



First Session, 40th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON

**FINANCE AND
GOVERNMENT SERVICES**

**Dawson Creek
Monday, October 7, 2013
Issue No. 16**

DAN ASHTON, MLA, CHAIR

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

Dawson Creek
Monday, October 7, 2013

- Chair:* * Dan Ashton (Penticton BC Liberal)
- Deputy Chair:* * Mike Farnworth (Port Coquitlam NDP)
- Members:*
- * Mable Elmore (Vancouver-Kensington NDP)
 - * Eric Foster (Vernon-Monashee BC Liberal)
 - * Scott Hamilton (Delta North BC Liberal)
 - * Gary Holman (Saanich North and the Islands NDP)
 - * Marvin Hunt (Surrey-Panorama BC Liberal)
 - * Lana Popham (Saanich South NDP)
 - * Jackie Tegart (Fraser-Nicola BC Liberal)
 - * John Yap (Richmond-Steveston BC Liberal)

** denotes member present*

- Clerk:* Craig James
- Committee Staff:* Stephanie Raymond (Administrative Assistant)
- Officials Present:* Dale Bumstead (Mayor, City of Dawson Creek)

-
- Witnesses:*
- Kathleen Connolly (Executive Director, Dawson Creek and District Chamber of Commerce)
 - Brent Deinstadt (Northern Lights College)
 - Jerimy Earl (President, Board of Directors, Dawson Creek and District Chamber of Commerce)
 - Paul Gevatkoff
 - Karen Goodings (Chair, Board of Directors, Peace River Regional District)
 - Lorraine Mackay (President, Peace River South Teachers Association)
 - Mary Miller
 - Michele Mobley (Dawson Creek Literacy Now)
 - Merlin Nichols (Mayor, District of Chetwynd)
 - Emma Palmantier (Chair, Northern B.C. First Nations HIV/AIDS Coalition)
 - Ferrol Pavlis
 - Rick Pavlis
 - Tammy Watson (Saulteau First Nations)

CONTENTS

Select Standing Committee on Finance and Government Services

Monday, October 7, 2013

	Page
Presentations	458
E. Palmantier	
T. Watson	
B. Deinstadt	
L. Mackay	
M. Mobley	
K. Goodings	
J. Earl	
K. Connolly	
P. Gevatkoff	
M. Miller	
F. Pavlis	
R. Pavlis	
M. Nichols	

MINUTES

SELECT STANDING COMMITTEE ON
FINANCE AND
GOVERNMENT SERVICES



Monday, October 7, 2013
1:00 p.m.
Room 1, Fixx Urban Grill
512 Highway 2, Dawson Creek, B.C.

Present: Dan Ashton, MLA (Chair); Mike Farnworth, MLA (Deputy Chair); Mable Elmore, MLA; Eric Foster, MLA; Scott Hamilton, MLA; Gary Holman, MLA; Marvin Hunt, MLA; Lana Popham, MLA; Jackie Tegart, MLA; John Yap, MLA

1. The Chair called the Committee to order at 12:58 p.m.
2. Opening remarks by Dan Ashton, MLA, Chair.
3. The following witnesses appeared before the Committee and answered questions:
 - 1) Northern BC First Nations HIV/AIDS Coalition; Emma Palmantier
Saulteau First Nations Tammy Watson
 - 2) Northern Lights College Brent Deinstadt
 - 3) Peace River South Teachers' Association Lorraine Mackay
 - 4) Dawson Creek Literacy Now Michele Mobley
 - 5) Peace River Regional District Karen Goodings
 - 6) Dawson Creek and District Chamber of Commerce Kathleen Connolly
Jeremy Earl
 - 7) Paul Gevatkoff
 - 8) Mary Miller
 - 9) Ferrol Pavlis; Rick Pavlis
4. The Committee recessed from 3:06 p.m. to 3:14 p.m.
5. The following witness appeared before the Committee and answered questions:
 - 10) District of Chetwynd Mayor Merlin Nichols
6. The Committee adjourned to the call of the Chair at 3:22 p.m.

Dan Ashton, MLA
Chair

Craig James
Clerk of the House

MONDAY, OCTOBER 7, 2013

The committee met at 12:58 p.m.

[D. Ashton in the chair.]

D. Ashton (Chair): Good afternoon, everyone, and to those in the gallery. We are the Select Standing Committee on Finance and Government Services. This is an all-party parliamentary committee of the Legislative Assembly whose mandate includes conducting annual public consultations on the upcoming provincial budget.

We would like to welcome everybody in attendance today. Thank you very much for taking the time to attend. We really do appreciate your participation in this important process.

Every year the Minister of Finance releases a budget consultation paper. The paper contains a fiscal and economic forecast and key issues that need to be addressed in the next budget. Once the consultation paper has been released, this committee is required to hold provincewide public consultations. All British Columbians are invited to provide input to the budget.

Following the consultations, the committee releases a report of the consultations along with recommendations for the upcoming budget. This report must be presented to the Legislative Assembly no later than November 15.

There are several ways for British Columbians to participate. This public hearing is one of 17 scheduled to take place in communities throughout the province. All British Columbians are invited to present at or attend the hearings. We have also scheduled video conference sessions for five additional communities. British Columbians can also participate in the consultation by sending a written submission, video file, letter or fax.

[1300]

Information on the consultations, including instructions on how to make a submission, is available at our website at www.leg.bc.ca/budgetconsultations. I would also mention that the committee has agreed to accept submissions regarding the core review as part of our budget consultations. We have been advised by the government that the committee will not be the only avenue for public input on the government's core review.

The deadline for submissions is Wednesday, October 16. All the public input we receive is carefully considered.

At today's meeting each presenter may speak for up to ten minutes. Up to five additional minutes is allotted for questions from committee members. Time permitting, we may also have an open-mike session at the end of the hearing. Five minutes are allotted for each presentation. If you would like to register for the open mike, please check with the staff at the information table.

Today's meeting is a public hearing and will be recorded and transcribed by Hansard Services. A copy of this transcript, along with minutes, will be printed and made

available at the committee's website. A live audio webcast is also broadcast through the website. The committee is also on Facebook and on Twitter. On Facebook you'll find us under the Legislative Assembly of British Columbia, and on Twitter we are at twitter.com/BCFinanceComm.

I would now ask members of the committee to introduce themselves.

L. Popham: I'm Lana Popham, and I represent Saanich South.

G. Holman: Hi. Gary Holman, MLA for Saanich North and the Islands.

M. Elmore: Good afternoon. Mable Elmore, MLA for Vancouver-Kensington.

M. Farnworth (Deputy Chair): Mike Farnworth, MLA, Port Coquitlam.

J. Tegart: Good afternoon. Jackie Tegart, MLA, Fraser-Nicola.

J. Yap: Hello. I'm John Yap, the MLA for Richmond-Steveston.

M. Hunt: Marvin Hunt, Surrey-Panorama.

S. Hamilton: Hi. I'm Scott Hamilton, and I'm the MLA for Delta North.

E. Foster: Eric Foster. I'm the MLA for Vernon-Monashee.

D. Ashton (Chair): Good afternoon again. My name is Dan Ashton. I'm the MLA for Penticton. I will be chairing these proceedings and working very closely with the vice-Chair, Mike Farnworth, and all committee representatives and staff to ensure that what is said today is forwarded to the government for proper consideration.

Also joining us today from the parliamentary committees office are some incredibly hardworking individuals: Craig James, and Stephanie Raymond, who is staffing the registration desk at the back. Jean Medland and Ian Battle are also here on behalf of Hansard Services.

Just before we get started, I would like to recognize a couple of individuals — first of all, His Worship Dale Bumstead.

Your Worship, please come on forward. Maybe have a seat so people can hear.

D. Bumstead: Thank you so much. My name is Dale Bumstead. I think I'm one of the newest elected mayors in the province, getting sworn in about two weeks ago. The by-election was the middle of September. It's an absolute pleasure and thrill to have the Select Standing

Committee on Finance into the magnificent Peace River South.

Welcome back, to some of the members. I recognize some of the faces and names that have been here in the past years. It's a pleasure to have you back in the community.

I just sincerely wanted to bring that offer of welcome on behalf of the citizens, the council and administration. Peace River South, Dawson Creek, is a longstanding agricultural-based community with some ties to that mining and agricultural community. But we're going through a transformation in our community right now with the huge, huge impacts of the Montney gas field. I think everyone in the province is seeing and feeling and understanding the impacts of that.

For us in this community, we're excited about the future. We're excited about what lies ahead for not only this region, the north, but the province as a whole. I just wanted to take the opportunity to welcome you all to Dawson Creek. We hope your stay here is an enjoyable day or so and you have some opportunity to enjoy the community during your visit. Thank you for coming.

D. Ashton (Chair): Your Worship, thank you very much for your hospitality so far. We'll see you at 3:20. We have you down for a presentation.

D. Bumstead: Yeah. Actually, I'm not coming back. I just wanted to come and do the official welcome, so I'll give you an extra 20 minutes on your calendar today.

D. Ashton (Chair): Perfect. Thank you, Your Worship. Have a good day.

I would also like to recognize Cindy Fisher, who is the constituency assistant to Mike Bernier, who is one of our peers.

Welcome, Cindy.

Our first presentation is the Sauleau First Nations, and that is Tammy and Emma.

Welcome, ladies. Thank you very much for coming. Once again, it's a ten-minute presentation. I'll catch your eye at about eight minutes so you can know where it is, and then we'll have the question period after. The floor is yours.

[1305]

Presentations

T. Watson: Okay. Thank you very much. I actually sit on the council for Sauleau First Nations, and I help with health programs. Emma is here, and she's from Prince George. She's the chair of the Northern B.C. First Nations HIV/AIDS Coalition. She is going to begin first.

E. Palmantier: Good afternoon. As Tammy has mentioned, my name is Emma Palmantier, and I wanted to

first of all acknowledge the traditional territory of the Treaty 8 people where we're conducting our business.

I'll give a brief introduction of myself. My name is Emma Palmantier. I'm the chair of the northern B.C. HIV coalition. I did a written presentation. To give an overview, we're going to be focusing mainly on the youth, as it is so important.

I understand that you guys are working towards your new year budget, 2014. I notice that a lot of you are from down south, and I'm sure glad you guys are here in the north. As you can see, the northern communities.... As you travel throughout the province, there is a lack of services, quality health services, in our communities.

We did a community engagement a couple of years ago. As the chair, I had the opportunity to travel to all the communities, including the treaty 8 territory in Fort St. John. But the coalition covers all of northern B.C. as far as Quesnel, to Fort St. John and the border of Yellowknife, and as far as Haida Gwaii. It's 55 First Nations communities. The reason why we wanted to focus on the youth was that the majority of the population in First Nations communities is the youth.

What we really wanted to present on is the background. I don't know if you have the presentation in front of you, but a lot of you know there have been statistics and research conducted by various educational institutes, governments and industries that have proven that First Nations youth is a fast-growing population in First Nations communities in northern B.C.

The findings are that dispossession and dislocation of our people in northern B.C. through the reserve, residential school, colonization and child welfare systems have contributed to the gross overrepresentation of HIV and AIDS infection, substance abuse, child abuse, missing women, youth suicides, young people trafficking in drugs, survival sex trade workers and housing instability in aboriginal communities.

High levels of transients in northern B.C. illustrate the value of programs that respond to the moments and times when young people are in transition — including acute housing crisis, relationship breakdown and moving into new environments — to assist them to stabilize and avoid increased vulnerability. Interventions that reach young people in moments of housing transitions have the opportunity to help prevent episodic homelessness and spirals into vulnerability.

Childhood sexual abuse is considered one of the most disastrous corollaries of the ongoing historical drama among young people caused by residential school and the child welfare system.

In our findings, when we're going to the communities, a lot of the young people that are in foster homes age out, and I've been dealing with a lot of young people that end up on the streets. A lot of them have testified that they weren't prepared and that they have no place to go when they reach 19. They hit the streets, and they

get themselves into trouble to go back into Corrections, just to have a roof over their head and food on the table is what a lot of them are saying.

Sometimes you can witness that a lot of our young women are survival sex trade workers because that's subsidizing their income. This is a big issue that's coming up.
[1310]

Of course, the drugs and alcohol are really increasing in some of the communities. This has been a big concern that's coming from First Nations communities and also those that are living in urban communities like Prince George, Fort St. John, Prince Rupert and Terrace. I'm sure that when you guys travel throughout, you'll hear that.

The second page says that the association between childhood sexual abuse and unstable housing types suggests that to help young people find and maintain stable housing, they must have access to culturally appropriate programs and services to heal from lifetime sexual and historical trauma.

Recommendations for your consideration. Housing and stability among young people who use illicit drugs must be addressed on two levels: one, by providing cultural safe-housing programs and services that recognize the role of historical trauma in young people's lives and are designed with their input; and two, by dismantling ongoing structural injustice, which remains a barrier to young people finding and maintaining safe, secure and adequate housing.

The second one is that programs must be culturally safe and young people must be meaningfully involved and provide leadership in the design of all programming.

The third one is that programs may include resources for individuals who are aging out of foster homes, leaving jail or arriving from a reserve or city, to help them connect with resources related to housing but also related to safe sex and drug use; eviction prevention programming; help during income transition, changes in social assistance amounts; or more resources for training on the job that can lead to stable employment.

We find that a lot of the young people, when they're on the street... The income assistance is very limited, or there are policies where they're really finding it hard to access any of the income assistance. A lot of the young people really need to get into some kind of training-on-the-job type of program.

We really would like to see more resources for the young people, because there have been a lot of suicides in First Nations communities this past month. There have been a lot of young people. There was one that happened here in Blueberry, where a young person committed suicide. Then in the Bulkley district there have been two that have committed suicide. You probably heard on the radio of one that went to Canadian Tire and slashed his throat.

That concludes my presentation. I don't know the time.

T. Watson: I'll briefly share a bit of more personal experience, I guess you would say. I'm also a member of the First Nations Health Council, and I represent the northeast region for B.C. Of course, October 1 was our big transfer day. We're so proud to be able to take that on and have the support of the federal government as well as the provincial government.

We really, truly are partners here in addressing the needs of First Nations health. Our goal is to improve our services and programs for our communities. I believe fully that together we can do this, and we still need your help.

I wanted to share with you a bit of a personal story. I lost a brother to HIV/AIDS seven years ago. I was involved with the Northern B.C. HIV/AIDS Coalition because of that. Since that time — it's now been almost two years — I've learned so much more about what we need to do in the communities to really give attention to and support the research and the forums and organizations such as the coalition that do the work to understand what the determinants are.

Emma mentioned poverty and lack of adequate housing, lack of education, the loss of our culture and language, and how we can make improvements in the areas, thereby improving the health of our people. This work ensures that the right information reaches the communities at the right time in ways that are accessible, respectful and supportive of positive change. Now is the right time to work together.

D. Ashton (Chair): Perfect. Emma, Tammy, thank you for your presentation.

[1315]

M. Farnworth (Deputy Chair): Thank you for your presentation, Emma. Just a couple of quick questions. Do you have any numbers or percentages in terms of young people who are staying in the community as opposed to young people who are leaving the community and going to the major urban centres, for example?

Also, any idea as to when they return? Is there a typical sort of period between when someone leaves and when they come back? I'm asking that just in the sense of going away and then the lack of resources or, for example in the case of HIV and AIDS, getting an infection and then coming back to the community and the kinds of supports that are available in the community.

E. Palmantier: We just finished the I-Track study, and that's part of my presentation. We found that when they were interviewing the youth in Prince George, the transit happens every six months, like, from the communities to the urban, and then they go back. It is like, I guess, they're really trying to find a secure place to stay. So it really depends. Because of the lack of services in communities, a lot of people are trying to find more of an urban place for

training and employment and other socioeconomic....

M. Farnworth (Deputy Chair): Is it primarily Prince George that's the urban centre that young people are going to? Or is it also Vancouver and...?

E. Palmantier: Prince George, Fort St. John and Vancouver — more Fort St. John because of employment. A lot of people are starting to come up here. Vancouver — mainly it's because of the services that are available in Vancouver. Past Hope there's no hope because of the lack of services and resources. I used to be a former chief, so I always used to use that and tell everybody that past Hope there's no hope.

T. Watson: Can I add to that, Mike? That's a great question. Part of the work that we do with the First Nations Health Council is we formed a Northern First Nations Health Partnership Committee for the north. The committee consists of the Northern Health and First Nations health directors and the First Nations Health Council.

We've identified that statistics are needed to guide our work. It's so important, because we don't fully know the extent that our young people are leaving. That's where we really need our support to go — towards finding out those things.

M. Elmore: Thanks for your presentation. I think you've laid out the case and the situation and the challenges. Thanks for your excellent work. With respect to your recommendations, under your first one, on dismantling ongoing structural injustice, do you have any specific follow-up to that or what you're meaning by that?

E. Palmantier: Well, we find that a lot of the young people that go into corrections centres are released and they go back to their same behaviour. So I've been really thinking. I know that there've been a lot of corrections centres being built, like in Penticton and that. It would be nice if government would start being innovative and proactive in looking at more of a healing centre where it will have a positive outcome for the young people. Corrections centres seem not to be helping young people.

M. Elmore: In terms of services to prevent youth suicide, do you have specific recommendations for that?

E. Palmantier: That is where it would be good if the youth could be empowered where they could have input — like provide programs. What would they like to see? With our coalition we do have the young people on our coalition, and they're looking at having a youth forum in July to get the youth from all over northern B.C. gathered together to provide input into prevention of HIV and suicides and bullying.

G. Holman: Just a quick question. There are so many issues that you're raising here, and they're so serious and complex, and I feel like we're not even really scratching the surface here. But just a quick question: what do you mean by "culturally safe housing"?

[1320]

E. Palmantier: We really would like to see culturally safe housing where.... You know, a lot of our young people are starting to lose their culture and language. To have more of a safe place, like in Prince George.... The friendship centre has a shelter for young people, and it's guided by the elders. But we need more of a shelter for young people, because Prince George, I believe, is the only area that has a youth shelter.

G. Holman: So friendship centres would be an area which does get provincial support. That would be an area where some increased funding would help in terms of housing and those related supports. Like, there are a number of ways you could try and direct funding, but friendship centres would be a good way?

E. Palmantier: Friendship centres and other organizations. I know that there is one in Fort St. John and Fort Nelson. There are friendship centres in the different regions in northern B.C.

D. Ashton (Chair): Emma and Tammy, thank you very much for your presentation.

Northern Lights College — Brent.

Welcome, sir. I don't know if you overheard, but ten minutes for the presentation. I'll give you a two-minute warning. We have five minutes for questions. The floor is yours.

B. Deinstadt: I will do my best.

Mr. Chair, it's a privilege to be presenting to the Select Standing Committee on Finance and Government Services today. On a personal note, I find it an honour and a privilege to be engaged in our democratic process.

Today's presentation from Northern Lights College is a unique regional perspective and should be considered as an executive summary to our written submission, which is being passed out now.

The Northern Lights College geographic region comprises the northern third of British Columbia. The college region is approximately 325,000 square kilometres. As a point of interest, it could take us up to 22 hours to travel from here to our furthest community by road. It's occupied by about 71,000 residents.

We have physical campuses in Chetwynd, Tumbler Ridge, Dawson Creek, Fort St. John and Fort Nelson, along with access centres in Atlin, Dease Lake and Hudson's Hope. Our distance programming also allows virtual access to students from across B.C., Canada and

beyond.

Last fiscal year Northern Lights College served 7,000 learners, which translates into 1,550 full-time-equivalencies. This marks a steady increase in enrolments over the last few years and makes Northern Lights College the most accessible and affordable pathway to post-secondary education for residents of northeastern B.C. and the Stikine region.

Northern Lights College continues to focus on the preparation of a skilled workforce and to play a critical role in the enhancement of the economy and quality of life in our vast region. It's important to note that our programming supports such primary community needs as health, education, business, social services, culture, recreation and workforce training.

We are B.C.'s energy college, emphasizing programming that supports the oil and gas, mining and evolving clean energy industries. We have established centres of excellence in oil and gas, clean energy technology and aerospace engineering. In addition, working through partnerships and collaborations with the communities in our region, we work toward the goal of sustainability for communities.

We provide leadership throughout the Northern Lights College region and the province via our B.C. centre of training excellence in oil and gas, which operates out of our Fort St. John campus. We remain actively involved in a number of regional and community-based working groups, including the northeast regional workforce table task force, the Northern Opportunities learning council and working groups, and the Northern Post-Secondary Council.

In B.C. one million job openings are forecast by 2020, with the largest percentage — 42 percent — predicted to require a college education. Looking closer to the Northern Lights College home and based on current training and development capabilities, we note that across northeastern B.C. demand for workers is predicted to exceed supply by 2016.

[1325]

While the greatest growth in specific occupations is expected to be related to the energy sectors, skill shortages are also predicted in the mining industry and in the support/infrastructure-related occupations, which include but are not limited to food service and accommodation management, health care workers, food and beverage, housing and road construction.

It's also predicted that nationwide competition for acquiring, developing and retaining the brightest and best employees will be a major challenge. Given that every community within the Northern Lights College region is currently being impacted by this unprecedented rate of growth and development, this unprecedented demand for skilled workers, it is more critical than ever that we work with our government, community, industry and education partners in order to develop creative solutions

for the challenge we collectively face.

Northern Lights College will therefore continue to participate actively in local, regional and provincial working groups focused on addressing skills gap issues. In order for us to maintain these levels of activity and ensure that we are fulfilling our mandate within the communities across our region, the resourcing of our institution in order to respond to ever-increasing programming demands will be critical. To this end, Northern Lights College continues to be engaged with the Ministry of Advanced Education and the Ministry of Jobs, Tourism and Skills Training in identifying effective solutions to resourcing issues.

With our cross-regional presence and our close ties to industry and to our community partners, Northern Lights College is uniquely positioned as an organization to help meet local needs with local solutions. This is a significant benefit.

Studies show that graduates are more likely to work in the region where they receive their education. An educated workforce in all regions of B.C. helps to build strong and vibrant communities, and is an excellent return on investment. An educated workforce in the northeast helps ensure the success of the proposed projects, which will contribute significantly to the prosperity of the whole of the province of B.C.

We would point out that the challenges and opportunities facing the province call for a multi-year investment plan for Northern Lights College and for the broader B.C. college system. In particular, Northern Lights College successfully graduates professionals and skilled tradespeople who become essential contributors to the continued prosperity of the oil and gas industry, mining industry, clean energy industry and the service industry within northern B.C.

In the 2012-13 academic year Northern Lights College surpassed its targets for credentials awarded, by 12 percent. Given the critical need for skilled workers across the region, what is needed is increased strategic and sustained funding to build capacity and to produce more graduates annually in the areas of trades, technical skills training, business management, health, applied sciences and social services, which will help ensure a supply of critically needed skills and educated workers to meet the strategic requirements of the region and the province.

The northeast regional skills training plan provides the necessary data to support sustained and predictable multi-year operational investments and would provide for more effective strategic planning, the development of more comprehensive and long-term partnerships and collaborations, and ultimately, more efficient and effective use of available funding envelopes. In addition to investment in operational capacity, one-time targeted infrastructure funding is required.

The return of the annual capital allowance funding to address deferred maintenance issues is critical to ensur-

ing protection of current and future assets. Of particular concern is the Dawson Creek campus, which is making use of approximately 12 buildings, many of which were built prior to 1954 and built to the environmental and energy efficiency standards of that era.

Many of the most efficient buildings are trades program-related buildings, including but not limited to the carpentry and welding facilities. Building maintenance and utility costs for these buildings are significant, and the lack of functionality is restricting student-to-instructor ratios, reducing the number of students permitted into each class.

Shared space between programs, like plumbing and millwright programs, is less than optimal and is detrimental to program delivery. Northern Lights College currently has a proposal before the Ministry of Advanced Education for a \$38½ million investment in improved trades training space for the Dawson Creek campus. This proposal, if accepted, will reduce the carbon footprint for Northern Lights College and increase student-to-instructor ratios while reducing operational costs related to utilities.

In addition, the design of this trades centre is such that Northern Lights College will be able to reconfigure shop space in a short period of time to quickly and efficiently meet the emerging needs of industry and communities in the north. In order to improve efficiencies, Northern Lights College shares either physical space or services with many of our communities and school district partners. This effective use of resources, combined with our connection to local communities and local industry, allows Northern Lights College to develop innovative, timely and industry-specific training programs.

[1330]

I'll just summarize by saying that if the current proposed major industrial projects for northeastern and northwestern B.C. are to be successful, investments in training a skilled workforce necessary for those projects is a critical requirement. Investment in the Northern Lights College therefore represents an investment in the support of the economic growth and prosperity of northern B.C., which in turn is an investment in the support of the whole province.

NLC graduates will go a long way to reducing the skills gap and providing an educated and skilled workforce in northeastern and northern B.C. Research shows that the majority of graduates work in the region where they receive their post-secondary education. Access to training in the north for the north is therefore critical to support industry and communities and, also, to ensure local community members are accessing the jobs that are being created here.

Thank you for the opportunity to share how our college is making a positive impact on our region. As a regional community college, we provide critical access to academic, vocational trades, apprenticeship, continu-

ing education and workforce training programs. Without this local access, many of our students would be unable to participate in post-secondary education, and by extension, they would be unable to access jobs that keep our economy moving.

D. Ashton (Chair): Brent, thank you for the presentation.

M. Hunt: Considering the fact that you do cover one-third of the province, my question is this. What percentage of your courses is able to be done on line and is on line versus face to face? I realize with a lot of the trades you've got to be practical on that, but I'm wondering how much is on line.

B. Deinstadt: I would say approximately 10 percent.

M. Elmore: I'm interested in your centres of excellence — oil and gas, aerospace engineering and the clean energy technologies. Can you just tell a little bit about your aerospace engineering centre?

B. Deinstadt: We have a world-renowned aircraft maintenance engineering program where we have employers from all over the world sourcing our students to come maintain their aircraft.

M. Elmore: So they're trained here. Do you have a lot of aircraft coming into the area for maintenance? Or they're trained here, and then they...?

B. Deinstadt: They're trained here, and then they go across the world. Primarily trained here, but we also have a partnership with Okanagan College, where they receive part of their training in Vernon and then come to Northern Lights College to complete their training.

G. Holman: Thanks for your presentation. We have heard from other colleges and universities, concerns about... Their view of their rigidity, in institutions like yours being able to access capital markets — like doing your own borrowing. That's the way I understand it. Is that an issue for you?

When you talk about funding for your infrastructure program, is that a request or an ask for a capital grant of, for example, \$38 million for the Dawson Creek campus? Or is there another way that you're proposing to fund that infrastructure?

B. Deinstadt: Yes and yes. It is an issue. With the reduction of the annual capital allowance to maintain our buildings, our buildings' deferred maintenance suffers, and then we're unable to find other funds to repair the buildings and keep them in good shape.

Then at a certain point in time... Many of our build-

ings on Dawson Creek campus have passed that time, and they need to be replaced. In order to replace them, we need a capital grant.

What we've proposed and are proposing is a government/industry mix. You will have heard of them from other colleges across the region, as well, where government supports a large portion of it, and then the college goes out and gets support from industry and others. That's what we're proposing.

G. Holman: Is financing part of that plan...

B. Deinstadt: No.

G. Holman: ...or is it all based on grants from either government or industry?

B. Deinstadt: It's all based on grants. At this point in time we're only able to finance residences.

G. Holman: But you are able to finance residences?

B. Deinstadt: With approval.

D. Ashton (Chair): Any more questions?

Brent, thank you very much for the presentation.

Peace River South Teachers Association.

Lorraine, welcome. Good afternoon. So ten minutes for the presentation. I'll give you a two-minute warning, and then we have up to five minutes for questions. The floor is yours.

[1335]

L. Mackay: Good afternoon. My name is Lorraine Mackay, and I'm the president of South Peace teachers association. I'd like to thank the Select Standing Committee on Finance and Government Services for the opportunity to speak to you on behalf of the 250 teachers and more than 3,000 students of Peace River South, school district 59.

I'm an avid reader, and I suspect that most people who enjoy reading began doing so early in their school or even before they arrived at school. I can't say that I was enthralled with the adventures of Dick and Jane, but that base let me enjoy one of the best gifts that I ever received. On the last day of school in grade 1 my wonderful teacher, Mrs. Bray, gave each student a book. I was the lucky one who received a copy of *Puss in Boots*, and my love of reading has continued since that time.

I managed to pass that love of reading on to my two children. When they arrived at kindergarten, they already loved books. They knew the alphabet, they knew how to print their names, they knew the names of colours, and most importantly, they wanted to learn how to read.

Imagine my surprise, as a new young teacher helping to do the screening of kindergarten students, to learn

that that isn't always so. In B.C. more than 30 percent of students entering kindergarten are already at risk, before they even arrive at school, in at least one area of their development.

In school district 59 the early development instrument indicates that 38 percent of our kindergarten students are vulnerable in one or more of the areas, particularly in the areas of language and cognitive development and communication skills. So 38 percent means that in an average kindergarten class of 22 children in our school district, we have eight children who arrive already at risk. That means that they're at an increased risk of encountering difficulties in the school years and beyond.

Research from around the world supports that any vulnerability rates over 10 percent can be avoided or prevented. To reduce our vulnerability rates from 38 percent to 10 percent we need to help create environments where children can thrive. Without supports, these children struggle with school work, self-management, behaviour and social issues. With the attention and support that they deserve, these students can face a happier outcome through life's transitions. Unfortunately, that takes resources, and that includes increased funding.

Imagine that you are the parent of one of these children at risk. As a parent you ask yourself what resources you think should be made available for children that have been identified at risk. At the top of the list would be highly trained specialist teachers, child psychologists, speech and language therapists, counsellors, education assistants and training for classroom teachers to support the children within our classrooms. While this list is short, it's far beyond the resources of our schools and teachers to provide these services to all our students who are at risk.

While each provincial budget in recent years has come with the announcement that education funding in B.C. has never been higher, the fact is that schools can no longer maintain services at the levels that were available in 2001.

The school districts' operating budgets in the province total more than \$4.7 billion, which is a 27 percent hike since 2001. In comparison, the Bank of Canada inflation calculator says that the consumer price index for this period has been over 25 percent. However, fuel costs have increased by 75 percent over those same 12 years, and that's a big cost to districts such as ours. The result has been fewer services available for all students, especially those at-risk students who would benefit from specialist teachers.

One of the problems is that the current funding formula allocates funds based on the number of enrolling students, and almost every school district in the province, including Peace River South, has faced a steadily declining population. This year our school district has estimated that we have approximately 200 fewer students than last year.

The funding formula might lead one to think that the number of students is the main driver of costs. However, many of the costs associated with running the school district are fixed. Buildings cost the same amount of money to heat, light, insure and maintain regardless of the number of students enrolled. School buses still drive the same number of kilometres on their routes, and our district has lost hundreds of thousands of dollars under the new system for funding bus transportation.

While it seems logical that school districts can reduce costs when there are fewer students, the reality is that often they can't. In high-cost regions such as Peace River South this is particularly true.

Although there's a demand for high-quality education that supports the needs and interests of all students, the government of British Columbia's per-student funding falls almost \$1,000 per student lower than the national average. The cost of underfunding education can have long-term impacts on the lives of our at-risk students.

[1340]

Children who are at risk are often rejected by peers and can suffer from very low self-esteem because of the feelings of inadequacy. As teens, this leads to higher incidences of alcoholism, drug abuse and school dropouts. Students who fall through the cracks in schools have difficulty functioning in a world that requires literacy and numeracy. This leads to depression, unemployment and unrealized potential. All together, these learning difficulties lead to a massive economic cost to Canada.

The choice facing the government is whether to provide the funding necessary to support at-risk students while they are in school or providing the funding later through medical costs, unemployment benefits and the justice system.

The teachers of Peace River South share the same goals as teachers around our province. We want to provide quality education for all of our students. In order to do so, we ask that the government increase the funding of our public education system. This will allow the teachers of our province to continue the important job of educating our students so that they can become contributing, active participants in our democratic society and so that they may all learn the joy of reading.

D. Ashton (Chair): Lorraine, thank you for the presentation.

Questions?

G. Holman: Thanks for your presentation. I was wondering. Are you anticipating, with proposals for oil and gas development, possibly Site C, an increase in student population in the near future?

L. Mackay: It's interesting, because I understand that Fort St. John is anticipating an increase in population. I was speaking with the superintendent this mor-

ning, and she was saying that we just aren't realizing the same amount of growth down in this area. It tends to be, often, a much more transient population, where people are coming in for a period of time and don't move their families.

G. Holman: Sorry, I should know this. There is funding in the northeast to share revenues from oil and gas production. My question is: who are the partners sharing that revenue in the northeast? I'm assuming it doesn't necessarily trickle down to school districts.

L. Mackay: I haven't heard that it has, no. I haven't seen anything to indicate that.

M. Farnworth (Deputy Chair): That's Fair Share.

G. Holman: Yeah, Fair Share.

M. Farnworth (Deputy Chair): I negotiated that when we were government. I can tell you all about it.

G. Holman: It's a good initiative.

M. Farnworth (Deputy Chair): It is, and the current government has done the second phase of it.

E. Foster: Thank you very much, Lorraine. You're dating yourself with the Dick and Jane thing. That's been gone for a long time. Unfortunately, I remember it as well.

When you talked about students not being ready to come into kindergarten.... I know there have been opportunities for the prescreening and so on through the child development centres around the province, and that's essentially what they do. I know you've had some good ones up in this part of the country. Are people accessing those as they should, or are they finding out that they should have when the kids start school?

L. Mackay: Well, a little bit of both. I mean, we do have StrongStart programs that have started, and we are seeing an increase in the number of children who attend those programs here in the Dawson Creek area. But we're still finding that students arrive at school and don't have the vocabulary and still have problems with some of the social issues of coming together into a classroom.

The StrongStart programs here in the Peace haven't been around for that long, so that we can actually tell whether there's a significant difference occurring. They have a slightly different focus. It's a preparation for school and a coming together, but it's still a slightly different focus than actually coming to kindergarten.

M. Farnworth (Deputy Chair): Very quickly, in terms of the population growth — I mean, the issue of transient population — it would strike me that one of the things

that communities would like to do is, in fact, to see less of a transient population and more people settling in the community to create a stronger community. I guess a key part of that is people knowing that those services are in the community to begin with or that as a community grows, they are going to be there.

L. Mackay: Or be offered, right. One of the things is that we have actually seen.... Not many, but occasionally we actually do see parents who have students with severe needs who move to another community where their needs can be met, because they can't be met medically here or within the school itself.

[1345]

D. Ashton (Chair): Any other questions or comments? Well, thank you very much, Lorraine. Thank you for your presentation.

Up next is Dawson Creek Literacy Now.

Good afternoon, Michele. Thank you for coming. The presentation is up to ten minutes. I'll give you a two-minute warning at eight, and then we have five minutes allotted for questions.

M. Mobley: Thank you very much for having me. I'm Michele Mobley from Dawson Creek Literacy Now. I'm the literacy outreach coordinator. What I primarily focus on is community literacy programs, so I don't have an office with clients or anything. I just deal with community coordination.

Traditionally, literacy has been viewed as simply reading and writing. However, literacy in its entirety is so much more. It's about how we communicate with one another — how we deliver, process and make sense of information. It's about our health, our quality of life, our understanding of the world around us and about the resiliency of individuals and our communities. It has the power to improve health, grow economies, increase security and civic participation. Through literacy development, individuals, families and communities become stronger and more adept to change.

Forty percent of adults in British Columbia do not have the literacy skills they need to achieve their goals, to function and thrive in the modern economy and to fully develop their knowledge and potential. That represents over one million people who are underequipped to cope with today's technology and information-based society. As a result, new knowledge-intensive occupations become increasingly out of reach.

Having low literacy skills does not mean that someone cannot read or write, but it can turn seemingly simple tasks into chores. Reading a map or a bus schedule or filling out a rental agreement or a job application may not be possible without assistance. They have fewer choices in jobs, education and housing and generally experience poorer overall health. When polled, 75 percent of those

with high literacy skills rated themselves as being in excellent or very good health, compared to only 30 percent of those with lower literacy skills.

Better literacy skills improve employment prospects and income, reduce dependence on social assistance, promote health and reduce criminal offending, to name a few of the social benefits. By raising literacy scores by just 1 percent, Canada's national economic productivity could be expected to increase by 2½ percent, or \$18 billion a year.

It is vital to ensure that all children get a strong start, but it is also critical to increase the opportunities for adults to acquire and continue to hone the literacy skills they need, because literate parents are the most important influence on literacy of the future generations.

In Peace River South three literacy outreach coordinators and their respective task groups in Dawson Creek, Tumbler Ridge and Chetwynd have planned and developed initiatives to ensure that our communities have access to the literacy skills required to participate in today's society. Our task group members represent a variety of sectors including school districts, colleges, literacy organizations, early childhood providers, libraries, the health sector, seniors, employment services, employers and community service organizations.

Over the past year literacy outreach coordinators have collaborated with community partners to institute three new literacy programs as well as continue or expand three others. In 2012-2013, throughout Peace River South, 64 children and parents took part in family literacy programs; 40 seniors attended programs that focused on assisting them to keep up to date on the basic use of technology and stay connected with family and friends; 230 adults and children enjoyed literacy events; over 3,600 games, books and other literacy-related materials were given out at no charge; and 120 people participated in workshops and seminars.

In an effort to increase the effectiveness of municipal communications, we've also been asked to conduct plain-language reviews on both public and internal publications, in addition to partnering in numerous community engagement and awareness events.

All of this coordinative work is supported with the funding from the Ministry of Education through Decoda Literacy Solutions as well as locally developed grants, fundraising and in-kind contributions. In 2012-2013 communities across B.C. leveraged \$2.5 million in funding, provided through Decoda, into over \$6.9 million in grants, fundraising and in-kind support.

[1350]

The community planning process helps communities to increase and maintain the literacy skills of individuals, assists communities to pool and build financial and human resources to address local literacy challenges, identifies a network of community leaders who can support communities in their literacy work in both our com-

munities and across the province, and provides a provincial overview of emerging issues, trends and potential solutions.

Literacy involves a continuum of learning to enable an individual to achieve his or her goals, to develop his or her knowledge and potential and to fully participate in the wider society. Literacy is everyone's responsibility. It's too big of a job alone for education systems, libraries or adult literacy organizations. We make the greatest gains by working together and pooling our resources and our experience.

D. Ashton (Chair): Well, thank you. Any questions of Michele?

E. Foster: Referring back to your comments about the adult literacy and working with adults and so on, I guess we could go back to Lorraine's presentation about children being ready to go to school. If the parents are literate and able to read and interact with their children, it would speak to a lot of the issues that Lorraine was bringing up as well. I certainly appreciate your presentation and just seeing where we go with this.

M. Elmore: Thanks for your presentation. We've heard a lot around the great work promoting literacy across the province, facilitated — or coordinated, I guess — through Decoda.

Can you talk a little bit about...? One thing that struck me is the effectiveness of community groups coming together and just a lot of different stakeholders to leverage. I know it's a small amount of money. Can you talk about some of those relationships?

M. Mobley: We have, I believe, partnerships with about 13 different organizations in the South Peace. With the little bit that everybody has, when we're able to get together and everybody pitches in, we've pulled off some pretty incredible community events. I think just the fact that the organizations are working together... There is a cohesion between everyone.

It follows through with what we're trying to do with getting people engaged in the community. The leaders are engaged, the organizations are engaged, and we want the individuals in our communities to become engaged as well.

G. Holman: Thanks for your presentation. Could you quickly describe your partnerships with the local school board and with First Nations?

M. Mobley: The local school board — we have two members from the school district that are on our task group. They act as advisers. As with any task group member, they help identify any gaps that may be in the community that we need to close.

As far as working with aboriginal groups, we have a very close relationship with the Nawican Friendship Centre, and we've done a number of events for them. We're also in the process of getting some computer training going for the elders so that they can stay connected too.

D. Ashton (Chair): Any other questions?

Michele, thank you very much for your presentation. Peace River regional district — Karen. Good afternoon. Thank you very much for coming.

K. Goodings: Good afternoon. Thank you for giving us this opportunity. I kind of had this smile when I heard them talk about Fair Share. As Mike Farnworth mentioned, he was on the original committee, and it is of high value to us in this region.

D. Ashton (Chair): So ten minutes for the presentation. I'll give you a two-minute warning, and then we have questions.

K. Goodings: Thank you for the opportunity to address the committee today. You have been given the task of preparing the 2014 budget consultation paper within the mandate of a balanced budget. This consultation is important to the northeast as we prepare to see an increase in the drilling program so that the liquefied natural gas, or LNG, demand can be met. This is no small task. [1355]

We recognize that the province, through B.C. Hydro, has budgeted \$184,000 toward a two-year commitment to provide a skills counsellor who'll be responsible for providing the guidance to the students as to their choice of future opportunities.

There is no better way than working with the Northern Opportunities and our education facilities of school districts, Northern Lights College and the University of Northern B.C., who have proven their knowledge and commitment to accomplish exactly that. This'll work hand in hand with the program to create jobs that the future generations can depend on, while improving the skill of the B.C. workforce.

In this part of the province, as we try to attract the necessary workforce that will support the province in balancing your budget, it is imperative that we also provide a sound, well-balanced health care system.

It is very important to have a multi-year funding commitment that can be counted on to provide services to the workforce, their families and the grandparents who are the support system for many of those working families. It's also very critical that our local governments are fiscally sustained. This is extremely important when looking at the growth that we believe will result in permanent — permanent, not temporary — growth throughout our entire region.

There is a need to look at how we will be able to balance the needs of the workforce and the ability of the local economy to meet those future demands. We must be able to provide the amenities that the workforce will demand, whether that is as simple as providing a wastewater facility or as complex as attending to the wants and needs of growing families. We will have a serious shortfall of services if we do not attend to the longer-term needs.

We need you to look at the Union of B.C. Municipalities blueprint for our fiscal future, which was presented at the UBCM convention this past September. This document was strongly endorsed by all local governments.

The package that I'm presenting on behalf of the Peace River regional district recognizes the importance of the recent announcement by Petronas of the major investment of billions of dollars toward the LNG industry, and we know that we must ramp up in order to provide those services. Can we count on the province to be there with us? That's what we're going to need.

I'll just, for the time we have, go into some of these a little bit more in depth. The first issue: the skilled workforce and the workforce training. We ask the Select Standing Committee on Finance and Government Services to place a high priority on skills training and skills training facilities in northeast B.C. because those trained today will build our province's economic future tomorrow.

Background there, as to why we feel that way. We have opportunities looming in the future around LNG, pipelines, wind energy and hydro energy, along with the regular economic activities in the north, but we need skilled labour. Northeast B.C. requires workforce training, trades-training opportunities and facilities now in order to do the work that's required to keep B.C.'s economic game plan in action.

I mentioned *Strong Fiscal Futures: A Blueprint for Strengthening B.C. Local Governments' Finance System*. We really do recommend that you take a good look at this paper. It's quite extensive. I have put in the package about a four-page shortlist, I think, of that 160-page document. We certainly recommend a serious look at what they're saying.

Going on to health care spending, we recognize the asset value of our health care facilities by investing in them to ensure they are functioning at a reasonable standard of repair. The Peace River regional district is also the Peace River regional hospital district, and we are responsible, then, for 40 percent of those capital costs. That's about our only part in the hospital system — the 40 percent funding.

But we are very concerned that over the past five to ten years, Northern Health, which has conducted extensive research into the life expectancy of our health care facilities.... They've prepared long-range capital plans for everything from roofs to boilers to computer systems. But this spring the Northern Health funding commitment was significantly reduced.

It's really difficult, I think, to go into this type of health care facility and funding if we don't have long-term commitment. You can't just plan a year at a time. You all know that. I know how difficult it is, and I certainly respect the concerns that you all have about it. But it just is so important that we have longer-term funding and commitments.

[1400]

One of the other things that we find in our area, of course, is our agriculture. We don't talk about it much in this presentation, except to mention to you the continued need for invasive species funding. You have been very good as a province for a number of years in helping us with invasive species management.

There's quite an extensive portion of this report as to that. I'm not going to read it all. I think, as you go through it and as it's recorded, you will see that it's very important to us, as an agricultural area, that these invasive plants are kept in check. It costs our agriculture people millions of dollars to try and control what we would hope to keep out of the region.

The other issue that I wanted to just touch on, basically, was the funding formula for primary and secondary education and school bus transportation. This is something that comes up at our board table from time to time. While we have no connection to, we are certainly connected through the people who are impacted, and we hear from them all the time.

This summer the regional district was presented with the concerns from the South Peace, school district 59, around the changes to the education funding formula. It has been quite a burden, I think, for our local school boards and could result in drastic changes to the transportation system. I know this is so in the North Peace as well.

Certainly, educating our kids, getting them to an education facility, is extremely important. We do have a lot of home-schooling. I think the home-schooling, while it probably has a benefit to people, in the end has a detriment to the long-term education for the children. Our school busing is extremely important to us.

I'll take questions.

D. Ashton (Chair): Thanks, Karen.
Questions of Karen?

G. Holman: Thanks for your presentation. I was wondering about your statement about.... You say in here that the long-range capital commitment — this is regarding health care facilities funding — has been eliminated by the province?

K. Goodings: Well, it certainly was changed. We had a number of projects that were slated to be projects over the next year, two years. That funding has been cut drastically.

G. Holman: Okay. The funding has been reduced. But are the capital plans not being put forward?

K. Goodings: The capital... Well, I don't know whether you'd even call them.... Some of them it would be, in fact, maintenance — what I would consider to be maintenance — which is like new boilers, roof repairs, etc. It's of a capital nature because of the very cost. But in a sense it's a maintenance issue which needs to be looked after.

M. Hunt: Karen, I'm scrambling, and I can't find the map for the regional district. Tell me where approximations of the boundaries of the regional district are.

K. Goodings: Well, we are in fact the largest regional district in the province. Our northern boundary is parallel 58 to the Alberta border. It takes in all of Tumbler Ridge, Dawson Creek, Fort St. John — all of those areas. And actually part of my area, area B, which is what I was elected to represent, is the northern end of Williston Lake. So it's huge.

M. Elmore: Thanks, Karen, for your presentation. I have a question with regard to your recommendation on the issue of school busing. Can you talk about that a little bit more?

K. Goodings: Now, here I'm speaking maybe not as well prepared as some of the speakers before me. But my understanding is that the formula has somehow been changed, and because of the change to the formula, our school districts in the northeast are struggling to find the necessary dollars to continue to provide busing. I think the way the system works is they have X number of dollars. They make the decision on how to spend it, right?

[1405]

Busing is something that.... I can see where it would be, certainly, a toss-up between whether we bus the kids or we provide a service, right? You know, an educational....

It makes it very difficult. I certainly empathize with the school district. We have talked about being able to go to the extent of having a referendum to see if the taxpayer in fact would help support that, but we kind of put that aside because we didn't think it would work.

We're looking at all manner of things that we could help them with it. But it certainly is a serious issue for us.

M. Elmore: I can certainly appreciate the importance of being able to have kids come in from a very wide geographic area to have them be able to attend school.

Yeah, it's the first reference we've heard of this particular issue, so that's why I'm interested in it.

D. Ashton (Chair): No other questions?
Karen, thank you very much.

Next up we have Dawson Creek and District Chamber of Commerce.

Good afternoon, folks. Thank you very much for coming. We've allotted ten minutes for the presentation. I'll give you a two-minute warning, and then we have up to five minutes for questions.

The floor is yours.

J. Earl: My name is Jerimy Earl. I have the great pleasure to be the president of the Dawson Creek and District Chamber of Commerce. I'm joined by our executive director, Kathleen Connolly, who is our sole staff member and looks into the day-to-day operations of the office and organization.

I'd first and foremost like to thank the committee for the opportunity to speak here today. Like other chambers of commerce throughout the province, we are a non-profit membership group, funded solely by our members, and we serve as both a resource and an advocate for businesses throughout the regional district. We have approximately 300 members and associate members throughout the region and are moving into our 70th year of service to the South Peace.

Given the diversity of the local business community — which ranges from agriculture, natural gas, other primary resources like forestry and mining all the way to retail, hospitality and professional services — we do keep our advocacy fairly broad-based and try and make it as applicable to as many of our members as we possibly can.

Having said that, all the businesses currently operating in the region have a shared and vested interest in seeing our economic growth continue — which has been largely driven, at this point, by commodities, primarily the resource sector. So most of my comments here today are going to focus on the immediate needs of those industries.

While I'm probably not going to say anything in the next ten minutes that's likely to blow anyone's hair back or that you haven't heard before, I felt it was important to take the opportunity to add our voice to the growing chorus of stakeholders that are looking for substantive action that we feel is necessary to ensure that the potential of our region is fully realized.

The first point I'd like to touch on is by far the number one challenge faced by businesses in the region, and that is the demand for qualified workers. That's not unique to us, obviously. It's a provincewide issue.

While this need is most pointedly felt at the moment in the natural gas industry, it cuts across all sectors of our economy. It has been emphasized to us by our partners in industry, interested scholars and hobbyists and government entities at all levels that our existing and growing deficit in human capital here in the Peace region is by far the single biggest liability to our continued prosperity and to that of the province as a whole.

According to *B.C. Labour Market Profile*, published

earlier this year by the Research Universities Council of British Columbia, by 2016 we'll have more jobs than qualified workers to fill them, and by 2020 approximately 18,800 jobs requiring post-secondary education will go unfilled in the province.

In our region the majority of these jobs will require some sort of trade certification or technical diploma. I think our three biggest jobs currently in demand are transportation heavy-duty mechanics, carpenters, industrial electricians — and that doesn't include, obviously, health care specialists, which, since the beginning of time, we've been looking for more of.

Already, businesses operating throughout the region are holding off on hiring and expanding their capacity because they simply cannot afford to find and retain the right workers.

[1410]

Prolonged labour shortages increase the cost of doing business; delay the completion of projects which already require substantial capital investment; artificially inflate wages, which increases the cost of living in the community for those who don't have the option of working in the higher-paying resource sector; and make it difficult to staff new ventures to such an extent that entrepreneurs are hesitant to open businesses in town.

The shortage of skilled labour and trades is further being exacerbated by the fact that, as the global economy slowly recovers from the recession of 2008 and other resource industries such as mining and forestry begin to recover and reinvest in the region, they are competing for the same pool of skilled workers. That doesn't even take into account the demands that the Site C project will place on our regional workforce, which is going to be substantial.

I'd just like to bookend that by emphasizing that if our regional and provincial workforce isn't ready to go when the industry is, as we've seen before, they will increasingly seek employees from outside our borders, both nationally and internationally, and while we're always happy for any commercial activity, we very much would prefer to see as many of those jobs filled by residents of our region and British Columbia as possible.

While I don't have any specific policy or funding proposals, I would urge the council to review the proposal put forward in the *B.C. Natural Gas Workforce Strategy and Action Plan*, in addition to the *B.C. Labour Market Profile* published in January of this year by the Research Universities Council of British Columbia.

The second point I'd like to touch on is infrastructure. As I said, it's like a greatest hits. You've probably heard it everywhere you've gone — showing up and looking for more skilled labour and infrastructure money. But it really is necessary in this region to expand upon and improve our basic infrastructure here in the north.

While the twinning of the highway from Alberta to Fort St. John was very welcome news when it was an-

nounced by Minister Lekstrom a couple of years back — and it appears that the project is moving ahead at a fairly healthy pace — the infrastructure needs of the Peace region remain significant with respect to ground transportation. The highways from Dawson Creek to Chetwynd and Tumbler remain a challenge even at the best times of the year. I don't know how many of you have had the opportunity to drive to Tumbler Ridge or Chetwynd in November or February, but it can be a harrowing experience. I got a couple of grey hairs from that last year.

As Dawson Creek becomes more established as a service hub for the mining communities and forestry re-emerges as a driver of our regional economy, these arteries will become increasingly vital to the flow of commerce here in Dawson Creek.

Just a couple of examples of the kind of infrastructure, the variety of infrastructure needs we currently face. We've got an airport that is vastly underutilized. While most of that has to do with our proximity to other markets, specifically Fort St. John and Grande Prairie, there are simple investments such as overnight hangars and the possibility of an extended runway that might see an increase in industry-chartered flights to the airport.

As Karen mentioned, our health facilities are in various stages of aging. The hospital is pushing about 60 years old. I actually used to work.... Before my current job I was the executive director of the local hospital foundation, so I can attest firsthand that Northern Health.... While they do a great job of keeping the facility serviceable to the community, at some point in the not-too-distant future they're going to have to have a conversation about building a new facility or extensive renovations.

These are just examples. I'm not necessarily putting them forward in order of priority or importance. I could have just as easily mentioned expanding the college's trade and vocational facilities, downtown revitalization, water security or any number of things. All I'm trying to do is reinforce what you've already heard from other people and maybe give an idea of the scope and scale of some of the things we feel need to be addressed by the government — take full advantage of the opportunities.

We have a few minutes. I'll be quick.

The last one, before I thank you for your time, is the issue of regulatory harmonization with Alberta. And this, as a border community, is something that we maybe feel a little more acutely than other communities, specifically the tax regime. The carbon tax has been a challenge for a lot of our local businesses, especially when it's a half-hour hop, skip and jump over the border to set up shop in Beaverlodge or Bay Tree or Bonanza.

[1415]

In addition, obviously the PST is an issue. While we certainly respect the will of the voters with respect to HST, at some time in the not too distant future we'd very much like to see the government address the issue of a value-added tax in order to, hopefully, give us a bit of an

even playing field.

Lastly, with respect to harmonization, I'd like to make a quick mention of the application of the Trade, Investment and Labour Mobility Agreement. While it's a big improvement over the AIT that preceded it, particularly with respect to labour mobility, some of the exemptions in TILMA have put us at a disadvantage, specifically with respect to the registration and insuring of commercial vehicles and the inequalities that exist there insofar as people operating in Alberta can run Alberta vehicles and Alberta plates in the province without any requirement that they register or insure here. B.C. companies, after 30 days of operating in Alberta, have to register and insure their vehicle in that....

Obviously, that's number one: uncompensated wear and tear on our transportation infrastructure. In addition, it distorts our insurance market. When that's up for negotiation, we would very much like to see that addressed.

Having said that, thank you for your time here this afternoon. I appreciate the opportunity to talk to you. I know, certainly, some of the challenges we have are geographic and they're not likely to go anytime soon. I think this is a good time to be up here in the north, and with help from the government and all the stakeholders, I think we can make the most of the opportunities before us.

D. Ashton (Chair): Jerimy, thank you.

J. Yap: Thanks, Jerimy, for your presentation. You're right. We've heard, as a committee, in almost every community we've visited about the skills shortage and the need to attract skilled workers. I believe the unemployment rate here in the region is probably around 4 per cent, in that range?

J. Earl: Yeah.

J. Yap: Very low, virtually full employment here, and yet in other regions — say, in the Lower Mainland — it's much higher. Certainly among the younger demographic it's higher than the average. What initiatives has the chamber or some of your members looked at to try to bridge that? You know, we have people who probably have some skills that are transferable, who could come to the region, come to Dawson Creek to live and work.

J. Earl: Yeah.

J. Yap: But there seems to be this chasm....

J. Earl: Disconnect. From my personal experience, I actually lived in Burnaby for a few years after I graduated. I went to school in Kamloops, got my degree and then moved down to Burnaby because I graduated in the fall of

'08, which wasn't exactly the best time for entry into the job market. When I told my friends from Burnaby that I was moving back up north because my family's here and to look for work, you might as well have told them I was moving to Mars or Siberia.

There's a perception — I think mostly a false one — that it's some kind of barren frozen place or some sort of glorified work camp or something. You know, it's not the case — anybody who spends any amount of time here. The winters can get cold, but there's plenty to do and plenty.... So I think we as a community need to do a better job of marketing all of the things here.

Also, with respect to sending community representatives, or finding some money to send some community representatives, out to university, BCIT, when people are pursuing their apprenticeships there or pre-apprenticeships. Let them know that there is work here and there is training available for them and that they can enjoy a fairly good standard of living.

K. Connolly: If I may. We find a lot of our employers who use FIFOs — fly in, fly outs. We have a lot of people who actually live in Victoria or Vancouver, Kelowna — the great places. They fly in for two weeks, get on a bus, go out to their camp, come back into town, get on a plane and leave. So we never actually see them.

Employers have taken that initiative to find them. They're not necessarily moving here though. That's our challenge when it comes to infrastructure and tax bases and compensation for some of the wear and tear on our community resources. Employers have taken great steps to bring people here.

J. Yap: What are some of the things that could be done to encourage those folks who are flying in, flying out from elsewhere in B.C. to want to relocate here and make Dawson Creek their home?

[1420]

K. Connolly: I'm not sure of the answer to that. We've talked to a lot of different MLAs and government reps about it.

You know, I think one of the things is.... This has been done in different parts of the world. We know that in the Yukon and parts of Northwest Territories if you fly in, you pay a payroll tax, which then goes into that community to help build that infrastructure. It's a reasonable, possible conclusion, where people....

We live in such an international community that you can't tell people where to live. We're happy to have them come work here, but if they would also contribute to our infrastructure.... Something like a payroll tax for people who don't have a permanent address in our community would help our community grow.

M. Hunt: Actually, the payroll tax is a most inter-

esting concept. I know all sorts of communities in the north where it is fly in, fly out. So on that basis, I'm wondering whether you really want the airport improved. [Laughter.] No.

My question was actually concerning the airport. Who owns the airport?

J. Earl: The city of Dawson Creek owns the airport.

M. Hunt: It is the city.

J. Earl: Yes.

M. Hunt: So it could be done as an infrastructure situation with the city.

J. Earl: A grant, yeah.

Over the last two years the chamber itself has dedicated a lot of time and resources to going out and courting airlines to come in and give us a chance. Obviously, with respect to the airport, we're starting at kind of a deficit. We are in between two fairly robust consumer markets, and our airport is primarily used for a lot of charters and parts and industrial stuff.

M. Hunt: Have you made a written submission to the committee?

K. Connolly: No, we did not.

M. Hunt: I'm just wondering if you can send to us your concept of the community payroll tax.

K. Connolly: Sure. Absolutely.

M. Hunt: I think that'd be an interesting one.

D. Ashton (Chair): It has to be in by the 16th, please.

K. Connolly: Can do.

J. Earl: We can swing that.

D. Ashton (Chair): We're out of time. I apologize. Thank you for your presentation. See you.

K. Connolly: Thank you very much for your time.

D. Ashton (Chair): Next up we have Paul Gevatkoff. Paul, we have ten minutes for the presentation. I'll give you a two-minute warning. Then we have five minutes for questions. The floor is yours, sir.

P. Gevatkoff: Thank you for the opportunity to present to you. We did present a couple of years ago to the committee. There wasn't much change, but you never give up.

My concern is with the agricultural land reserve and the Agricultural Land Commission. I'm pleased to see that there's been announced a core review and that the agricultural land reserve and the commission are a part of that review.

To me, the ALR and the commission are a serious impediment to economic development in northeast B.C. and to the freedom that landowners have to manage their lives. Our economy up here does not limit itself to agriculture. We have a very active oil and gas industry right now, and the mining industry is busy. The forest industry is picking up again. Tourism has always been active here, and farming as well.

I guess the point is that.... If you look on the second page there, the mandate of the Agricultural Land Commission is to preserve agricultural land. Really, there is no other option to consider anything else. The issues to do with the social situation or other industrial needs are not covered off. It's basically preserve agricultural land, and that's it, which is not a good way of planning land use.

Land is a key requirement in developing the economy. We saw that here in 2003, when Encana bought that land package here for \$400 million.

[1425]

We, luckily, had one subdivision that had been sitting idle for about 25 years. It was developed about 25 years prior. It was paved. All the electrical was in. The plumbing, water, sewer — everything was there. There had been no activity in that subdivision.

When the activity started here over Encana's purchase, that subdivision filled up, basically, in a matter of less than two years. What happens then? I mean, they're building shops. They're moving businesses from Alberta and locating here. All the taxes and activity that's generated — the payrolls.... Land is key.

We also started at that time, at the request of the Agricultural Land Commission, to do a community plan for this area to identify land that could potentially be used for residential or industrial or commercial. The municipalities and the regional district got together, and they hired a consultant to develop this plan. The plan was developed, and the recommendation went at quite a cost. I mean, it was over \$300,000, and it took a number of years — I think about three years — to do it.

You know that these businesses, when the oil and gas industry starts, don't say: "Okay, let us know when you've got some land in three or four years, and we'll look at coming over." They want to get going now.

The plan was developed, and the recommendation went to the commission. The commission didn't accept it as it was recommended, even though it was recommended by everybody here. They put their own slant on it. They located most of the industrial west of town. For what reason, I don't know. It seemed like their whim.

At the cost.... To me it would have made more sense to say to Dawson Creek: "Look, you've got a half-mile

boundary around your city boundary. Develop in there." Then the city develops based on where the water is, where the sewer is, where people are willing to develop. The city doesn't do the development; the developers do the development. It still is controlled, but the city has some freedom to manage their operation.

On the second page there is the mandate of the commission, and that's set out in the act.

In northeast B.C. we have about three million acres of agricultural land in the reserve, but we only have a population of 70,000 in all of northeast B.C., which is not a lot of pressure on land. About 60 percent of that land is in use, so 40 percent is not. Just as an example, with three million acres, if you took 500 acres a year out of the land reserve, it would take you 6,000 years to deplete that reserve. That gives you a bit of something to relate to as far as how much land is out there.

This land did not start out as agricultural land. Some 120 years ago, before the settlers started coming in, it was all forest land. There were big spruce and pine here, and the land has been developed into agriculture over the years by the settlers. That's in effect what's still happening.

[1430]

We in the north here — actually, it's all of northern B.C. north of 100 Mile — have gained 300,000 acres of land since the inception of the ALR in '73. So there's been an increase. In the south they've lost 200,000 acres. So the best farmland, the best conditions in the south, is losing land, and it's being compensated up here by taking land out of the provincial forest. You know, sort of the sacred aspect of agricultural land is really just an ideal.

Again, there's no consideration for other uses in land use planning. We've got a quarter section out here, and 40 acres have been used for a gas plant. Spectra has come in and built a gas plant on 40 acres. The guy that owns that land — the rest of it, including that 40 acres — can't develop a service company on his land because it's a non-farm use to service that gas plant. If he wanted to start up a company to do painting or welding or garbage pickup or water supply or whatever, he's not allowed to because it's a non-farm use.

We've been talking about this for a number of years now. The government doesn't recognize the negative impacts of the commission. It affects taxes, for example. If you can rezone a piece of land to industrial, your tax rate will probably go up at least five times, which is all revenue. When you employ more people, there are more taxes — more income taxes. When you bring new businesses in here, there's the related increase in revenue.

Just one last point on that. I guess a really classic example of the negative impact is.... I don't know if you're familiar with Bob Robertson and his issue in Delta. Here's a guy that had 40 acres. He's growing hay on his farmland, but he's got 60,000 square feet of buildings and parking lots and that type of thing, and he's providing storage for different things there.

He's not harming his agricultural land at all, but yet the Agricultural Land Commission, in their wisdom, hires a lawyer, takes him to court and shuts his operation down. He grossed \$360,000 in 2011. Half of that, likely, goes to taxes to Victoria, but with one fell swoop they shut him down. He's not harming anything. If he was putting toxic chemicals on the land or something, you could understand it, but that wasn't the case.

D. Ashton (Chair): Paul, I have to cut you off at that point. Sorry.

Questions?

L. Popham: Thanks for your presentation. I'm just wondering: are you here on behalf of yourself or are you representing the Oilmen's Association?

P. Gevatkoff: No, not the Oilmen's, no. We have a group which has been talking about the agricultural land reserve. I didn't consult the Oilmen's, but I can guarantee that they are all of the same opinion as me.

L. Popham: Right. Okay. Do you sit on the Oilmen's Association? Are you part of that?

P. Gevatkoff: Uh-huh.

L. Popham: You are. Okay. If a core review was completed, what would you want to see as the end result? And how would it affect what you're talking about?

P. Gevatkoff: Well, ideally, I guess I would like to see northeast B.C. excluded from the ALR. I think there's no pressure on land. At some point in time, a couple thousand years down the road, there may be. But that would be the ideal. Now, there are all kinds of options, other options, as well.

S. Hamilton: Thank you for your presentation. While I agree that the core review should take a hard, critical look at certain elements with regard to the agricultural land reserve and the commission, when you brought up Mr. Robertson's name....

I'm the MLA for Delta North, and I can tell you from experience that Mr. Robertson virtually grew nothing on his property but motorhomes for the last ten years. It had expanded to the point where Mr. Robertson was constructing buildings for storage — not converting or capitalizing on empty farm buildings on his property but actually constructing more buildings for more storage. It grew to such an extent that it couldn't be ignored.

[1435]

There was no one that ever passed Mr. Robertson's property on Highway 10 at 104 Street in Delta without recognizing Go Vacations motorhomes and so on. It was sort of a billboard for abuse, essentially.

Now, having said that, I don't ever begrudge a farmer who takes the opportunity to exploit a little bit of empty storage on his property and utilize it for storing equipment or motorhomes — whatever the case may be. In many cases it's seasonal, but Mr. Robertson as an example is the extreme. I just wanted to put that on the record.

P. Gevatkoff: I guess the reason I used that one is because, to me, it was quite obvious he didn't appear to be hurting his agricultural land.

But we have other situations here that are identical, where a landowner wants to start a business. He wants to expand and hire people and do work that Albertan people are coming in and doing now, and he's not allowed to do it. In fact, the lawyers.... The commission hired lawyers and stopped him from doing that. So, you know, the entrepreneurship was squashed. To me, that is absolutely, totally absurd.

D. Ashton (Chair): Paul, we only have a minute left, and I have a last question.

G. Holman: Thanks for your presentation, Paul. Just in terms of the impediment of the land reserve on economic growth, it was pointed out earlier that the area here has an unemployment rate of about 4 percent, which is probably one of the lowest in British Columbia. It doesn't seem to be an impediment to the full utilization of the labour force in northeast B.C.

P. Gevatkoff: Well, we're not capitalizing on all of it. Like I say, we've got people, we've got companies, that would like to come from Alberta and locate here. They need land to locate onto. We've got entrepreneurs. We've got small businesses here that would like to expand and provide more service, like for pipelining or even drilling. We have no drilling operations in B.C. They need land, and they don't need, you know, three acres down in the industrial park. They need 40 acres.

Calfrac in here right now — they've got a 40-acre parcel up here. They don't have enough land. They've got another operation in town, but for them to move their head office here for this area, they don't have enough land.

G. Holman: Just quickly, is there Crown land that's not in the timber-harvesting land base that's outside the ALR? Have you done an inventory of those lands that might be available for industrial expansion?

P. Gevatkoff: There are Crown lands, but they're not.... They're outside of the agricultural land reserve. The agricultural land reserve takes, like I say, three million acres of the core land that's available here.

D. Ashton (Chair): Sir, thank you very much for your presentation.

Up next we have Mary Miller.

Mary, you probably heard. Ten minutes for the presentation. I'll give you a two-minute warning, and then we have time for questions after, okay? Welcome.

M. Miller: Okay. I want to thank you, first of all, for giving me this opportunity to make this presentation today. Welcome to the beautiful Peace River area.

As you know, the Peace River district is a unique area in the northeast corner of the province of British Columbia. It is separated from the remainder of the province by mountains and is attached on the east to Alberta. It is important, I think, for you to understand that this area has played an integral role in the economic development of our province.

I've heard things like unprecedented growth, graduates wanting to stay here in the community that they've grown up in, prosperity of the region, economic future of tomorrow, economic development in the north, resource sector, the potential of our region, more jobs than workers to fill them, and the chamber of commerce brings up Alberta's challenge to our local business. And that happens to be, if you've read my presentation, among the things that I want to talk about.

First of all, I want to say that I was born on a farm in this area 74 years ago. I've lived on a farm all my life and have been involved in farming, except that I went to university to become a school teacher. I've raised four boys on the farm. My husband and I did get into the oilfield service industry ten years, but we were some of the ones that were in non-compliance with the ALR.

[1440]

We had well-site trailers that we rented to oil companies. Now, those trailers are probably 72 feet long and 14 feet wide. They range in price from about \$150,000 to \$200,000. I don't know that we did any harm to the agricultural land, our farmland, on which we put them, but I guess we would be convicts in the eyes of the government. And I'm sorry that that's how we had to do our business. It was an underhanded way of doing it, but that's what we did.

Now, the first settlement in this Peace River district was in Rolla in 1912, and over the years more communities were established, with schools, post offices and the necessary businesses that would sustain the needs of the settlers. There were homes built on nearly every quarter section, which is 160 acres. They had trees for shelter belts, dugouts for water, gardens for food. The very part of the rural environment provided an ecosystem for wild animals, frogs, butterflies, birds and many species that are now endangered and becoming extinct.

But since the creation of the ALR in 1973, landowners have been unable to subdivide their land, which is an impediment for sustaining our rural communities and a loss of the natural beauties and habitat that once surrounded us. As a result of the decisions of the ALC to not allow

homesite severance, the young people have been forced to leave the rural communities, the original homesites have disappeared, and now it is a struggle to keep our schools and post office open.

I just want to tell you that we were also involved in raising cattle, and if our son could have probably built on the same land next to us, then that would have been of assistance to us. Luckily, he was able to buy the quarter section next to us, and his house is very close to us. Our experience, which you probably don't understand, is that we might be out in the barn at three o'clock in the morning, at 40-below, and there is a calf that has to be pulled. If we were waiting for him to come for 25 miles, then of course you can imagine what would happen.

So the Agricultural Land Commission, by not allowing homesite severances on these quarter sections, has decimated our rural community.

Now, we all know that the gas industry in the northeast corner of British Columbia is booming and is the major contributor for fueling the economy of this entire province. It is my belief, however, that there is a significant loss to the province in terms of revenue due to the rules of the agricultural land reserve and the Agricultural Land Commission.

The Agricultural Land Commission's mandate is to preserve agricultural land but ignores section 6(b) of its own legislation, which states that one of its primary purposes is "to encourage farming on agricultural land in collaboration with communities of interest." My question to you in the question period is: what are other communities of interest? I believe that the oil and gas industry is another community of interest, and it is the desire of local farmers and rural residents to participate in it off of the land on which they are now living.

The B.C. government has put in place a delegation agreement enabling the Oil and Gas Commission to decide applications on the ALC for the first four wells on the property within the ALR, but it gives no consideration whatsoever to local individuals and businesses that want to participate in serving the industry and use a portion of their rural agricultural land to do so.

The time frame is now for local businesses to make strategic investments in the oil and gas industry. But they are being denied those opportunities as a result of the refusal of the ALC to focus on local business retention and expansion. This sets the stage for a substantial loss of revenue to the province as businesses move across the border.

I want to also draw to your attention that it is not the oil company that brings the gas and oil to the surface. It's not them. You might think.... You talk about the oil industry, but it is not an oil company. The oil company provides the land, provides the financing. It is the service companies that bring oil to the top of the surface.

The first thing they need is an oil rig, a drilling rig. That's a service. That's not an oil company. Then they

need tanks. They need shale bins. They need well-site trailers for accommodation. They need sewer tanks. They need bed trucks. They need picker trucks. They need graders, cats, backhoes.

[1445]

Those are all services, and those are services that are right here in this area. A lot of young fellows that grew up here, graduated here and own quarter sections of land would like to service the oil industry from their own property.

Now the Agricultural Land Commission is saying that there are a lot of businesses right across B.C. in contravention of the law — right across B.C. — so they need some more money. They need more money to hire uniformed enforcement officers to shut these people down. That would be the end of business for this area up here.

Welcome, Alberta. That's all that's happening. We're welcoming the Albertans to come in here when we've been fighting for how long to try to get a foothold ourselves in the province in which we live.

I guess you have my presentation in front of you, but I'm just showing you that if you look at page 2 of the B.C. assessment, it talks about the major industry and what the tax base is. The tax base on industry for assessment would be \$8,960 per acre — just for assessment. On agricultural property it's \$103.97 per acre for assessment.

It seems to me that right now the best use of this land at this time would be for industrial use. We're not saying we're taking 160 acres and putting them to industrial use, but I feel that that is the best use of the land at this time and the best resource or income to the government.

Land can be reclaimed. Land isn't going to go poof and then we don't have it anymore. They're reclaiming land up at the tar sands. Why can it not be reclaimed when we need food? I want you to know that I am passionate about saving farmland. I have family that are farming now, but I can also see that we have to work with industry for the betterment of this whole province.

I believe the agricultural commission's mandate to preserve agricultural land is a complete failure for retaining local businesses. It has failed to provide local entrepreneurs the opportunities for improvement and for the expansion of their job potential. It has depopulated the rural community and negatively altered family lives by no longer allowing physical, social, cultural and economic conditions to be affordable and to thrive in northern B.C. It has failed to recognize that there is an ongoing reduction of revenue to the province of B.C. that is being re-directed to Alberta.

D. Ashton (Chair): Mary, thank you. I'll have to cut you....

M. Miller: That's right. Okay.

D. Ashton (Chair): I have one question so far.

E. Foster: Mary, thank you very much for your presentation. It's refreshing to see a presentation from someone that's come out of the farming industry. I appreciate that. I would encourage you to make that presentation also to the core review committee — you can submit it in writing — because it is part of the core review.

You talked about the homesite severances and so on. You're not looking for.... For example, if you took 15 or 20 acres out of a quarter section and used it for some sort of service company, you would expect, then, to pay industrial taxes on that piece of property. Is that correct — on the piece that's excluded?

M. Miller: Oh, of course. I want to just draw to you that we have something that's just gone up here. The Agricultural Land Commission — in 2006, I believe it was — allocated probably two or three quarter sections of land around Dawson Creek for industrial use. That sat there for six years, not a survey stake put in, not a shovel of dirt turned, and guess what they're doing. They're paying agricultural taxes on it.

[1450]

I have family members that have quarter sections of land right along the dangerous goods beside it, but they can't subdivide, because there's enough land that has been designated for industry.

E. Foster: Oh, I see. Okay.

M. Miller: And paying agricultural taxes. I have said to the Minister of Agriculture: "We're not here for a free ride. You tax us." My son farms 5,000 acres, and he runs water trucks. When the new enforcement officer comes along with his uniform on, he can say goodbye to all his water trucks. I'll tell you that right now.

E. Foster: And he's farming 5,000 acres?

M. Miller: He's farming 5,000 acres.

E. Foster: How much of that 5,000 acres would he be utilizing for his water trucks?

M. Miller: He has it in his yard, where he has his shop. He won't be using anything because he has a yard with shops to service all of his tractors, his sprayers and everything. These water trucks sit in this yard, and he takes some of them in....

E. Foster: It has no effect whatsoever on the agricultural viability.

M. Miller: No, sir. He takes some of the men, also, to work in the field and then work full-time in the oil patch too.

L. Popham: Can you tell me what the water trucks are used for?

M. Miller: They're used for hauling water to oil rigs, and that's for drilling purposes. So just like his mother and father, I guess he's in contravention of the law.

L. Popham: Is the water coming from that property and being moved into the oil...?

M. Miller: I'm not sure where he gets it from. No, he's gets it out of Dawson Creek. He goes to Dawson Creek, and he hooks on to a system here in Dawson.

D. Ashton (Chair): Gary, for the last one.

G. Holman: Just quickly. You make a statement in your submission that you feel that the ALR has resulted in a depopulation of rural communities.

M. Miller: Yes.

G. Holman: According to the community facts that we've got from B.C. Stats, it looks like the population is growing here at a faster rate than in British Columbia.

M. Miller: In the rural communities?

G. Holman: This is for Dawson Creek.

M. Miller: Well, I'm talking about rural farm communities. At one time there were houses on every quarter section. Another thing is that I can go by those quarter sections, and I don't see where the land is being destroyed at all. You don't even know where they are any more.

You know, that's why Rolla has a school, and they have a post office. They have a community hall. But you can't subdivide these quarters. I can subdivide mine because I was there before 1972, but no one else can.

So then these farmers buy these quarter sections at inflated prices, because you have to pay for the buildings and then have to bulldoze them down because that's not what they want them for. They don't want to be landlords.

D. Ashton (Chair): Scott, you have 30 seconds.

S. Hamilton: I'll be brief, then.

Thank you for your argument. It's very compelling. We're going to hopefully see in the very near future burgeoning growth in the industrial sector, and we're going to have to service it somehow. I do understand that. We're going to have to look for ways to do it, and it's people like you with arguments like these that are going to help us move forward in that sense.

One quick question, Mr. Chairman. I'm not sure how we do this, but I would like some clarity around the issue

of homesite severance, because with a quarter section....

We've done it in Delta a number of times, especially with historical farm families where children want to stay on the farm. I was a little surprised that your son actually had to buy an adjoining piece of property. I don't know how we beg that clarity from the ALC. Maybe come back to this commission, and we can get an answer to that?

D. Ashton (Chair): Well, being a farmer.... If you acquired the land before 1972, you're entitled to homesite severance. After that, you're not. We're in the same boat.

M. Farnworth (Deputy Chair): I was just going to add.... I know at council in PoCo we were doing the same. We were subdividing off the main house all the time.

D. Ashton (Chair): As long as they owned it before 1972.

M. Miller: It's not happening here.

S. Hamilton: That historical use is what's important. Thank you again for your presentation.

M. Miller: I'd just say that all of this big equipment that's needed on a rig.... Where are we going to store it when it comes back? All along the road? In the ditches? Suspended in the air? Where is it going to go — to Alberta?

D. Ashton (Chair): Mary, thank you very much for your presentation. I come from an area where a 15-acre plot is very large — apple or vineyard. So when I hear 5,000 acres, the scale to me is massive.

M. Miller: I'd like to drive you around to show you.

D. Ashton (Chair): Thank you for your presentation. Ferrol and Rick Pavlis. Thank you for coming. I appreciate it. Ten minutes for a presentation. I'll give you a two-minute warning, and then, as you can see, there are usually lots of questions attached to it. The floor is yours.
[1455]

F. Pavlis: First, I'd like to thank the committee for taking the time to perform this core review of the government services with a view to reducing costs and regulations. Thank you, also, for identifying the Agricultural Land Commission as part of your review.

Just for curiosity on my own part, I was curious how many of you have ever been to this region before.

A Voice: Three? Five, six.

F. Pavlis: I was just curious. Okay. So no matter which

area of B.C. you're from, I'm sure you'll agree that the Peace, or the northeastern region, is a very unique part of our province. The most obvious feature is our vast amounts of land and yet very few people — in fact, roughly 65,000 to 70,000. We're situated right next to the Alberta border, to the east. Our economy is driven, as you well know, by oil and gas, agriculture, logging, fabricating and hydroelectric generation. The region has evolved from the wheat belt to the moneybelt of British Columbia.

Our family has farmed this area for four generations, and this same family has also had a three-generation history of working in the oilfields. Since the '50s our forefathers realized that in order to better their farms, supplementing their incomes with off-the-farm winter work in the oilfields would have to be an option. Gone are the days of travelling to Alberta or the far north to find winter work. We find ourselves in the heart of the activity right here, literally on our doorsteps.

Many farmers find that diversifying their operations to include oilfield work has ultimately benefited their farms by creating year-round employment and, thus, economic stability. In our view, this is a good business model, and it is a win-win for the government as more income equals less government-subsidized programs for farmers.

When the agricultural land reserve was started in 1973, there wasn't much oilfield activity in this region. Jump forward nearly 40 years, and lots has changed. In 2007 the government recognized this unprecedented growth in oil and gas activities and put into place a delegation agreement enabling the Oil and Gas Commission to exercise powers of the ALC in most cases — I put a footnote that I refer to in the back because it's not in every case; there are some conditions — to decide applications for oil and gas activities.

The delegation agreement had one fundamental flaw. It benefits the producers and the government that receives revenue from industry, but it gave no consideration to individuals and businesses who want to participate in the local economy associated with servicing that industry and using their farm or rural land to do so. What stops them? The ALC and the fact that our towns are in a unique position of being landlocked by surrounding farmland.

We learned this firsthand when we tried to expand our own oilfield business by developing a 20-acre portion of our 160-acre farmland located on a purpose-built dangerous goods truck bypass road. It is notable that there are two previous oil-filled drilling sites right on this exact same piece of property.

In 2007 we applied for our 20 acres to be excluded from the ALR. The city of Dawson Creek, as well as the Peace River regional district, approved our plans. The ALC, on the other hand, had different ideas and were willing to take us to court over protecting the land we were storing our equipment on. In the end we found ourselves in a legal battle, ending in us purchasing an al-

ternative piece of property to avoid serious fines or worse.

This event created an amazing amount of stress for our family as well as our employees. We wondered why the government wouldn't want the land to be developed. Why wouldn't they be in favour of more revenue in the form of property tax, corporate tax, payroll tax and the effects of other economic spinoffs relating to our investment?

With people complaining about government cutbacks, we decided to find out more about the power and the structure of the ALC. We started an in-depth study of the ALC and their prized ALR.

What we have learned I'm going to follow now in point form:

(1) The Land Commission Act states that the second of three purposes of the ALC is to encourage farming on agricultural land in collaboration with other communities of interest, which Mary also brought up earlier today. Our Peace River regional district chair, Karen Goodings, asked the ALC chair, Richard Bullock, to explain what "other communities of interest" meant to the ALC, and he couldn't actually provide an answer in front of a whole room of people earlier this year.

[1500]

(2) The ALR was designed to protect valuable southern areas of the province that are under tremendous amount of population pressures. We came to realize that one size does not fit all in this province.

(3) The ALC staff does not consider needs versus wants when it is making decisions on land applications.

(4) Decisions are inconsistent and sometimes ridiculous. One recent application was turned down using the excuse that the land on the side of the hill would be better suited for non-soil-based agriculture.

(5) For ALR purposes, the province is divided into six regions. Of these regions, one has maintained its land-mass holdings within the ALR and four have seen a decline in ALR land-mass holdings since 1973. The only area to see an increase in land-mass holdings is the north.

(6) The Auditor General of B.C. noted in 2010 that the ALR's overall size has changed very little over nearly three decades, but agricultural land in the south has declined and the amount of prime land has declined.

(7) The ALC is playing a shell game and duping the people of B.C. into believing they are protecting valuable farmland.

(8) Travel expenses for the ALC staff to perform site visits to the north region absorb a huge amount of the ALC's budget. Some estimate it to be more than half their annual expenses. It doesn't make sense to send six to eight ALC staff from various parts of the province to perform a site visit when in many cases Google Maps would provide the information they need to make a decision. This would also prevent commissioners from arguing amongst themselves during these site visits, which can be rather awkward for the applicants.

Upon reviewing the ALC applications, it is notable that about half of these applications were sent in from businesses. Many were rejected. One has to wonder: is B.C. really open for business? Wouldn't it be just easier to jump across the border into Alberta, where there's no ALR or PST?

I'd like to end with the story of a local farmer. You've already heard a little bit about the local farmer. He diversified his farming operations to include an oilfield business. He provides year-round employment for his workers, because he saw an opportunity and took advantage of it. He's able to reinvest back into his grain farm and now seeds nearly 5,000 acres annually.

He's an asset to the province's economy. However, in the eyes of the ALC, he is a criminal. He lives in fear, knowing he could be shut down at any time.

Something needs to be done to correct the negative impact of the ALC in the north. Thank you for the opportunity to discuss this with you and present.

D. Ashton (Chair): Thank you.
Questions?

G. Holman: Thank you for your presentation. I guess two questions. I did try to get at this with earlier presenters. Has there been an inventory done of the supply and demand for industrial land? For example, what would be the needs going forward for acreage required to service the oil and gas industry? What's the demand?

Then on the supply side, is the ALR the only source of land that is available for that kind of...? Is there other Crown land? Are there privately held lands that could serve part of that need?

R. Pavlis: There are no Crown lands, because who wants to be 50 miles out of town? How do you service your business when you need parts? There's probably Crown land that would be 50 or 60 miles out of town that you could maybe set up a business on. But how do you get parts, or how do you get your staff to drive out there every day from town?

There's one example. Sure, there's lots of land here. The commission has been giving guys 160 acres. Overnight, that's like winning the lottery — a \$200,000 quarter section on the outskirts of Dawson Creek. For example, one guy here has an \$8 million price tag on it.

If the commission wants to do that, tie up all this land where a guy is paying \$250 a year on farm taxes on this land.... If that's the case, if they want to give out 160 acres at a time to these people that are actually winning the lottery, why not start taxing them industrial taxes on the whole 160 acres the day that it's let out? As well, you get 12 months or 24 months to develop it. If you don't, it goes back into the land bank and somebody else gets a chance at it.

G. Holman: For the record, Mr. Chairman, I think that's a valid idea worthy of consideration by the committee.

R. Pavlis: Does that answer your question?

[1505]

G. Holman: Well, my question was whether there was a detailed analysis of land available within a reasonable area for oil and gas. I'm just repeating myself.

F. Pavlis: I was just wanting to answer his question about the demand and if there'd been a study done on the demand. To me, what speaks volumes is that we're now twinning our highway from Alberta. The sky's the limit, literally. If you can upgrade your highway to the point that you need to four-lane it — two lanes in, two lanes out — it's because, if you watch the Alberta plates coming in and out of this region daily, that's how much demand there is.

They're willing to travel an hour and a half to get here to work during the day. We're losing a lot of financial opportunity because of that. I don't believe there have been any studies done. Maybe there are traffic studies done to indicate some of this volume.

R. Pavlis: As taxpayers, we're paying for the four-lane highway to benefit Alberta. Alberta is not paying for the four-lane highway.

D. Ashton (Chair): Interesting points. Any other questions or comments?

Folks, thank you very much. Thank you for the presentation.

We're going to have a quick recess here.

The committee recessed from 3:06 p.m. to 3:14 p.m.

[D. Ashton in the chair.]

D. Ashton (Chair): We're back live again. I'd like to welcome His Worship Merlin Nichols from the district of Chetwynd.

Welcome, sir. Thank you very much for coming. We've allowed ten minutes for the presentation. I'll give you a two-minute warning, and then we have five minutes for questions. So please.

[1515]

M. Nichols: Thank you very much. As you know, at the election Christy Clark made a commitment to extend the Peace River Fair Share program for another ten years. The Peace region is leading the way provincially in generating economic wealth for British Columbia. With the introduction of liquefied natural gas opportunities, the stress of rapid industrial growth and expansion on

the communities of the Peace region will only continue.

We are very interested in encouraging the Premier and the cabinet and the government of British Columbia to carry out this commitment and extend the MOU for ten years, beyond 2020.

The second point I would like to raise with you is that the federal government has committed to continuing with funding to address the national municipal infrastructure deficit. The province needs to act quickly to get the money out the door and not to exploit the use of these and provincial funds for any other purpose than for which they were intended — that is, to assist local government with current failing infrastructure. A short provincial turnaround in rolling out the next phase of the program should be mandated to keep this program advancing without delay.

Those are the two points that the district of Chetwynd would like to leave with this committee. If you have any questions, I will try to answer them.

D. Ashton (Chair): Thank you, sir. Concise and to the point.

M. Farnworth (Deputy Chair): What would you like to see? I was involved with the first iteration of Fair Share. At that time there was a set amount of money, and it was done in recognition of the growth in the oil and gas industry that was starting to take place and is clearly continuing to this day. So what is it that you're looking for, and do you have a figure in mind that you'd like to see in the next phase of it?

M. Nichols: No, we're not thinking of a figure. We simply are very interested in seeing the MOU extended for the ten years that Christy Clark referred to during the election.

M. Farnworth (Deputy Chair): So it would be based on the same financial formula that's currently in operation?

M. Nichols: That's our understanding.

M. Farnworth (Deputy Chair): Okay. So you're not looking for additional revenues, but a continuation at the same rate.

M. Nichols: We are not interested in any changes in the way it has been rolled out during this MOU.

M. Farnworth (Deputy Chair): Usually we get some kind of big dollar figure. Basically, you want the existing rate of financial assistance maintained. You're not looking, then, to get it increased.

M. Nichols: As I understand the MOU now, it's based

on the revenues generated in the area. We're not asking for a change in the way it is allocated.

M. Farnworth (Deputy Chair): So what's in place now you're happy with. You just want to see it rolled over, then. Okay.

M. Hunt: Mine continues from there and goes to the second point. That is on the infrastructure program using the gas tax as an example. With the UBCM we've created a three-tier process for the gas tax, and then we have other funding coming as well.

You're happy with the formulas. You're happy with the way the administration is set up?

M. Nichols: Yes, we are. You're probably quite aware that there has been some talk about broadening the categories for which the gas tax funding can be used. Our interest is in keeping it more narrow.

M. Hunt: Focused.

M. Nichols: Yes. We would like to see it stay the way it is. We're between grants now. We'd like to see it rolled out as rapidly as possible once the new funds are available.

M. Hunt: A second question is.... We know that Chetwynd is an IPP and has its own independent power producer with your wind turbines that you have for the city. How is that working? Don't you have a set of lights there that you have your own turbine for?

[1520]

M. Nichols: We did.

M. Hunt: Oh. Past tense.

M. Nichols: Those are down. The reason is that it's too expensive. The batteries, etc., that are required don't make it feasible. We were planning to hook those lights up to the grid. That was an experiment that didn't work.

M. Hunt: But we learned from it.

M. Nichols: We did.

G. Holman: Thanks for your presentation, Merlin.

On the Fair Share program. I'm particularly interested because you said, in terms of gas tax, you want to keep it to the original focus. I'm curious about it. I mean, it is primarily focused on reducing greenhouse gas emissions, but I'm curious as to why you want to keep it restricted.

Also, just to understand a little better. The Fair Share funding that you receive — what are the eligible expenditures for that fund?

M. Nichols: All right. Let's talk about the first part of your question.

We're dealing here with the municipal infrastructure deficit. The grants have been, to this point, primarily focused on roads, water and sewer. There has been talk about expanding that to include such things as skateboard parks and arenas and other infrastructure projects that are very nice to have in a community. But our fear is that if that happens, it would dilute the funds too much.

Your question on Fair Share. Could you repeat it, please, for me?

G. Holman: What can you spend those moneys on?

M. Nichols: That's not restricted.

G. Holman: So anything you want.

M. Nichols: That's right.

G. Holman: Within local government.

M. Nichols: Yes. Some municipalities.... Well, I shouldn't talk about what some municipalities do. It's not restricted. In Chetwynd our primary focus for that is infrastructure.

D. Ashton (Chair): Your Worship, thank you very much for coming.

M. Nichols: Thanks for having me. I appreciate it very much.

D. Ashton (Chair): Nobody else? Is there anybody signed up for the five minutes? No. Okay. At this point in time we'll adjourn.

The committee adjourned at 3:22 p.m.

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