that is essential, that Canada must develop if it wants to continue to be a major oil producer and comply with where the world is heading on emission reduction targets.

A new international agreement to replace the Kyoto accord requires that to happen. It requires the Alberta situation to be dealt with. Our legislation here in British Columbia, the low-carbon fuel standard, gives the Alberta oil a free pass.

It's no wonder that every major environmental organization has panned this government's legislation and their fuel standard and that the Canadian Association of Petroleum Producers has given it a thumbs-up. That's not the test that we needed to have in order to have public confidence that this legislation is actually going to achieve its goals.

There's another problem with the legislation that wasn't fixed in Bill 20 that needs to be addressed, and

that is on the biofuel additive side. British Columbia does not require suppliers, again, to account for carbon pollution impacts of land use changes that result from growing the biofuel crops.

Now, this is something that the United Nations has said absolutely has to happen in relation to food scarcity and other concerns but also in relation to global emission targets for the atmosphere and the international discussions on tackling climate change.

Again, B.C.'s legislation is completely silent on this. This is something the opposition brought up in 2008 when the original legislation was debated. We tried to amend it then. The government ignored it. It continues to be a live issue, and government continues to get it wrong. They had an opportunity to right that flaw in Bill 20, and they didn't do it.

California, in contrast, does have the requirement of fuel suppliers to detail where their biofuel additives come from, how they were processed and what land use changes, if any, were required to receive those additives. Again, an opportunity for British Columbia, too, with regard to biofuels that we could get, potentially, from the forest sector, that could potentially be advantaged over other corn additives and ethanol blends, and it wasn't taken by government for the good of our economy but also for the good of containing carbon emissions.

There are some other points I wish to make around part 5, where government should have used this opportunity to address some loopholes and some free passes that are given to industry and major emitters in the province of B.C. I think they deserve to be aired here at second reading, in our somewhat compressed time.

[1150]

The act on the low-carbon fuel standard continues to ignore the marine diesel sector. The largest engines in the Lower Mainland that emit particulate matter, that emit greenhouse gases are in ships that burn some of the lowest-quality bunker fuel available, and they are completely exempt from the legislation that is being amended here in this section of Bill 20.

[Mr. Speaker in the chair.]

They're completely exempt when it comes to B.C. Ferries, our Crown corporation, which is the largest consumer of bunker fuel in British Columbia. They're not included in the carbon neutrality requirements of all the public service organizations in British Columbia. They can burn the lowest-quality bunker fuel that they like. They don't have to report or purchase offsets to account for their extremely large carbon footprint.

They don't have to make any efforts that other public sector organizations — like hospitals, colleges, universities and school districts — have to make to try and collectively lower the carbon footprint of British Columbia. I think that is a flaw that could have been ad-

ressed in this amendment, but the government again, instead of trying to retool and assist B.C. Ferries in reducing its carbon footprint, has simply exempted it.

Another point that I think was missed in this legislation. This is a theme that we're seeing in another piece of legislation. The B.C. Utilities Commission has been given no role in overseeing the low-carbon fuel standard in British Columbia.

We need independent verification to have credibility that the low-carbon fuel standard is actually achieving greenhouse gas emission reductions in British Columbia. The B.C. Utilities Commission is ideally suited to perform that role. It's been recommended to government in the past. Government has ignored those recommendations.

Bill 20 — once again, another missed opportunity by this government to actually correct its fatally flawed legislation, with all of the loopholes that I've spoken to this morning. Let me just say that it's extremely disappointing because it will undermine British Columbia's credibility within the Western Climate Initiative. It will be a case study for jurisdictions that are looking at their own low-carbon fuel standards, who will point to B.C. as an example of exactly what not to do when they draft their legislation.

M. Sather: I'll be very brief in my remarks. Just regarding section 77, the Greenhouse Gas Reduction (Cap and Trade) Act, with regard to emissions reports. This provides "a supplementary report in relation to immaterial inaccuracies" — as they are called — "omissions or changes." But it doesn't tell us what "immaterial inaccuracies" means. It's not defined in the legislation, and it appears that operators, those that are subject to a cap because of their pollution levels, can simply decide not to self-report by deeming any inaccuracies to be immaterial.

That's a concern. I have concerns about self-reporting in general, but this seems to kind of give an additional way for folks not to even have to self-report, because they can simply consider the matter to be immaterial.

Then, on section 79. This is with regard to "disclosure of information required for the purpose of verifying reports under the act" and has to do with things like protected information and trade secrets.

The prior bill that this amends was commented on by the Information and Privacy Commissioner, who wrote that the then section would represent a "significant encroachment...on the overriding Freedom of Information and Protection of Privacy Act policy of accountability through access to information, a particularly important consideration in relation to climate change measures and their enforcement, and urge you to withdraw these changes." Unfortunately, they weren't.

It's very difficult, particularly under this government's policies, to get any information on matters that are relevant and germane to the public interest, so I'm going to put in my disappointment with those changes not having been made.

M. Sather moved adjournment of debate.

Motion approved.

Committee of Supply (Section A), having reported progress, was granted leave to sit again.

Hon. M. de Jong moved adjournment of the House.

Motion approved.

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

The House adjourned at 11:55 a.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF HEALTH SERVICES
(*continued*)

The House in Committee of Supply (Section A); J. Slater in the chair.

The committee met at 10:09 a.m.

On Vote 37: ministry operations, \$14,612,943,000
(*continued*).

The Chair: Welcome to Committee A.

A. Dix: I wanted to start today by talking about issues around prescription drugs, also around the PharmaCare program. The minister will know that the issues touch on all kinds of drug plans, on individuals, in addition to the PharmaCare program.

[1010]

The minister will know that in Ontario there's currently a very significant debate, a reform put forward by the government of Ontario to reduce the cost of generic drugs, which are, by international standards, very high in Canada. I think it's clear — the minister will probably agree with me — they're too high in Canada. They've taken some measures to fix the price of generic drugs and to remove payments made to pharmacies, essentially, to allow for the stocking of particular generic drugs.

I wanted to ask the minister, because I know he's referred to negotiations going on in British Columbia.... Why don't we open by asking what the status of the negotiations is in British Columbia, because while Ontario has taken this action, and there has been some talk of a national effort.... What is the status of the negotiations in

British Columbia aimed at reducing the cost of generic drugs?

Hon. K. Falcon: The member is correct, actually. In Canada we have some of the highest prices for generic drugs in the world.

For members that are present or viewing this on television, just a little bit of a background. What happens in generic drugs today is that the pharmacies stock the generic drugs, and essentially, over the years what has developed is that they receive payments for stocking one generic drug over another. So the generic drug industry ends up making substantial payments to the pharmacies for those drugs. They are often referred to as rebates. Some would call them other terms, but let's just use rebates for now.

The challenge, of course, is that the payer of those drugs is by and large, for the most part, governments for their pharmacare programs but also employer-employee health plans. We do have a situation in Canada, as I say, where we pay a very high price for these generic drugs — much higher than they should be.

The Pharmaceutical Task Force had some recommendations. One of the recommendations was that British Columbia should ensure that we get those prices down to a level that is much more reasonable. This would have the other side benefit of creating more dollars, making more dollars available for the health care system for other important investments.

As part of the recommendations coming out of the task force it was recommended that the province enter into negotiations with the pharmacies and the pharmacy associations to realize a reduction in the cost of generic drugs through a negotiated process and, if we are unable to reach a negotiated process by the end of June of this year, that government would reserve the right to act unilaterally. "Unilaterally" would mean through legislation.

So I can say to the member with a fair degree of candour, but also recognizing that we are in the midst of discussions, that the discussions have been difficult. They have not been easy discussions, but they are ongoing. We've seen what has gone on in Ontario, and obviously, the stakes here are enormous.

We should recognize that there are enormous financial implications for the pharmacies. Whether we like it or not, they've built a substantial amount of their business around substantial revenues that are generated through the rebates they received from generic drug companies.

Again, at the end of the day, we have an obligation to the public, and our obligation to the public is to try to keep their drug prices low. Therefore, we have been following what has taken place in Ontario very closely, and we have continued to negotiate here in British Columbia.

Our goal would be to have a negotiated outcome, if at all possible, but as I say, we preserve and reserve the right to act unilaterally if we are unable to come to an agreement by the end of June.

A. Dix: I think there's a fairly compelling argument that you can make that it would be desirable if the rules were fairly similar across the country. Has there been any effort to work with Ontario or other jurisdictions to set up a common framework of rules on this question?

[1015]

Hon. K. Falcon: British Columbia has been in touch with other provinces. We have tried very hard to, where we can, try and work together. The challenge has been that the drug plans are different in every province, and so every province sort of has a bit of a different approach that they wish to take. We've really tried hard to work closely or in tandem with the other provinces but, I would say, with varied degrees of success because of the challenges of different plans and different interests and different approaches that provinces wish to take.

A. Dix: As the minister will know, Quebec has its own model. I don't know how you describe the model. They cherry-pick everything, you know, although they also have special rules to give extra protection for the brand-name drug companies. So there's that model.

Clearly, if Ontario proceeds.... There's a push in British Columbia, and the minister is following through on that push. I guess I wanted to ask him in terms of.... He refers to most prescription drugs being picked up by the PharmaCare program. It's true that the PharmaCare program is the biggest payer. In fact, the majority of prescription drug costs are picked up by others than PharmaCare. I think it's between one-third and two-fifths are PharmaCare.

I'll just give the minister an example as he's negotiating. Is he negotiating just for the PharmaCare program, or is he negotiating and going to get rid of rebates in general? For example, essentially everybody is enrolled in the PharmaCare program. In my case I spend quite a bit on prescription drugs because I buy insulin. I never meet my deductible threshold, and I never make any claims on Pharmacare, but I'm enrolled in the program. In effect, regardless of whether I'm compensated or not, that affects all those individuals in those circumstances who are up to their deductibles and so on.

I just want to be clear that the minister here is looking to reduce across the board the use of what he describes as rebates to pharmacies so that the savings are shared by the PharmaCare plan, by employee-employer drug plans and by individuals in British Columbia.

Hon. K. Falcon: We are certainly aware of the interest. I can tell the member that I've received lots of letters from pension plans, from union organizations and from individuals talking about the importance of this. For the benefit of members here, those would be plans like Blue Cross and Manulife, etc., that fund, obviously, drug plans for a large proportion of employees in the province of British Columbia. So they have a strong interest,

as do all private payers and out-of-pocket payers too. I am going to be careful, though, Member, to not get into our negotiating position and our strategy.

What I can tell the member is that I've received a lot of input. I'm very much aware of the constituency groups that also have a great interest in this, outside of government. That is something I'm very much aware of and informed of.

A. Dix: Would the minister agree with me...? Just take anybody as an individual. Well, I'll take myself as an individual, because it'll be easier for the minister to visualize. The insulin I buy, in my case, is a brand-name insulin right now. I overpay for it very significantly, but that's another story.

[1020]

If I were to buy generic insulin, even though I wouldn't be reimbursed for that by the PharmaCare program because I'd be under the deductible, it's still part of the PharmaCare program. That purchase, even though it's made by me as an individual and doesn't cost the government until I reach the threshold, affects the threshold. So that generic drug purchase is in principle a PharmaCare purchase, even though I'm not getting reimbursed. Therefore, the negotiations would cover that. Is that...?

Hon. K. Falcon: Those are exactly the kinds of issues that are forming part of our negotiation. I am not trying to be at all evasive about it. Well, I guess I am being evasive about it. I'm being evasive because we're in the midst of a negotiation process right now. It is a difficult negotiation, and there are a lot of issues at play, but the member has raised one of the issues that is certainly part of the discussion.

A. Dix: I was just asking the minister if he agrees, because even if I pay as an individual, if I'm enrolled in the PharmaCare program, which everyone in B.C. is and has been since the '70s, either.... Essentially, 99 percent of people were enrolled when plan E was brought in under what's called Fair PharmaCare now. So that essentially affects the PharmaCare system, and it is a PharmaCare purchase if I'm buying that drug. I think that's the principle, but I presume that the minister is aware of that.

Let me ask the minister about how the system works now, because I'm a little confused as to how this process developed. It developed over a fair length of time, so I just want to read from the regulations under the PharmaCare participation agreement, which says: "Official British Columbia PharmaCare receipts shall be issued only to those persons responsible for direct payment of eligible benefits and shall show as drug cost the actual acquisition cost and shall show as total the actual amount paid for the eligible benefit."

Actual acquisition cost is further defined in the PharmaCare glossary as "the true cost to the pharmacy

and is net of any cash discounts, volume discounts, rebates or performance allowances."

Is it not the case that now the pharmacy should be showing the actual cost of the drugs and clearly laying out to the PharmaCare program the amount of the rebate they're getting, or the payment or the professional fees — whatever you'd call it — for the drug?

[1025]

Hon. K. Falcon: The member is correct when he quotes from the pharmacy participation agreement. The challenge, of course, has been — for all the provinces — the issue of transparency and the issue of trying to get access to the financial information that could determine whether or not they're actually keeping to the details of the PharmaCare participation agreement.

In Ontario what happened is that they were having the same problem, and so what they did two years ago was bring in a reporting requirement. Then that reporting requirement had to be backstopped by an enormous effort of enforcement and audit teams. Those audit teams would go in. They found, I understand, cases of fraud, outright misinformation — a whole range of problems. At the end of the day, even with this massive enforcement effort to try to get proper reporting, they weren't realizing savings because the industry worked very hard to make sure they made it difficult for them to get access to the correct information, and so they moved down the legislative path.

We are very much aware of that. All of that experience is informing our negotiations, and as we are in these very difficult negotiations, we're keenly aware of what the challenges have been in other provinces and in British Columbia. We are ensuring that those issues are brought directly to the table.

A. Dix: It's the same old song. Just a direct question, and the minister can.... I'll give him two questions, one which I think he can answer and one which he can also answer if he chooses.

The first is: has the minister set, because they're talking about this budget year, a dollar target for the savings that he'd like to see under generic drugs? Has he set one, and therefore, are the negotiations about how to achieve that dollar target? And if he has, what is it? I guess he could answer one or both of those questions.

Hon. K. Falcon: The member won't be surprised when I remind him that we're in the midst of negotiations, and I'm certainly not going to negotiate through budget estimates. I imagine there's probably a fair bit of interest in this discussion. I know every word will be parsed very carefully from the folks that we're in negotiation with, so I'm not going to tip my hand on any dollar targets that government expects to achieve.

What I can tell the member is that we certainly have some objectives in this negotiation process, and our goal

is to achieve our objectives. Our goal is to provide a fair and reasonable deal that will be fair and reasonable for all parties, but most importantly for British Columbians.

[1030]

A. Dix: Well, there you go. So the minister doesn't want to talk about the present process, and he's explained why. Why don't we talk about an existing one?

On January 1, 2009, the province signed an agreement that adopted an interim policy on pricing. That agreement essentially said that new generic drugs — so not existing generic drugs but new generic drugs — would not exceed 50 percent of the price of the equivalent brand-name drug. The principle of it was that there wouldn't be an additional cost for patients.

I want to ask the minister. The then minister — it wasn't this minister — said that there would be \$20 million in savings. Now, the minister will know, as I know, that these projections are frequently made and frequently not reached, largely because they're estimates, and of course, they're predictions. Presumably, because there's very detailed information on the PharmaCare program, the minister can tell me what impact that policy change had on the prices paid by British Columbians for generic drugs and what impact it had on the provincial treasury.

Hon. K. Falcon: Just for a bit of background, the original interim agreement that the province entered into with the B.C. Pharmacy Association was on December 12, 2008. That was coming out of a recommendation of the Pharmaceutical Task Force that went for one year.

Then there was a transition agreement that was signed on December 18, 2009, that would go to the end of June of this year. Of course, that was to tie into the negotiations that we are currently in with the Pharmacy Association, such that if we are not able to achieve a negotiated agreement by the end of June, the government would preserve its right to act unilaterally through legislation, if necessary.

[1035]

What I can tell the member is that I'm advised by staff that the savings that have been derived on an annualized basis now as a result of the agreements that were entered into are \$29 million annually.

A. Dix: It's \$29 million, and \$9 million of that, I think, according to the agreement, went back to pay for the new prescribing program for pharmacists. I think that was part of the original announcement. So net to the government is \$20 million, which is a significant savings. I think I'd just say to the minister that if you're talking about a relatively small, modest thing — saving \$20 million — it tells what the minister obviously knows, which is that there's an enormous amount of money on the table.

I'll ask the minister on the generic drug question. Thanks to my handy guide, *Rx Atlas*, here, of British Columbia, we know that one drug, Lipitor, is over \$100 million in cost in British Columbia and that a very significant portion of that, in that case, was publicly paid. I think about half — right?

A lot of drugs are coming off patent in the next few years. Has the minister estimated the increase in the share of the PharmaCare budget that's going to generic drugs over the next few years? In other words, what's the share now, and what are we expecting five years out — or whatever period the minister would like — three years out, after Lipitor and other extremely expensive drugs, which cost the taxpayer and British Columbians hugely, in particular Lipitor, come off patent?

[1040]

Hon. K. Falcon: First of all, I think it's important to point out that Lipitor is one good example. Lipitor is a drug that PharmaCare spends about \$47 million on, but the overall spending in B.C., if you include the pension plans and out-of-pocket expenses, etc., would be almost \$110 million.

It gives you some sense of the dollars that are involved here, and they are huge. That's why there is a major, major fight going on in Ontario, because obviously, these are major dollars.

I do have to say, Member, for the record, that there was a media story about this issue. I made it clear what government's position was — that government was going to be negotiating hard to find those savings — and I was a little surprised that the member was critiquing government in the media for doing that. I don't know... Maybe, in this business sometimes what happens is that they only take part of your clip, but I was a little surprised to have the Health critic criticizing government's efforts to realize these savings, and maybe that can be clarified for the record.

But I do want to say that Lipitor is a very good example. Again, for the listening audience, this is a drug that is currently a brand-name drug, so we are paying a price for that brand-name drug right now. For all of B.C., that's almost \$110 million. When that drug patent expires, it then becomes a generic-drug opportunity, and there are significant savings that can be realized, obviously.

I'm not going to speculate on what those savings are. We're in the midst of negotiating, of course, right now with the Pharmacy Association to ensure that those savings will be realized to the benefit of the drug-paying population in British Columbia.

A. Dix: That wasn't my question. I was just asking if the ministry has done any work on the share of the market that will be going to generic drugs over the next few years. Ontario, I think, has said that it would be moving,

in terms of the costs, from 30 percent to over 50 percent of their equivalent PharmaCare program in Ontario that would be generic in the next few years, which is a massive change in the nature of the program.

I was just asking the minister if he had information on that. With respect to my position, I have been writing on generic drugs since 2003, and all of that is happily on the public record.

Hon. K. Falcon: I haven't got the percentage figure, but we're working on calculating that. What I can tell the member is that generics will be a growing portion of the drug purchasing that is undertaken in British Columbia, both by government and by private plans. Therefore, increasingly, the stakes will become even more important.

[1045]

I'll get the member the percentage. Someone is going to calculate the percentage for us. It is a growing percentage, and therefore, it underscores just how important this is.

While we're getting that, I'll say to the member that I haven't had the benefit of being aware of his writings. I don't know that they're in any journal that I'm aware of, but perhaps the member could summarize his writings and his position on this issue for me. I think that it would be very helpful to know that there is support on the other side of the House for the position that the government is taking, if that is indeed the case.

A. Dix: This is a good situation, because I hope to set an example for the minister, who, so far, has tended not to answer my questions over a period of days. That's okay. That's his right, of course. I don't suffer as a member of the opposition from his reticence to respond to questions.

It's always been my position — and I think it's the position of every Minister of Health, as well, of all partisan stripes since the '80s — that the growing cost of prescription drugs in general is a huge burden on government. Over the period of 1985 to 2005 the Canadian Institute for Health Information will tell you that's 19 percent each year, every year, in increased costs. That includes government and non-government sources — a massive increase.

That's why my position is that we have to take action to reduce the cost of generic drugs, which are way too high in Canada. We have to take these steps now, partly because there's a huge opportunity now in terms of restraining health care costs and partly because we need to do it anyway because the system doesn't make sense.

Essentially, there's no accountability in the system now. People say that the payments from generic drug companies to pharmacists go to certain things, but there's no accountability for that. That system doesn't make sense. You wouldn't have any other profession engaged in that kind of practice, and we need to have a reassessment of that.

On the second point, though — and the minister will be extremely interested in this — I'm also in favour of other measures to bring down the cost of prescription drugs. The minister will recall that the NDP government of the 1990s brought in reference-based pricing — something that, as members of the opposition, the B.C. Liberal party opposed. They did two studies on it. The conclusion of those studies and the eventual conclusion of the government? NDP, right; Liberals, wrong. They maintained the reference-based pricing system over time because it saves money and makes sense.

I also believe that having a therapeutics initiative would save money and save lives. It's a good thing. It actually has helped to control the cost of prescription drugs, but it has also made sure that we make the right prescribing decisions to save lives.

That's the difference between this side and that side. We don't favour generic drugs, and we don't favour the brand-name drug companies. We're making an effort to protect the public, citizens and patients. That's the difference between our position and their position. We are even-handed and fair and thoughtful in our public policy. That's why British Columbians have benefited from those policies over the years, including the PharmaCare program itself, of course, which dates back to the Dave Barrett government.

Just to follow through, because I've given the minister a little bit of time there, perhaps he has an answer to my previous question?

Hon. K. Falcon: I thank the member for providing some clarity on his position and then going into an interesting diversion there, regarding reference-based pricing. The member would certainly know that the position of this government was guided by the recommendations that came out of the Pharmaceutical Task Force, which was chaired by Don Avison, who is the president of the University Presidents Council and interestingly enough, a former deputy minister under the NDP government — certainly someone that is well regarded in the field of public service.

It also included former Auditor General of B.C. George Morfitt, who was vice-chair. It included such luminaries as Dr. Mark Schonfeld, the chief executive officer of the B.C. Medical Association, and Dr. Robert Sindelar, professor and dean, University of B.C. faculty of pharmaceutical sciences, and on and on it goes.

In other words, it was a blue-chip panel that made a number of recommendations to government on how we can improve transparency around the drug approval process. I think that that's entirely appropriate and how we can also encourage investment.

[1050]

This member, I have noticed over the years, has a very reflexive, negative attitude towards the brand drug industry. That's unfortunate because, actually, as much

as it is easy for members of the NDP and their socialist ilk to criticize brand-name drug industries, they invest hundreds of millions of dollars, billions of dollars, risking much of that investment to try to produce drugs that have an enormous, positive impact on saving lives. Now, that is certainly investment that we want to see continue in Canada and around the world.

I am not one of those that is reflexively opposed to brand drug companies because they happen to be large and, in some cases, profitable. Indeed, we need those investments to be made because they offer, as I say, life-saving drugs that, I can tell you, have certainly been utilized by members of my family and probably by the member. I think the member indicated that he's utilizing a brand-name drug right now for his insulin. Those investments and those drugs would not have been created without the opportunity for those companies to make a significant investment.

I spent a moment to answer that because of the member's latter part of his position, but I am pleased to hear that, with respect to the generic sector and the Pharmacy Association, the member supports the position of government in trying to ensure that we receive value there.

What I can tell the member right now is that 40 percent of the PharmaCare budget for the purchase of drugs is represented by generic drugs. It is our belief.... This is an estimate, but based on current trends, if there's no change in pricing by 2012-2013, it is our view that the generic drugs would form 52 percent of the total purchases.

A. Dix: I'd like to just ask — because the minister mentioned Mr. Morfitt. Mr. Morfitt did a review of the reference-based pricing system in 2002. The minister will recall that review. I just wanted to ask him to comment on one of Mr. Morfitt's recommendations: "The reference drug program should be expanded into appropriate additional therapeutic categories in order to maximize its cost-savings potential."

Does the minister agree with that, and has he made any plans...? I know the terms of reference of the Pharmaceutical Task Force didn't contain any reference to this question, but I wonder if the minister is planning on following through on Mr. Morfitt's suggestion.

A Voice: When did you say he did that?

A. Dix: In 2002. He did the review. It wasn't just him. It was a couple of others, but he was on the.... It was 2002. There was one in 2004 as well.

Hon. K. Falcon: The Pharmaceutical Task Force was struck in 2007. As I mentioned, Mr. Morfitt was vice-chair of the Pharmaceutical Task Force. This was struck prior to, obviously, my becoming Minister of Health, but I imagine that.... I don't know. I have no way of knowing

whether that is still the position of Mr. Morfitt. Perhaps his position evolved. Sometimes positions change when you have new information. I have no idea, but I do know that Mr. Morfitt served with some distinction as vice-chair of the Pharmaceutical Task Force.

As I say, I think you'd be hard-pressed to try and find much more of a blue-chip panel to make recommendations to government on how we should go forward. I think there is always a tendency to want to, you know, grasp on to how you've always done things. But again, the member knows that I am an individual that tries to pay attention.

When you put together a blue-chip panel like this, which is making thoughtful recommendations on how you can better serve the public and the province by implementing some changes in terms of your drug policy, I think it's incumbent upon government to listen to the recommendations that are made and to implement those recommendations — when individuals like Mr. Morfitt have spent an awful lot of time and thought and consideration and discussion on arriving at those recommendations.

A. Dix: Well, the reference-based pricing issue wasn't in the terms of reference, of course, of the task force. But I asked the minister a direct question. Since I so generously answered his direct question, I thought he'd answer mine: are there any plans to expand reference-based pricing to other drug categories, as was recommended by reports to the government in the past? That's a simple question. It's not.... It shouldn't be a problem for the minister.

[1055]

Hon. K. Falcon: No. I'm advised by staff that there are no plans to change the current reference-based pricing approach. The staff advised me that they feel that the approach is evidence-based and is one part of the process that informs government on its decisions.

A. Dix: Well, of course, it's saved hundreds of millions of dollars for the government as well, and that's why, even though the B.C. Liberals campaigned on getting rid of it in 2001, they were forced to acknowledge the value of the program when they got into government.

A question with respect to the therapeutics initiative. There are ongoing negotiations to fund the initiative at the faculty of medicine at UBC. Can the minister tell the House whether the funding for the therapeutics initiative will be continued this year? The minister has said and previously answered and previously put forward the notion that the therapeutics initiative would be removed from the drug approval process, but is the funding for the initiative going to be maintained?

Hon. K. Falcon: With respect to the therapeutics initiative, for the benefit of the member: it's involved

in three primary areas. One is the preparation of clinical evidence reviews for certain drug submissions, the second is delivering health professional education, and the third is conducting British Columbia PharmaCare program evaluations, or so-called real-world safety and effectiveness evaluations.

The therapeutics initiative will continue to do two of those three things: both the health professional education and the program evaluation. The portion that was clinical evidence reviews for certain drug submissions is going out to RFP in the summer, so that is not going to be exclusively in the domain of the TI, though they may bid on the opportunity to be involved in that RFP. As I say, that is going out in the summer.

A. Dix: And the status of the grant to the therapeutics initiative for this year? That was my question.

Hon. K. Falcon: We continue to fund the therapeutics initiative, up to and until we conclude a contract with the new successful proponent as a result of the RFP that's going out in the summer.

[P. Pimm in the chair.]

A. Dix: Just to be clear, then, the minister said that the therapeutics initiative, in his view.... We can have that debate. I think we've had it. I think that we'll have that debate again, a little bit, about the value of the initiative, but for two out of the three tasks that it does. One of those tasks is being changed.

[1100]

Is the minister saying that all of the therapeutics initiative funding will be cut at that time — at the time that the RFP goes out or that the successful proponents of the RFP are named?

Hon. K. Falcon: No. We will be cutting the funding only to that element that they would no longer be responsible for, which is the preparation of clinical evidence reviews were they, of course, not to be successful in the RFP process.

A. Dix: The grant was \$1 million last year. What will it be this year?

Hon. K. Falcon: Well, that will be a subject of negotiation and discussion with UBC, of course, to determine what the appropriate balance is to undertake the balance of the activities that the TI would continue to be involved with — that is, the education for physicians, health professional education and the PharmaCare program evaluations.

A. Dix: I just wanted to ask the minister his reaction to the most recent letter from Therapeutics Initiative,

which is an example of his work. I mean, there are many examples of his work.

As the minister will know, in the United States we have just seen, I think, close to a \$600 million settlement against AstraZeneca for false marketing of Seroquel. It was Therapeutics Initiative, in fact, that raised questions about the wisdom of the use of this drug.

I want to ask him about his reaction to the most recent Therapeutics Initiative letter, No. 75, which suggests that a majority of the \$30 million.... Now, if you look through the review that was put forward by the CHSPR review on the use of prescription drugs in British Columbia, which is based on PharmaCare data, you'll see that two-thirds of that, or \$20 million, is public money spent annually in B.C. on gabapentin. It's probably wasted, if not harmful to patients.

Is the minister aware of that change? Is it going to have an impact on drug policy? Does he not think, given the money involved and the implications for patients of these Therapeutics Initiative reviews, that those are examples? Virtually, much of the recent evidence coming out of the United States on mistakes made with respect to prescription drugs.... Thankfully, we were spared in British Columbia because we received reports from Therapeutics Initiative on the value of those prescription drugs.

Hon. K. Falcon: The member, no doubt, will be happy to know that the TI will continue to do the real-world effectiveness and safety evaluations, and that does not change. They will continue to provide that service for the province.

A. Dix: I did have a specific question about a specific drug, but perhaps the minister can get back to me on that.

[1105]

I wanted to move on to a discussion that the minister and I had at some length. It was in the last round of estimates. It was one of those discussions. It was one of those discussions, hon. Chair.... You weren't in the chair, so that's clearly the reason that the conversation took a negative turn.

I made a series of suggestions about the program that the government had brought forward on macular degeneration. I made a series of suggestions to the minister — for example, that it was a bad idea to spend \$5 million for \$280,000 worth of drugs, and things like that. The minister accused me of being a communist, I think, so it was a typical exchange in estimates — positive suggestions from the opposition and ideological responses from the minister.

Subsequent to our discussion — I'm not for a second suggesting that this makes the minister in any way a communist — he adopted some of the suggestions that I made. Although others in the B.C. Liberal caucus may, in fact, want to draw that conclusion, I will not make that conclusion. But the minister, in fact, adopted some

of the very suggestions that I made. What an extraordinary thing, from communism to free market, those ideas.

I want to ask the minister just on this specific question. There's information with respect to the two drugs, Avastin and Lucentis at that time, in the initial stages of the program that initially showed a 68 percent choice of Avastin. That went up to 80 percent subsequent to the change and 20 percent for Lucentis. Since the minister made some changes in the reimbursement policy with respect to this program, has there been change in the percentage of the time the two drugs are prescribed?

Hon. K. Falcon: I think I didn't hear the member clarify his political affiliation. Did he deny that he was a communist or not? I can't recall. I didn't hear an outright denial there, but I'll wait. We did have a good debate, didn't we?

The age-related macular degeneration program has been a very successful program. Our government was proud to introduce that program — the first in Canada, I believe, to introduce that program — to provide an option of three drugs for the treatment of age-related macular degeneration. The two primary ones were Lucentis and Avastin, and Visudyne was the third, though much less utilized. But all three of those drugs are available very comprehensively in British Columbia.

The member and I did have a debate about this. The member was very excited about the fact that he felt he knew exactly how this program should operate. At the time, I recall saying to the member that we made it very clear when the program began.... We clearly stated that after six months there would be a review of the usage and how the program and the drugs were being utilized.

We made it clear — again, relying on the advice of health professionals within the ministry and, of course, retinal specialists — that a review of the results would be undertaken after the first six months. That review was undertaken, and adjustments were made to have payments for retinal specialists better reflect the patient usage patterns.

That's exactly what we said was going to be happening when we announced the program. The member can go back and check. You will see it, actually, in the original announcement that it talked about how the program would be reviewed after six months for that very reason.

A. Dix: You know, hon. Chair, the minister would just be encouraging me by answering the question the first time. So I'll ask it again. Has the relative proportion of Avastin and Lucentis changed since changes were made in the program in December?

[1110]

Hon. K. Falcon: From when we began the program in June of 2009 to the end of March 31, 2010, the age-related macular degeneration program has treated approximately

5,000 patients in British Columbia with approximately 19,600 injections. The total cost of the program during this period was \$11.5 million.

As I mentioned before, the drug coverage that we provide in terms of the approach we take — making all three drugs available — is unique in Canada. For example, if B.C. had followed the lead of other provinces in just using exclusively Lucentis, then B.C. would have spent at least \$15 million to \$20 million more in the first ten months of the program's operation.

The member had asked about what the change was in the utilization of the drugs. In June of '09 about 66 percent of the drugs utilized were Avastin and 34 percent were Lucentis, and by March of 2010 it was 60 percent Avastin and 40 percent Lucentis.

A. Dix: Just a couple of questions to follow through on the therapeutics initiative. Do you see how easy that was? I asked a question, and I got an answer. I'm moving on, you know. Took a couple of tries, but we're making progress.

Population Data B.C., which last year lost its funding.... I think the minister would agree that it provides incredibly important data for the Ministry of Health in determining health policy and saving money and making the right evidence-based decisions. It goes without saying that you need evidence to make evidence-based decisions. It and the UBC Centre for Health Services and Policy Research both lost their funding last year. I'm wondering what the status of that funding is this year.

Hon. K. Falcon: There's no change in the status. One of the difficult things we were faced with, particularly when I first became minister, was that even in spite of the record increases we were providing to the health care system, there were still cost pressures — \$360 million worth of cost pressures, actually — across the health authorities.

We had to try and do what we could to manage within those cost pressures, as the member knows from our earlier discussions. We're proud of the fact that all of the health authorities have been able to remain on budget, and that was through some very difficult work and some tough decisions. This was one of those decisions, and there has been no change in the status.

[1115]

A. Dix: Last fall the minister said, with respect to Population Data B.C., that he felt that losing one year of the data and of the work — he made the same argument, cost pressures, etc. — would not be a problem. How many years of work does he expect to lose, and at what time point does it become a problem?

Hon. K. Falcon: Certainly, the fact that we were not able to continue the annual grant to the organization is not in any way an indictment of the work they did. But I

understand from staff that they had always been advised that they were not to make long-term policy decisions on the funds they received through these grants.

That is always a challenge with grants, because sometimes in the minds of grant recipients this is a permanent government program, and it never is. These are annual grants, and at a time where we faced a world economic meltdown and we were pressed with some very difficult financial challenges in British Columbia, we had to make some difficult choices. It doesn't mean that health research is not important. It is very important, but direct care to patients is also very important.

Since 2001 the Ministry of Health has invested just over \$800 million into health research, and that has included six leading endowment-funded chairs, \$84 million through Genome B.C., \$32 million for the Brain Research Centre, \$25 million for the Centre for Drug Research and Development, and of course, the Michael Smith Foundation has received enormous contributions from the province.

We're proud of that \$800 million investment. Unfortunately, this investment.... I don't recollect the exact amount. I think it was a half-million-dollar grant, but unfortunately, we were unable to continue that in light of these extraordinary economic circumstances facing British Columbia.

A. Dix: Just to say, and the minister knows this, that there's a cost when you're trying to base health policy and all these enormous expenditures on evidence and you don't have the evidence. Eventually there's a cost. I think the minister would acknowledge that. He said that the one-year loss was okay last year, and presumably, we're now looking at a two-year loss.

[1120]

Just to follow up with the minister on an issue that we discussed last year, and I think we shared.... We had the discussion after the Lucentis discussion, in order to move on to new ground. It was around the Alzheimer's drug programs. I wanted to ask the minister for an update on how the programs are going. It seems pretty clear to me that it hasn't been as successful a process as we would have hoped. I think the minister sort of confirmed that last year when we had the discussion.

I'm wondering if the minister has any update on the uptake of the program and on the research studies that were supposed to occur with the program, which the government has spent millions of dollars on overall.

[1125]

Hon. K. Falcon: I thank the member for the question. The Alzheimer's drug therapy initiative that we launched in British Columbia is something, naturally, that we're all very proud of on both sides of the House, and I recall the member and I discussing this at our last estimates. Over 11,000 British Columbians have received coverage.

I understand under the program that the cost of the program was originally budgeted at \$77 million over three years — \$2.4 million dedicated to research and \$400,000 awarded to UBC to deliver physician education. Industry was expected to provide \$8 million in drug rebates.

There have been enhancements made to the initiative from its original announcement, which include an extension in the coverage period from December 2010 to March 2012; it also expanded coverage to include extended care hospitals; the rivastigmine transdermal patch, which I guess is another method of delivering the drug; and compensation to physicians for participating in the initiative's research program.

Now, the takeup — and we may have touched on this last time — wasn't as much as we hoped initially in this program. The last time we canvassed this I recall the member talking about his concern that low-income folks, in particular, be able to have access to the program. That's certainly something that we took note of.

We have been concentrating on a number of fronts to try and boost the participation of patients and physicians through their representative organizations to bring this about. For example, we're working with the British Columbia Medical Association to try and simplify the information requests for the special authority coverage requests. We want to make that easier. We've agreed to compensate physicians for participation in research activities to try and, again, provide further incentive for physicians to partake.

We've tried to emphasize the importance of ensuring that the low-income patients have priority opportunity to participate. In that regard, we also worked with the Pharmacy Association in their newsletters to ask pharmacists for their help in letting people, particularly their low-income clientele, know that coverage is available.

We've also worked with the Alzheimer Society of B.C. to include information in their society newsletters to ensure that that information is also circulated within the Alzheimer's community.

We are hopeful that with all of those efforts, we can continue to increase the uptake in what I think is a very important program — certainly leading the country, again, in providing drug coverage for a very, very troubling illness.

A. Dix: Well, it's not leading the country, although it's a different way of covering it. Other jurisdictions cover the drugs directly. But it's an interesting idea. The problem, as the minister will know, is that doctors have been reluctant to enrol, I think.

What often ends up happening is patients just end up either paying out of pocket or not getting the drug. It's not just low-income patients. In fact, these are relatively expensive drugs, as the minister will know, given the total size of the program.

I understand from the extension of the program that the program has underspent its original budget — is that fair to say? — and that the program is being extended using the original sum of money.

This is always a mistake, I say to the minister, but I'm going to do this. I forgot to ask him a question earlier. He mentioned the drug coverage review teams, which are the new teams that will be brought in that, presumably, the government will be using to replace the therapeutics initiative.

The minister referred to an RFP in the summer. I just want to make sure I understand: is it an RFP or an RFQ? In other words, is the minister trying to put together a group of people who would qualify as possible assessors on that committee? What will the budgeted cost be this year, given that it's going to be part of a year, for the drug coverage review teams?

[1130]

Hon. K. Falcon: I'll answer that in two parts. The first part: the member is correct that because of the lower than expected uptake, the actual drug costs for the initiative were below budget. I imagine that's partly the reason why we're able to extend the coverage and keep the program moving along.

In terms of trying to deal with the issue of trying to increase the uptake, it's one of the reasons why we've got the compensation for physicians. We try to make a financial benefit out of ensuring that they enrol appropriate members of their practice that are dealing with issues around Alzheimer's. Of course, that's very helpful in terms of doing the ongoing research to determine the efficacy of the drugs that we're utilizing in the program.

With respect to the second part of the member's question, it is an RFQ. That is a request for qualifications.

A. Dix: There you go — two questions, two answers. Just to follow up, though. The second was only partial. I just want to ask: what has the ministry budgeted for the drug coverage review teams — annualized, I guess, but in this fiscal year?

Hon. K. Falcon: What the amount of that budget will be will depend on a large degree on the results of the RFQ, but I can tell the member that it will be within the \$1 million budget that is currently in place for the therapeutics initiative.

[H. Bloy in the chair.]

A. Dix: I just had a question with respect to e-health. Well, let me make it a three-part question to give the minister a little bit of time to speak here.

I guess that the first question is on the electronic medical records, the PITO program. What is the takeup now? What is the progress with respect to the expenditure of

that money? How much of the \$108 million subsidy has been spent? And has any progress been made by the contractors, by the vendors, to meet federal ISO certification requirements?

So that's a three-part question for the minister, and I'll give him a little bit of time to consider that.

Hon. K. Falcon: This might be a good time to maybe take a few minutes to break so that we can get new staff to come in to deal with the issue.

A. Dix: Why don't I ask a different subject, then?

Hon. K. Falcon: Okay. If we could do that, it would be great, and then do it after lunch. Okay.

A. Dix: Yesterday, because he would have got the briefing on this.... We had a discussion, and then we moved on to other things about nurse practitioners and about a case.

[1135]

The nurse practitioner in question is an outstanding person and, I think, very well recognized in the Fraser Valley and respected by people, including government MLAs.

The issue was this. As the minister will recall from our discussion yesterday, Janet Baillies was hired at a doctor's office, provided outstanding program service and there was great protest when her funding was going to be cut, I think, at the end of January. That program funding was extended until March 31 and has now been cut.

I think it highlights one of the issues that is — I think the minister will agree with me — really one of frustration. What has really happened is that someone whose service has been outstanding, has provided outstanding care....

The program was a success. It's on the minister's own website, so it's on the ministry's website, essentially bragging about this as a real success in primary care — and justifiably so. It is now over in this case. It's over, in part, because of the way in which we fund health care.

In the end, it made sense when Fraser Health stopped funding the grant, which I think came out of an innovation fund. It made sense for Fraser Health, in its own interest, to say no to that grant, but for the government's overall cost, the effect was to replace Ms. Baillies and that work she was doing — which was far less expensive to government — with a doctor, essentially, who would then bill MSP. Right?

And so I guess that the taxpayer loses and the patients lose because we haven't quite figured out how to deal with nurse practitioners in a permanent way in that circumstance. I raise that issue with the minister. I know that the staff did a little work on the case.

I should say that I think this is a really outstanding nurse. I don't raise the issue to put her in any negative

position. It's just that this case illustrates, I think, a much broader problem, and I wanted the minister to comment on that.

Hon. K. Falcon: I would actually find myself largely in agreement with the member opposite with respect to this. I do think, as I acknowledged yesterday, that I do not believe government has done as good a job as we could have in ensuring when we established the nurse practitioner program in British Columbia.... We're proud of the fact that we did that. We provided \$62.7 million to the health authorities from the fiscal periods '05-'09 to incorporate nurse practitioners into the system.

In the case of the Abbotsford nurse that the member mentions, I would agree with the member 100 percent. It is a frustration to me that in that case.... The dollars, as I understand, were provided under a grant through the enhanced family practice program through the ministry.

The problem with the grant on dealing with something like that is that you end up starting a position that is working, by all regards, very well. The grant comes to an end, and instead of continuing it — because that would make really good sense from a primary care approach — often the health authority takes the approach that "well, since our grant ended, we're not going to continue."

So one of the things I can assure the member of is, first of all, that it is this minister's priority that we are going to actually fix this problem and ensure that nurse practitioners — with all the incredible skills they have — are going to be a key part of the primary care system going forward. We are going to solve this problem to ensure that we do not have a situation like this happen in the future, that we are not going to have them funded on a temporary basis with grants, that they are going to be included in the primary care delivery of services in a more permanent manner.

I have got staff working on that as a priority, and I thank the member for raising that issue. I'm not proud of the fact that that issue worked out that way for that particular nurse practitioner, but I want to assure her, as I have the Nurse Practitioner Association, that this is a problem this minister is committed to solving and making sure that we ensure that nurse practitioners are going to be an integral part of the primary care system.

Now having said that, I have to add that there is a bit of a challenge in one area. That is that often what we find with medical professionals — that includes physicians and nurse practitioners — is that they generally want to be practising within the urban or suburban centres much more than they do the rural and remote centres.

[1140]

This is a bit of a challenge for us. It's a larger challenge to try and encourage and provide significant financial incentives to have them also practise in rural-remote centres.

We have expended hundreds of millions of dollars to try and encourage that, with some success in the medical field, with doctors and with nurses — with loan forgiveness programs, with special rural enhancement fees and with beefed-up locum payments, etc. But it is still a big challenge. I understand it is somewhat less of a challenge with nurse practitioners, but it is still a challenge.

I can assure the critic that that is an issue we are working on, and I hope that I will have more to say on that in the coming months.

The Chair: Member, and noting the hour.

A. Dix: Wow. Time flies, hon. Chair.

Just to follow up on that, the minister says that he will have some proposals in the coming months. With respect to nurse practitioners, the minister will know that one of the problems happening now is that we've trained quite a few nurse practitioners, and we employ a minority as nurse practitioners in B.C.

One of the effects of that has been that we are now training nurse practitioners for other jurisdictions, which are a little bit ahead of us in terms of their utilization. So we have nurse practitioners who'd like to work in B.C. — even in rural areas, I'd say to the minister — who end up working in Ontario and the United States, where they're a little bit ahead of us.

Is the minister, as part of his review, considering finding ways to give access for nurse practitioners

on a fee-for-service basis? As he says, if you're going to enhance and increase the use of nurse practitioners in some fashion, you have to find a permanent mechanism in the primary care setting for them to be paid. Are those the kinds of things that the minister is considering?

Hon. K. Falcon: I guess the short answer is no. We're not looking at fee-for-service. One of the approaches we are trying to move towards is a shift away from a transactional approach to medicine to a more holistic approach. We think it's important that we have a primary health care system where we actually encourage our medical professionals to spend more time with patients, particularly those that need it.

The last thing we want to do is start to encourage and reinforce the idea that the more patients you do, the more dollars you will receive. We don't think that is necessarily associated with better care, although I recognize we do that with the majority of physicians in the province. That has both its pluses and its minuses, but that's not somewhere we're planning on going with respect to the nurse practitioners.

Noting the time, I move that we rise, report progress and seek to meet again.

Motion approved.

The committee rose at 11:43 a.m.

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

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

Rates
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