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REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON

**FINANCE AND
GOVERNMENT SERVICES**

**Kelowna
Thursday, September 27, 2018
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BOB D'EITH, MLA, CHAIR

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Finance and Government Services

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L. Armour	



LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

MINUTES

Select Standing Committee on
Finance and Government Services

Thursday, September 27, 2018
9:00 a.m.

Salloum Rehearsal Hall, Rotary Centre for the Arts
421 Cawston Avenue, Kelowna, B.C.

Present: Bob D'Eith, MLA (Chair); Dan Ashton, MLA (Deputy Chair); Stephanie Cadieux, MLA; Ronna-Rae Leonard, MLA; Peter Milobar, MLA; Tracy Redies, MLA; Nicholas Simons, MLA

Unavoidably Absent: Mitzi Dean, MLA; Sonia Furstenau, MLA

1. The Chair called the Committee to order at 9:00 a.m.
2. Opening remarks by Bob D'Eith, MLA, Chair.
3. The following witnesses appeared before the Committee and answered questions:

1) UBC Okanagan	Phil Barker
2) Insurance Bureau of Canada	Aaron Sutherland
3) Childhood Obesity Foundation	Dr. Tom Warshawski
4) The Bridge Youth & Family Services	Celine Thompson
5) OSNS Child & Youth Development Centre	Kate Smith Manisha Willms
6) Okanagan College Students' Union	Mark Felhauer Jennifer Meyer
7) First Nations Finance Authority	Ernie Daniels
8) Okanagan College	Allan Coyle Gloria Morgan
9) Association of Administrative and Professional Staff at UBC	Joey Hansen Sarah Muff
4. The Committee recessed from 10:35 a.m. to 10:43 a.m.

10) FortisBC	Dave Bennett
11) YMCA of Okanagan	Sharon Peterson
12) Canadian Home Builders' Association Central Okanagan	Les Bellamy
13) Okanagan and Similkameen Invasive Species Society, Boundary Invasive Species Society	Jaymie Atkinson Erin Kitchen Lisa Scott Barb Stewart

14) Kelowna Chamber of Commerce

Ron Cannan
Caroline Miller

15) Adventure Tourism Coalition

Brad Harrison

16) British Columbia Wine Institute

Miles Prodan

17) UBC Students' Union Okanagan

Amal Alhuwayshil
Sarah Ferguson
Paula Tran

18) Susan's Battle

Art Van Pelt

19) Regional District of Okanagan-Similkameen

Lyle Armour
Karla Kozakevich

5. The Committee adjourned to the call of the Chair at 12:18 p.m.

Bob D'Eith, MLA
Chair

Jennifer Arril
Committee Clerk

THURSDAY, SEPTEMBER 27, 2018

The committee met at 9 a.m.

[B. D'Eith in the chair.]

B. D'Eith (Chair): Good morning, everyone. My name is Bob D'Eith. I'm the MLA for Maple Ridge–Mission and the Chair of the Select Standing Committee on Finance and Government Services. We are very pleased to be here in Kelowna. First, I'd like to begin by recognizing that our meeting is taking place on the traditional territory of the Syilx people of the Okanagan Nation.

I did want to mention, too, that we're very pleased to have two local MLAs, Steve Thomson and Norm Letnick, who are in our audience right now. Thank you for coming out. We really appreciate it.

Also, I wanted to mention that the committee has so far had 136 meetings in Dawson Creek, Prince George, Smithers, Masset, Campbell River, Vancouver, Cranbrook, Trail, Nelson, Kamloops and, now, Kelowna. I wanted to take a brief moment to thank the committee members for being generous with their time and being here and keeping focused with all the questions. Thank you so much — and of course, to staff for getting us through this really amazing tour.

I'd also like to start by acknowledging the impact that wildfires and floods had this year and thank the first responders, the volunteers and the many others who supported the response. And of course, those people who are dealing with the results of those wildfires and floods — our thoughts go with you.

We're a committee of the Legislative Assembly, and our members include MLAs from all three parties. Every fall we visit communities from across the province to meet with British Columbians and hear about their priorities and ideas for the next provincial budget. This consultation is based on the budget consultation paper that was recently released by the Minister of Finance, and there are copies of this paper available here today if you'd like to refer to it.

In addition to the in-person meetings, British Columbians can also provide their thoughts in writing or fill out an online survey. The deadline for input is 5 p.m. Monday, October 15, 2018. More information is available on the website at www.leg.bc.ca/cmt/finance.

We carefully consider all of the input we receive, and we use that to make recommendations to the Legislative Assembly on what should be prioritized in the next provincial budget. Our report will be available on November 15, 2018. For those of you who are here today, I wanted to thank you all for taking the time to participate. Your suggestions and perspectives provide valuable insight into what these priorities should be.

As far as the format, we have a lot of people to get through today. We are going to ask that everybody please limit their initial talking points to five minutes so we have five minutes

of questions, for a total of ten minutes per person. Please, give us time for questions, because we can really get a lot more out of your presentation if we have a chance to get some questions in. There's also a first-come, first-served open-mike period. Given today's roster, it might be tight, but if you did want to try and get in at the end, please talk to Mariana, who is at the back there, for that.

Today's meeting is being recorded and transcribed by Hansard. All audio from our meetings is being broadcast live on our website. A complete transcript will be posted.

Next up I'd like to actually ask our Deputy Chair, Dan Ashton, to lead with the introductions of our members.

D. Ashton (Deputy Chair): Thank you, Mr. Chair. It's nice to be in Kelowna. Welcome to my two peers from the Legislature. Nice to see you. I represent the area of Penticton to Peachland.

S. Cadieux: I'm Stephanie Cadieux, and I represent Surrey South.

T. Redies: Tracy Redies. I'm the MLA for Surrey–White Rock.

P. Milobar: Peter Milobar, MLA, Kamloops–North Thompson.

R. Leonard: I'm Ronna-Rae Leonard. I'm the MLA for Courtenay–Comox on Vancouver Island.

N. Simons: I'm Nicholas Simons, MLA for Powell River–Sunshine Coast.

B. D'Eith (Chair): All right. Assisting us today we have Jennifer Arril, who's to my left, and Mariana Novis, who's at the back. They're with the Parliamentary Committees Office. The reason we're sitting here is all the amazing work that they do every day for us. We also have Steve Weisgerber and Amanda Heffelfinger from Hansard, who get here before we get here and leave after we are finished. We wanted to thank them very much.

I also wanted to give a shout-out to Ben Stewart, who just arrived, one of our local MLAs here.

Welcome.

First up we have UBC Okanagan — Phil Barker.

[9:05 a.m.]

Budget Consultation Presentations

UBC OKANAGAN

P. Barker: Good morning, everybody. My name is Phil Barker. I am the vice-principal, research, at the UBC Okanagan campus. I'd like to thank the Chair, the Deputy Chair and the members of the committee for taking a few minutes to hear about some of our priorities.

I'd like to start by acknowledging and thanking successive governments for their commitment to education in general and UBC in particular. Most recently new seats in the manufacturing area, computer science and French education have been funded by the provincial government, for which we're grateful. The establishment of the new B.C. graduate scholarship program is very meaningful to us as well. It's going to allow, on this campus, our trajectory as a research-intensive, globally ranked university.

As you know, UBC casts a wide footprint: a top-25-ranked university globally with, now, almost 65,000 students. The progression of UBC Okanagan, which was established in 2005, has been very rapid, starting with 3,500 students and now just under 10,000 as of this year, with a core commitment to accepting students from the region, from the interior of British Columbia, but also as a campus that is welcoming to students across Canada and internationally.

Importantly, around 50 percent of the students that are accepted into UBC Okanagan stay in the region post-graduation, so the campus here has been a very significant driver for regional prosperity. We are committed to providing a top-notch education. We're also committed to providing a really robust research environment that meets the needs of the B.C. interior, B.C. as a province and Canada and that has an international impact.

A couple of areas where we've been emphasizing our research trajectory include enacting a lasting reconciliation with Indigenous peoples. This is expressed in our new Indigenous language fluency program. We're well advanced in planning for a school of Indigenous forestry, and we have a highly successful Aboriginal access studies program. All of these come together to build a skilled, resilient workforce using talent both in our First Nation communities and elsewhere.

I'd like to speak specifically about one project that we're especially excited about, called the digital learning factory. The digital learning factory reflects the fact that manufacturing as an industry is very rapidly changing. You may have heard the term manufacturing 4.0, which really refers to the digitization of manufacturing and using advanced computational techniques to do things better, faster and more accurately.

We introduce innovations in health care via teaching hospitals. That's how we up our game, if you will, in what we're delivering. What we're proposing with the digital learning factory is, if you will, a teaching hospital for advanced manufacturing. The project is described in detail in the brief that you've been presented with, but just to very briefly explain it, it will be a full-fledged operational factory that will be partnered with industry, working in the aerospace domain. The central element of UBC that will be contributing to this is a unit called the Composites Research Network, which for over 20 years has been enhancing production with companies like Bombardier and Boeing.

The key issue is to solve problems in composite manufacturing. As you may know, the aerospace industry has moved

from metal-based to composite-based parts. This is what has enabled airplanes to fly further, faster and much more efficiently — so meeting our sustainability targets globally as well.

When completed, this operation will have about 100 private sector staff, about 100 UBC Okanagan researchers, located in a portion of campus that we've dubbed the innovation precinct. It'll provide a training centre for students at Okanagan College, and it has emerged as a flagship project of the new supercluster initiative, the Canadian digital technology supercluster that's based here in B.C.

I'm almost out of time, but I wanted to bring this project to your attention and let you know that it's fairly well along in the planning stages. We'll be at the stage of, hopefully, breaking ground on this project with the support of various partners within the next 12 to 24 months.

[9:10 a.m.]

I'll stop there and take any questions you may have.

B. D'Eith (Chair): Thank you very much, Phil. Appreciate it. Very exciting stuff.

Just to clarify... It's obviously a very exciting project. As far as the Finance Committee, is there a specific ask that you're making for this particular budget, or is this more of an introduction for a future ask? Maybe if you could just be a bit more specific with that, I'd appreciate it.

P. Barker: Yeah. Thank you for the question.

This is, at this stage, for information purposes. You can anticipate that an ask will be coming down the pike within the next 12 to 24 months.

B. D'Eith (Chair): I'm just curious too. Are you involved in digital printing technology? I've seen a few reports coming out about how even airplane parts are being manufactured with digital printing. Is there any part of that that's included in this? Just out of my own interest.

P. Barker: Absolutely. As you know, in the manufacturing world, 3D printing has become a very essential element. In terms of manufacturing, a way of expressing that is added manufacturing — a layer by layer addition of metals to various parts or composites to various parts. A proportion of the factory will be devoted to developing those technologies in a way that they can actually, eventually, form certified parts that would end up in aircraft.

B. D'Eith (Chair): Fantastic.

T. Redies: Thank you, Mr. Barker. It's a very interesting proposal that you're putting forward. I'm just curious how UBC Okanagan came to have this particular expertise.

P. Barker: Thanks for the question. Actually, this is a project that brings together the best of the Okanagan and the Vancouver campuses.

The Composites Research Network, which I mentioned earlier, actually started on the Vancouver campus under the directorship of Anoush Poursartip, who has been working on this for now over 20 years. Professor Poursartip has, as part of a Western Economic development-funded project, created a network of companies and academics that now work on the area of composite manufacturing, and one of the central nodes of that is now in the Okanagan. So this will truly be a collaboration between the Vancouver campus and the Okanagan campus to pull this off.

T. Redies: Great. Thank you.

B. D’Eith (Chair): Great. Well, thank you very much for your very interesting presentation. We really appreciate it.

P. Barker: Thank you very much. Thanks for your attention.

B. D’Eith (Chair): Next up we have the Insurance Bureau of Canada — Aaron Sutherland.

INSURANCE BUREAU OF CANADA

A. Sutherland: Thank you, all, very much for making time for me today. As mentioned, I’m Aaron Sutherland. I’m with the Insurance Bureau of Canada. We are the national association of Canada’s home, business and private auto insurers.

We’ve got a fairly wide-ranging submission that we’ll be providing to the committee today, but for the purpose of our time here, I really want to focus on two aspects of our submission. The first is the challenge in B.C.’s auto insurance marketplace. The second is the challenge we’re seeing as a result of our changing climate.

In the right-hand section of your package, you’ll find a brief slide deck. On the first page, you’ll see that B.C. is one of just three jurisdictions in Canada with a Crown monopoly running our auto insurance system. If we are judging auto insurance by the price people are paying, the benefits they’re receiving and the satisfaction that they have, the private sector is proving to be a much more effective steward of our auto insurance systems in this country and the Crown insurer we have in this province.

You can see what I mean by that on the next slide. British Columbians now pay more for auto insurance than anyone else in this country. Yet as high as the premiums are, as we all know, they don’t come close to covering ICBC’s costs, and that’s having a significant impact on the budget this year and over the coming budget cycle.

We’re seeing many good reforms being brought forward by the Attorney General’s office to improve ICBC’s financial situation, but unfortunately, none of these will address the affordability challenge facing B.C. drivers today. In fact, ICBC premiums are only projected to increase, potentially in double digits, over the next two years, which begs the ques-

tion: should we be looking outside of this organization for solutions here?

[9:15 a.m.]

It was in that vein that earlier this year my organization commissioned MNP to explore what the benefits of competition in B.C.’s auto insurance marketplace could be. Perhaps unsurprisingly, they found that if we opened basic auto insurance up to competition, drivers could save up to \$325 annually. I just want to pause and stop there. Instead of rate increases, if we opened ICBC to competition and gave drivers the opportunity to shop around and find savings, they could save money — not price increases, price savings.

If the rationale for our Crown corporation is to provide affordable auto insurance for the majority of drivers out there, I would suggest the situation we face today illustrates that that system is failing, and we need to be looking outside of it for solutions. Private insurers are eager to be part of the solution to this issue and to work together with government to improve the affordability of auto insurance in this province.

The next piece I just quickly want to touch on relates to climate change. You can see on slide 5 the insurance impacts of these events. As our climate is changing, we’re seeing warmer, wetter winters and hotter, drier summers. Nowhere in this country is this more true than right here in British Columbia. We’ve had record wildfire events in the past two or three years, and we’ve also had record flood events in the springs, particularly here in Kelowna, with Mission Creek or along Okanagan Lake down in your neck of the woods, MLA Ashton.

As our climate is changing, the insurers are seeing increasing incidents and increasing insured losses as a result of these events. Where we used to pay out just a few hundred million dollars every year due to what we call catastrophic losses — which are really losses due to severe storms, floods and wildfires — beginning in 2009, we have had eight consecutive years of insured payouts for severe weather at or above \$1 billion. It is having a significant impact on the insurance industry in this country, and that’s indicative of the human impact these events and climate change are having on British Columbians right across the province.

Our recommendations in this area for Budget 2019 would be to continue and build on recent investments to help communities adapt to the impacts of climate change and the impacts of flood. These are investments that help improve our land use, that build new flood-resistant infrastructure and that provide for better use of our waterways and natural environment to protect communities at highest risk.

We’re calling for investments that build resiliency to wildfire risk. We’ve seen Minister Donaldson announce some important first steps in this area. We think he needs to go further, given the challenge we face.

As devastating and as impactful as the wildfires and floods have been in recent years in this province, all of those would pale in comparison if we were to have a significant earthquake strike off our coast. So as we do every year, we’re

encouraging Budget 2019 to provide for investments in initiatives that increase earthquake awareness among B.C.'s population and help better educate British Columbians about the need to be prepared.

That's my presentation today. I'm happy to take any questions you may have.

B. D'Eith (Chair): Great. Thank you very much, Aaron.

R. Leonard: Thank you very much for your presentation. I just want to thank the insurance industry. With the Stern report initiating some credibility around climate change, I think it was the drive of the insurance industry, noting the impacts of climate change and making it a very real scientific certainty that people need to respond to and governments need to respond to.... So thank you for that.

Of course, your graph is showing where we are. One of the challenges was we were told that the longer we leave addressing climate change, the greater the impacts. Obviously, I think what you're suggesting here is that that exponential growth is happening now.

A. Sutherland: Yeah, absolutely. We look at ourselves as a bit of a canary in the coal mine on this issue. Is it important to mitigate future climate change through emissions targets and things of that nature? Absolutely. But we also have a lot of work to do to adapt and address the new weather reality we face in this province and in this country.

As much as we need to prevent future change, our climate has already changed, and it's impacting Canadians and impacting British Columbians each and every day. So anything we can do to start to mitigate those and start to, frankly, address the new weather reality that we face is incredibly important.

R. Leonard: I just have one.... You brought up two subjects. On the insurance, the question I have is: did the MNP study look at the profile of insurance claims between British Columbia and other provinces? My sense is that we have a lot more incidents than other provinces in terms of crashes.

[9:20 a.m.]

A. Sutherland: That's a good question. When it comes to the accident rate per population, the truth is that no, we don't. Transport Canada data would tell you that we aren't worse drivers than anyone else. The insurance industry....

When you think about distracted driving and some of these things that are pushing up the number of accidents that we have, that's true in B.C. just as much as it's true in Ontario, just as much as it's true in Alberta, just as much as it's true in Atlantic Canada. These pressures are facing insurers right across this country. Frankly, it's just here in British Columbia that they're leading to massive increases in premiums and, frankly, a drastic impact on the provincial budget.

It's all about how you respond to the changing environment. Monopolies are known for their inflexibility and slow-

ness to respond, to be frank, whereas a competitive marketplace instils a competitive incentive that forces you to change how you're doing your business. So in the rest of this country, insurers have been much more innovative in how they're approaching auto insurance marketplaces than what we have here in B.C.

I do want to point that out. There aren't more accidents per capita here in B.C. than other.... I think we're actually just a little bit less than what's going on next door in Alberta.

T. Redies: I'm just curious, Aaron. Do you know what percentage of home insurance policies in B.C. are actually covered by earthquake insurance?

A. Sutherland: Across the province, 45 percent. It gets a little bit higher as you get closer to the risk. So in Greater Vancouver, it's around 60, and on Vancouver Island, it's around 70. That's encouraging. We're doing extremely well compared to places like California, but that still leaves a major liability for the province if we were to see an event and you had, you know, one-third to one-half of British Columbians coming forward in need of assistance post-event.

B. D'Eith (Chair): Just a quick question. When you were looking at ICBC versus other, private insurers, did you take into account the investment that ICBC puts back into infrastructure and things like that that maybe private insurance companies don't?

Secondly, when you're looking at the price of insurance, I know that friends of mine in Alberta.... While some do, maybe, pay less, some pay a lot more because they might be an older driver or they might be a younger driver. So in some cases, they can't even afford insurance because of the private insurers. Could you...?

A. Sutherland: Insurance is always going to vary. The price you're going to pay for auto insurance is going to vary based on your driving record. Yeah, some people are going to pay more in Alberta than they pay here in B.C., or than the average here in B.C., and some or most are going to pay less.

When we say "the average premium," we say that you add up all the drivers, add up all the premiums, and then divide it by the number of drivers. Here in B.C., ICBC would tell you that the average driver is paying \$1,680. That comes straight from their website. The national regulator in Alberta will tell you they pay closer to \$1,200 — so \$400 or \$500 less, on average. Are there going to be discrepancies where some drivers are going to pay more? Absolutely, but on average, you are paying far less in Alberta, and it's a far more affordable auto insurance system there than what we have here in B.C.

B. D'Eith (Chair): As far as reinvestment.... Is that taken into account?

A. Sutherland: ICBC premiums do go towards road safety, because that's part of ICBC's mandate. There's around \$200 million that ICBC spends in that area. That's my understanding. ICBC brings in \$6 billion in insured premiums. So the road safety initiatives and investments on your premiums is really a rounding area.

That is not where premiums are going. Premiums are being lost in this province due to inefficiencies, lack of innovation in the marketplace, things of that nature. How ICBC handles its claims process, which we probably don't have time to get into, today.... But there's a real difference between how ICBC drives its business versus how private insurers in other provinces and, frankly, every other jurisdiction in North America operates.

B. D'Eith (Chair): Great. Well, we're out of time, but thank you very much, Aaron. We appreciate it.

Next up we have the Childhood Obesity Foundation — Dr. Tom Warshawski.

CHILDHOOD OBESITY FOUNDATION

T. Warshawski: Good morning. I did bring some documents. They're being handed out right now. I think, unfortunately, most of you heard me last year and some the year before and some the year before that, so I'm going to sort of say almost everything exactly the same as I did before.

D. Ashton (Deputy Chair): Positive reinforcement.

T. Warshawski: Well, thanks. You guys have been positive as well, because each of these years that we've presented, the select standing committee has put forward a recommendation consistent with what I'm about to say. So if you'll bear with me, we'll just go through the bullet points on the front part of the page. There might be a few members that haven't heard all this before.

[9:25 a.m.]

I'm with the Childhood Obesity Foundation. We're an NGO, a non-profitable charity here in B.C. that aims to promote healthy eating and active living. We are part of the Rethink Sugary Drinks Coalition, which is a group of health-oriented NGOs, including the Heart and Stroke Foundation, the Childhood Obesity Foundation, the Dieticians of Canada and the Canadian Cancer Society.

We are here today to promote the idea of extending the PST or removing the exemption that sugary drinks currently enjoy with regard to the PST. The first thing to do is to define sugary drinks. Sugary drinks in B.C. are all those beverages with added sugar. It's not just the pop. It's the real fruit drinks; it's the iced teas.

There is a strong scientific consensus that sugary drinks are associated with numerous aspects of chronic disease, largely through the promotion of overweight and obesity. It promotes overweight and obesity through two major ways. One is that sugary drinks have empty calories — calories

which don't register and don't make you feel full. So you'll eat as much of a solid food — say, pizza — at lunchtime if you have water as if you had a sugary drink like pop. All those extra calories just get put on and saved as fat.

The other issue with sugary drinks is that you get this huge bolus of sugar, you get rebound low blood sugar, and it actually drives appetite. So you might even eat more than you would if you hadn't had a sugary drink.

Now, we also know that sugary drink consumption is an independent risk factor for type 2 diabetes and also heart disease. This is because of the unique metabolic property of the product. In terms of type 2 diabetes, simple sugar, sucrose, is metabolized into a fat, oddly enough, in the liver, and it circulates in your bloodstream as a risk factor for coronary artery disease. But the breakdown products of sugar are also toxic to the pancreas and contribute to type 2 diabetes.

The fourth bullet point there is a Canadian study by David Hammond, out of Waterloo, which looks at Canadian estimations as to the effects of sugary drink consumption in Canada over the next 25 years: responsible for over 2.7 million cases of overweight and obesity, about 180,000 cases of heart disease, 38,000 cases of premature death; and cost the health care system around \$33 billion per year.

The Canadian Beverage Association. It's their job to promote beverage consumption and to, I would say, underplay the risks associated with sugary drink consumption. Their major aspect of their playbook is to say: "It's not the sugary drinks; it's that Canadians aren't active enough." That has been thoroughly debunked across the world. The issue with overweight and obesity is not a lack of exercise. It's almost impossible to outrun a bad diet. You can if you run a marathon every second day. Other than that, it's tough to do.

In terms of B.C., we know that although we in B.C. drink less sugary drinks than most other provinces, we're still very heavy consumers of sugary drinks. In B.C., sugary drink consumption is estimated to cause or trigger about \$130 million in direct health care costs due to obesity and overweight. If you extend that to those non-overweight heart disease and type 2 diabetes, it's even more.

We have a product that triggers more than its share of health care costs but doesn't pay its share of the costs. We believe that is actually.... I would say "irresponsible" might be too strong of a word. But it's quite irregular to allow this product to escape the PST. People who consume this product should be paying their fair share of the costs that they trigger.

Effective policy levers exist in B.C. Extending the PST to cover sugary drinks is not an impossible task. It's relatively easy to do, and it would garner anywhere between \$30 million and \$90 million in revenue. So it's not an insignificant amount of revenue in response to this step.

New from last year on the bullet points is that we did some polling, and in fact, 80 percent of British Columbians support this move to extend the PST to cover sugary drinks. Sugary drink consumption across Canada has been falling over the last, say, ten to 15 years. It's still very high, however.

We have room to move to actually reduce consumption further.

There was a recommendation from the MSP committee — I believe you guys may have been aware of that — to extend the PST to all drinks, including diet drinks. That's not what we're advocating here, because there's no evidence that diet drinks, in fact, contribute to ill health. But there's ample evidence about the role of sugary drinks.

We think that extending the PST to sugary drinks simply makes sense. It will dissuade consumption. It will also provide a pool of funds for health promotion, and I think that's very, very important.

[9:30 a.m.]

There's modelling evidence that if you use the proceeds from a sugary drink tax to, say, subsidize fruits and vegetables, you get the biggest return on your buck. You actually decrease the bad stuff and increase the good stuff, especially amongst vulnerable populations and those with food insecurity.

In summary, then, we would like this standing committee, as it has in the three previous years, to recommend extending the PST to cover sugary drinks. I guess I was coming here today thinking: "Why am I doing this again, for the fourth year in a row?" I almost want to ask the committee: how do we make this happen? I'm actually quite surprised that it hasn't, despite the fact that every time I've gone to talk to policy-makers, they say: "Oh yeah, I get this is a good idea." And it just doesn't happen.

I'm open to questions, but I'd certainly like some suggestions on how to make this happen. Thank you.

B. D'Eith (Chair): Thank you for presenting again. It is definitely a long game. So good for you for coming back.

Just a quick question in regards to the pushback. You often hear that taxing sugary drinks is taxing the poor. Can you just talk to that so that we can address it?

T. Warshawski: Absolutely. The concept is regressivity. It is true that in every single form of tax, the poor pay more. It holds true for tobacco. It holds true for alcohol — everything. The poor get soaked, and this sort of thing. But you have to look at the whole package of what a tax on sugary drinks would do.

Number one, it's not like this is an essential food item. There's a better hydration mechanism — water — that's available for free. That's what everybody should be drinking. It's not like people have to buy sugary drinks regardless. They just open up the tap and get some water.

If you look at the impact of sugary drinks in terms of regressivity, low-income groups are hurt most by chronic diseases, such as heart disease and type 2 diabetes. It's not just hospital costs — the cost of medication, lost work. They suffer the most.

On polling, it's low-income groups that are most in favour of a tax on sugary drinks. They know they're getting hammered by it. They would like something in return,

though. They would like to see some subsidization of going to the fitness facilities. They'd like fruit and vegetable subsidization, health promotion things.

I'm a consultant pediatrician here in Kelowna. I can't tell you the number of kids and families that come in looking for programs to help their kids lose weight. The province has actually been very forward-thinking — I would say the best in all of Canada — in doing this. We're working, again, with the province, to create a new program. These are very expensive, however. We can't forget about those kids that are overweight and obese, but the best return on investment is to prevent it upstream and not have to deal with that.

So regressivity? Absolutely. Every tax is regressive in terms of the poor paying more. But if it's done right, you get a better return on investment. And if you ask lower-income Canadians, they're in favour of this tax.

B. D'Eith (Chair): That was a very good answer. Thank you.

T. Redies: Thank you, Doctor. I also ask you the same question: why can't we get this done? It seems to be a no-brainer.

I have four kids. What's been interesting to me, raising them over the last 20-plus years, is that when I talk to them about sugary drinks.... I don't buy them, because I agree there's a problem. There seems to be this myth out there that diet drinks are worse for you than sugary drinks. Aspartame causes cancer, etc. You've just said that there's no evidence on that?

T. Warshawski: There's no evidence whatsoever. Having said all that, I always think it's a good idea to not put chemicals into your body if you can avoid it. If families say, "No, we've just got to have something bubbly and sparkly," well, I'd recommend just flavoured water, if you can, or flavoured carbonated water. If you can't live without this stuff, sure, have a diet drink.

The evidence is very strong, though, on sugary drinks. There's no evidence linking the artificial sweeteners with cancers or seizures — all the things that have come up as conjecture.

B. D'Eith (Chair): Can I just pick up on that? I'd heard, too — again, it might be just these things that spin around the Internet — that things like aspartame or the replacements trigger a response in the brain that's similar to sugar, so it leads to storing fat. Is there any evidence of that?

T. Warshawski: Well, they probably do trigger a similar response in terms of everything that gives us pleasure, ultimately, at the brain level, causes a release of dopamine. So when you drink an artificial sweetener, something is triggered in your brain, backing dopamine release. But I would say that there's no evidence whatsoever that it promotes weight gain.

There are two or three great studies done with adolescents who drink sugary drinks. When you say, “We’re going to give you all the diet drinks you want to drink,” and you follow their weight, they lose weight. When you look at the real world, people lose weight when they switch from drinking liquid sugar. This isn’t rocket science. When you don’t drink liquid sugar and you drink something with no cal, you lose weight.

[9:35 a.m.]

There’s also conjecture about what it does to gut flora. Gut flora is a whole different and emerging layer of evidence. I don’t think we should get distracted by that. This stuff in front of us says: “Drinking liquid sugar is bad for you.”

B. D’Eith (Chair): Got it. Well, we’re over time, but thank you very much for your presentation again. Appreciate your perseverance.

Next up we have Bridge Youth and Family Services — Celine Thompson.

BRIDGE YOUTH AND FAMILY SERVICES

C. Thompson: Thank you for the opportunity to address the community. I am pleased to be joined today by members of my board of directors: Elizabeth Woods, Corinne Johnson and our director of fund development, Kelly Paley. I also have a few allies to this cause, very by accident, in the audience. I’m pleased they’re sticking around as well.

My name is Celine Thompson. I’m the executive director of the Bridge Youth and Family Services. I’m honoured to be with you here today on the traditional and unceded territory of the Syilx Okanagan people of the Westbank First Nation.

Our submission this morning is to invite the provincial government to participate as a public partner in our vision to establish a 16-bed youth recovery house which will serve the Interior Health region and, indeed, the entire province. This partnership would include the provision of land from the B.C. government on which we can build our purpose-built facility and also a funding commitment for the estimated \$1.95 million annual operating budget.

With the exception of the private funding we intend to bring to the table to construct the building, our proposal is not dissimilar from the investment this government has committed to for the youth treatment program planned for the Fraser Health region.

The Bridge Youth and Family Services has been a touchstone for some of the most vulnerable families in the Okanagan for almost 50 years. As an accredited agency, we achieve and maintain the highest international standards of professional practice. In all our five decades of service, we have been inspired by the exceptional leadership of a volunteer board of directors, which has obliged us to be resourceful and efficient yet always compels us to maintain compassion, collaboration and innovation as the focus that drives us forward.

We embrace the Okanagan community with two distinct

arms of service. Since inception, we have focused on community and families. We work preventatively with new parents and their infants. We counsel families that are struggling with their role. And we are a leader in working on behalf of the Ministry of Children and Family Development with young people in our community who are the most marginalized, street-entrenched and disenfranchised.

Our other arm of service includes our substance use resources. As the largest provider of substance use services for the Interior Health Authority, we provide supportive recovery housing, intensive live-in adult treatment, the street outreach for the mobile supervised injection site, community naloxone training, withdrawal management and detox for both young people and adults.

These two arms of service have provided us with a unique vantage point in the current public health emergency. As I know you are aware, the rate of death for children and young people between the age of ten and 18 doubled from 2016 to 2017. These young people who have passed away in our region are known to us. They’re not numbers on a page.

Given our area of expertise, families call our front desk on a weekly basis, in distress, looking for treatment for their son or daughter only to be told that none exists here. The extensive wait-list for the mere 45 public-funded spaces in all of British Columbia wastes the small window of opportunity we have with young people who have gathered their strength and resolve in that moment to pursue recovery.

The few, less than four, beds in Keremeos at Ashnola are our closest option. But in addition to a significant and consistent wait-list, that resource accepts no child under the age of 17. We know, based on referrals to our youth detox and, indeed, the results from the coroner’s report, that we need services for children as young as 12 and 13 if not younger.

The majority of participants in our adult treatment program will tell you that they started their addiction path in their adolescence. This reported age of onset is typical, and it’s consistent with the literature. An investment in these young people and their families will have ripple effects for this community and our province. We will stem the tide of poverty, trauma, family breakdown, victimization, homelessness, mental and physical illness that a lifetime of addiction typically entails.

[9:40 a.m.]

Youth treatment is a preventative strategy that will have significant positive impact on many of the issues this government has identified as social priorities. Our youth recovery house will provide the tools, skills and resources these children need to succeed while their brains are still developing and receptive to learning new and different ways to live and cope. We will keep them alive so they can meet their potential and be able to meaningfully contribute to the communities and to the families that raised them.

Our vision for the youth recovery house began taking shape last year while we were embarking on a dialogue with the Okanagan community about youth substance use. The community-wide response was incredible. Of the 1,000

people we spoke to, of the 600 surveys that we received, youth treatment was identified as the number one priority.

As a result of that, we were not surprised when the Journey Home Task Force embarked on its own survey. Quite serendipitously, youth treatment and the need for it rose to the top, although the subject in the lines of inquiry was really around homelessness. As a result, the city of Kelowna is distinct in that its homelessness strategy identifies youth treatment as a significant objective moving forward.

The Bridge realizes that the new government of British Columbia has identified mental health and substance use as priorities. We also realize that you are now challenged to address years of inadequate investment in resources for families and, particularly, families struggling with addiction.

Given the overwhelming need in our community, however, the Bridge has taken the leadership on this file for the time being. We have visited youth treatment programs across the country to inform our way ahead in making sure that we have the best leading-edge program available.

We have begun the process of designing our building, knowing full well that architectural design actually leads to health outcomes for children. We have conducted focus groups of children and families. We've consulted extensively with our Indigenous communities and elders to best reflect their needs and aspirations. Last month we initiated an aggressive capital campaign and committed \$300,000 of our internal resources to this enterprise to ensure that every dollar raised from our fundraising campaign goes to bricks and mortar.

Along the way, we have inspired allies to our cause. We know we have the support of our community partner agencies, notably the Foundry and the Okanagan Boys and Girls Club. Our city council.... In particular, our mayor has expressed his support of the cause. The head of pediatrics, who happens to be here today, of the Kelowna General Hospital is an ardent advocate, as are his colleagues. The local professional firefighters union, so weary of responding to overdose events, has lent their membership support to our undertaking as a means of preventing the occurrences that tear at their hearts each and every day.

We invite and encourage the province of B.C. to be our partner in this enterprise. We believe that cross-ministerial support is appropriate, as this need spans areas of individual ministry accountability — specifically, given the outcomes we will achieve, the Ministry of Municipal Affairs and Housing, the Ministry of Mental Health and Addictions, the Ministry of Health and the Ministry of Children and Family Development.

Your endorsement of our proposal will add further credibility to our local efforts to raise funds and, by extension, help us achieve our targets. As stated in my opening, we are seeking property and a commitment to fund the annual operating costs of the youth recovery house.

We appreciate your careful consideration and look forward to your support.

Sorry. I was talking really fast.

B. D'Eith (Chair): Oh no, that's fine. We have time for a couple of minutes of questions. I didn't interrupt you because there was a lot of very good stuff in there. Thank you very much.

D. Ashton (Deputy Chair): Only four beds at the Crossing are available to youth at that age?

C. Thompson: Yes.

D. Ashton (Deputy Chair): That's because of public beds?

C. Thompson: That's correct. It's a 20-bed facility, but they have divvied up the beds per health authority. Priority allocation is based on each health authority. Interior Health has four.

Ashnola has really suffered from a staffing challenge because of the location of that treatment centre. Oftentimes they're not able to even provide the four.

D. Ashton (Deputy Chair): There were other issues earlier, though.

C. Thompson: With the previous owners, yes. That was before my time, but I have heard long stories, yes.

N. Simons: Thank you very much for your presentation and your compelling case for a place for young people. You mentioned that there are 45 beds in the province. This is obviously a crisis situation, not just because of the current situation with the opioids but overall.

There's been recent talk about secure care. My argument has always been that we need to have other systems in place before we get to that. Can you talk a bit on that issue?

[9:45 a.m.]

C. Thompson: We've had some long, philosophical discussions about secure care. You actually have an expert in the room in Dr. Tom Warshawski, who is much more informed than I am on the topic. I have argued with Tom that I believe you need to have volunteer options before you have mandatory options in this province. He tells me there's faulty logic in my argument — fair.

I believe that secure care addresses those young people on the pinnacle of almost death, and we do see them. We see families absolutely powerless, not knowing what they're going to do because their child is on the verge of dying. Secure care would address those families. The evidence is not as strong as you would like. I think we have a way to go.

My philosophical position is that I see people ready for recovery. I see people that want to pursue this. All of our services are voluntary, and they're all chock-a-block full. We have wait-lists for everything. So until that need is addressed, I would have a hard time getting behind the secure care conversation.

B. D'Eith (Chair): We're out of time, but thank you very much, Celine, for your very compelling presentation.

All right. Next up we have OSNS Child and Youth Development Centre — Kate Smith and Manisha Willms.

We're aiming for five minutes. The floor is yours.

OKANAGAN SIMILKAMEEN
NEUROLOGICAL SOCIETY
CHILD AND YOUTH DEVELOPMENT CENTRE

M. Willms: Good morning. I'm Manisha Willms, and this is Kate Smith. We're from the OSNS Child and Youth Development Centre in the South Okanagan. I'm the director of the centre. I previously worked up north in Prince George. Kate is our quality lead, and she previously worked on the Lower Mainland. So we're coming to you today with concerns that we see across the province.

It was interesting to see the presentation just before us that was talking about the acute difficulty with youth. What we want to talk to you about today, really, is the prevention of that acute care issue. We're going to talk today briefly about the quality-of-life benefits of early treatment for British Columbians and the economics of pediatric care.

If you look at your slides, if you have that in front of you, I think that would be the easiest way.

With the second slide, we want to talk about the increased number of kids who have been identified with developmental challenges. If we use our little centre as a representative example.... Twenty years ago, in 1997, at our centre in the South Okanagan, we saw 160 children with developmental issues. Last year, in 2017, our centre saw over 1,400 children.

Quickly, why? We're very good now, or much better than we used to be, at identifying issues early. We also understand that early mental health, kids with anxieties at early ages, is a real thing and needs a real response. It needs a real response so we don't end up in the acute situations that we have with youth. And many preterm and low-birth-weight babies are now saved; 20 years ago we wouldn't have saved them. Those children might look fine, but they actually have significant developmental challenges, particularly in terms of self-regulation and the ability to conduct themselves.

K. Smith: With the current government, we've seen some nice changes in terms of affordable childcare, support for preschool, early childcare workers.

But when a child can't walk, when a child can't talk or they're anxious, they need a treatment team to figure out the next step, to support and guide the rest of their support team. I'm talking about the treatment team. I'm talking about the clinical core therapies — occupational therapy, physiotherapy, speech language pathology. We now know that developmental psychologists are also critical on that team, developmental social workers, pediatric dietitians. The model that is currently being funded is being outpaced by the knowledge we have about how to support that integrated family support.

[9:50 a.m.]

M. Willms: If you could look at the iceberg picture in your handout there, we want to talk to you about just the journey of confidence that is part of supporting kids' development. We want to talk about behaviour not as a lack of will but a lack of skill.

We talk about an epidemic of youth who are marginalized, who are making choices that are counter to their health. When a child struggles very early with walking or talking, they know that by the time they're three or four. This leads to an anxious temperament right from the get-go.

What we do at the centre, and centres like ours, is we're not only building skills, which is the old way of thinking about it; we're building confidence. We need to do that when kids are little. Social workers get this. Psychologists get this. We need them on our team. We need to be integrated in our practice.

When children are lashing out, when they're aggressive, when they show a lack of motivation.... We were talking about how, in our careers that have spanned decades now, I've never seen a child who doesn't want to succeed. But when we see these behaviours — oppositional, lack of motivation — we think that it's somehow behaviour in defiance. It's not. It's lack of skill. It's social uncertainty. It's fear. It's the need for predictability. We need an integrated team now who can manage that.

K. Smith: As I'm sure you know on this panel, the economics of early care are clear. The social and emotional developmental skills that are built early lead to savings in education. They lead to savings in health care, in the justice system and labour force.

Also, I think there are at least two other streams of fiscal goodness we don't talk about a lot. Families who have children who are well supported also benefit. Parents can go to work. They can be more productive when they're in the workforce. There's less marital stress. Siblings are more settled. Siblings need less funding in education systems.

When we have waiting lists like we have, when children are waiting for care, we are adding layers and layers of struggles onto these families. The long-term benefits of reduced wait times, of more integrated care, I think are very clear.

M. Willms: If you look at slide 6. I know some of the people around this table have had this conversation with me before, but it's still happening. We need a consolidation of care. Both within and across ministries, we have so much duplication.

An example of this is speech-language pathology. For young children who need treatment, we have programs across the province in health centres that treat the same population of kids for the same difficulties as the speech-language pathology services in child development centres across the province. We have this duplication of adminis-

tration and of overhead and the added cost of trying to coordinate between two programs.

K. Smith: Applause section. There have been some really nice functional changes for young children recently. There's a child care fee reduction. There are pilot sites for \$10-a-day child care, the wage lift for preschool and ECE professionals and increased focus on our Indigenous children and families. We're looking at ways to foster early learning in school partnerships. There also was a little bit of money for some different areas of the province for early treatment services. Those have been nice changes.

M. Willms: Respectfully, there are three actions that we would like this committee to consider to address the quality of care and wait times for children. The first is to increase the economic investment in early treatment. We just straight up need more therapists. We need more support in the cost of delivering service to Aboriginal children in their own communities around the province, and we need social workers and psychologists on our team.

The second one is: please consider funding part of this by consolidating the same and similar services. Quality improvement will be simultaneously addressed with a decrease in the chronic confusion that occurs because of the fragmentation of contracts to different agencies within communities. Finally, please consider provincial oversight for early intervention. Yes, communities often need community-specific responses to their unique populations, but we have to ensure some degree of equity and standard of practice in pediatric rehabilitation across our regions.

Thank you for listening to us. Sorry we went over time.

B. D'Eith (Chair): That's fine. It's very interesting. Just a quick question. In terms of the consolidation, how much would that address early treatment? It's part of the solution. It's nice that you're not just coming up to us with an ask for money. You're saying: "Okay, here's a way that we can actually reach that." It's hard for us, as a finance committee, to know. Is it a small amount of it, or is it a big amount of it?

[9:55 a.m.]

M. Willms: At one point two years ago, we worked with Dan to try to figure out what the cost savings would be in our area. Only in our area, we estimated that several hundred thousand dollars would be saved only with the fragmentation of services within the ministry. We didn't run the costs for fragmentation of services cross-ministry. We think it would be substantial, and we think that represents so many children, in terms of treatment services.

B. D'Eith (Chair): Have you talked to the Minister of Health about this at all?

M. Willms: We have.

B. D'Eith (Chair): Okay. Great.

N. Simons: Thank you very much for your presentation. I was just wondering: do your referrals come mostly from the ministry, or do you get self-referrals from families?

M. Willms: That's an excellent question. We open up to self-referrals, and interestingly, we don't get very many referrals that are not accurate. But most of our referrals come from pediatricians and public health nurses.

N. Simons: My second question, if I may, Mr. Chair. I know that there used to be quite a delay in assessing children and then another delay in getting the treatment or whatever plan of action. Is that still the case for both?

M. Willms: That is still the case. We really are coming up with, we think, innovative solutions to try to do blocks of therapy, to try to provide the right service at the right time. But one of the things we recognize.... And that's a great question, because it speaks to what we're talking about, in terms of social work.

We know that social workers come with this background in family systems, and a lot of our families are vulnerable, a lot of them are low-income, and a lot of them are reeling from the grief of having a diagnosis. So we need a social worker to help us triage: what is the right service at the right time? That would go a long way in efficiency. We just don't have that layer as part of our team.

T. Redies: Thank you for your presentation. Having seen the benefit of an integrated approach to helping a child with challenges in our own family, I can totally support what you're saying. I guess my question is: are there other provinces that are doing this better? And if so, which ones are?

M. Willms: Alberta and Ontario do a great job of providing integrated care, and we've looked at their model. I know that B.C. Patient Quality as well as the BCACDI, which is the association for child development in B.C., have both brought forward those models of care.

B. D'Eith (Chair): Great. Well, we're out of time. Thank you, Manisha, and thank you, Kate. We really appreciate it.

Next up we have Okanagan College Students Union. We have Mark Felhauer and Jennifer Meyer.

Just a reminder. We're trying to keep our initial comments to five minutes. If we can, that'd be great. Welcome.

OKANAGAN COLLEGE STUDENTS UNION

J. Meyer: Good morning, members of the committee. I would like to acknowledge that today's meeting is on the traditional territory of the Okanagan Nation. My name is Jennifer Meyer, and I'm a recent graduate of the Okanagan Col-

lege School of Business. My co-presenter is Mark Felhauer, a fourth-year business student.

We are pleased to present today on behalf of the Okanagan College Students Union. We represent over 5,000 students from Osoyoos to Revelstoke. We're proud members of the British Columbia Federation of Students, and we are pleased to have the opportunity to provide comment for the preparation of next year's budget. Today we would like to focus on two recommendations: institutional funding and open education resources.

M. Felhauer: In 1989, government funding for post-secondary institutions was nearly 80 percent of the institutions' budget. Currently funding for institutions sits at around 50 percent of their operating budget. At Okanagan College, the government grant has gone from an already low 66 percent to an even lower 54 percent in the last nine years, despite a continuous increase in enrolment.

Students directly experience the underfunding of institutions in their everyday lives on campus. Overburdened academic advising, reduced or nonexistent counselling services and program cuts are just a few of these examples. A lack of provincial funding means a lack of services for students. It also means institutions need to find ways to make up for the funding shortfall.

This cost is put onto the backs of students through high tuition fees, ancillary fees, parking costs and even food costs. We've found out that students aren't even able to afford to eat, which we addressed with the opening of a food bank on campus this fall.

J. Meyer: As institutions come to depend more and more on user fees to make up larger portions of their budgets, students are forced into more debt and put under immense financial stress. Students and their families should not be forced to make up the shortfall in public funding provided to institutions.

[10:00 a.m.]

Properly funded institutions would be an important step to breaking the cycle of student debt and would mean students could access the supports and services they need when attending college or university. For the upcoming budget, we are recommending the restoration of funding back to 2001 levels, adjusted for inflation. This would result in an additional \$200 million of institutional funding for the 2019-2020 year.

M. Felhauer: Our second recommendation is funding for open educational resources. We've already mentioned just a few of the financial barriers that students struggle with these days and how the high cost of textbooks has become a serious obstacle to accessing post-secondary education in British Columbia. Textbook prices rose by 82 percent between 2002 and 2012 and now typically cost more than \$200 each. For the many students and families who are already struggling to afford tuition fees and the cost of living, this unpre-

dictable expense can be a huge burden, causing students to take on additional debt or work longer hours for their required books.

There is a solution for this problem. Open educational resources, also known as OER, notably in the form of open textbooks, are high-quality resources that are available in digital formats for free or at a very low cost in print.

J. Meyer: The B.C. government has already identified OER as a solution to the textbook challenge and empowered BCcampus to oversee its implementation provincewide. Our recommendation is to provide one-time additional funding of \$5 million to BCcampus. This funding would allow BCcampus to create and adapt open textbooks and subsequent ancillary resources that reflect and serve the diverse needs of students and educators; develop additional sustainable systems to maintain these open textbooks; and create open education resources that are usable by all students, including those with physical and/or learning disabilities.

We have teamed up with our own institution's faculty and administration to work on this project by helping support faculty using OERs and inform faculty of the option to develop, adapt and adopt existing OERs.

To date, we have been able to find over 100 courses at Okanagan College that already have open textbooks available through BCcampus. With this relatively small amount of effort, we are hoping to save students thousands of dollars in unnecessary expenses simply by being able to find their textbooks on line for free.

M. Felhauer: In closing, it is worth remembering that the current government made three key commitments to British Columbians in the 2017 mandate letters: (1) to make life more affordable for British Colombians; (2) to deliver services that people can count on; and (3) to build a strong, sustainable, innovative economy that works for everyone.

We believe our recommendations align with these commitments. We would like to express our appreciation for the past support shown to several key recommendations by us and the BCFS. We hope that the committee will once again recognize the financial hardship and personal debt that the students and their families are being forced to bear and support our recommendations for the 2019 budget.

Thank you for your time. We look forward to your questions.

B. D'Eith (Chair): Great. Thank you very much. We really appreciate your presentation. We actually have heard a number of presentations focusing on OER. The interesting thing is it's coming from faculty, from students and from administration. It seems to be something that everybody, on all sides of this equation, seems to be supporting. It's nice to hear that.

One of the things, though.... You asked for a \$5 million sort of upfront amount. One would think that this is an ongoing need. I mean, obviously, getting some textbooks into the system is great, but knowing that textbooks tend to

have to be updated and new editions and all that, one would think there would need to be ongoing money as well.

J. Meyer: I would assume that there definitely would be a need for ongoing funding. But the nature of open education resources is that professors are able to update them and use those resources, adapt what's already out there. Hopefully, the maintenance cost would be a lower annual amount. Just getting the whole system set up so that it's accessible to students and faculty, making it more well known out there, would probably be a big help.

B. D'Eith (Chair): I think one of the things was getting the faculty paid for the time they spend to do the textbooks, but the challenge was having that count towards tenure. They have a lot to work through in terms of seniority, and if they're not teaching, but they're writing textbooks — how that works on the whole professor side of things. There seems to be some challenges, some hard bits there.

J. Meyer: We've talked to Okanagan College a lot about how the institution can support faculty with that, and maybe that's on an institution-by-institution basis to accommodate faculty.

[10:05 a.m.]

B. D'Eith (Chair): Any questions at all?

Thank you very much for your presentation.

Next up we have First Nations Finance Authority — Ernie Daniels.

Hi, Ernie. How are you? Good to see you again. We're using this as a bit of a guide. We're trying to aim for around five minutes, if we can, and five minutes for questions, if possible.

E. Daniels: I'll do my best.

B. D'Eith (Chair): The floor is yours.

FIRST NATIONS FINANCE AUTHORITY

E. Daniels: First of all, I just wanted to thank you for this opportunity to speak to you. I wasn't expected to be here, but my travel made it so that I was available.

I understand that this committee heard from Brian Titus, representing the First Nations Financial Management Board, a few days ago. Therefore, I'm not going to go into detail on the structure of how the fiscal management act, the First Nations fiscal management operates. I'll just merely mention the role and summarize the First Nations Finance Authority.

Essentially, we act as a borrowing pool for eligible First Nations with the purpose of accessing capital from the capital markets. This is mainly through issuing long-term debt financing. An important note is that we were modelled after the B.C. MFA. I'm sure you know it, most of you.

Over the past years, a number of treaty nations and self-

governing nations have expressed interest in and have put significant time, effort and resources into developing adaptation regulations under section 141 of the First Nations Fiscal Management Act, which would allow them to participate in the SGA — which is the self-government agreement — included in pool-borrowing. It was Westbank First Nation in 2008 and Tsawwassen in 2009. They were the first to request adaptation regulations, and both had put tremendous work in developing their own regulations. Those regulations did not move ahead, and the work was put on hold.

In August 2013, the B.C. Treaty Commission, at the request of Tsawwassen First Nation, Tla'amin Nation and Maa-nulth First Nations, hosted a meeting attended by representatives of B.C. Treaty Commission, the First Nations Summit, as well as the First Nations Financial Management Board, the First Nations task commission and the First Nations Finance Authority — otherwise known as a suite of institutions that operate under the First Nations Fiscal Management Act — to discuss the possibility of treaty nations participating in pool-borrowing.

In the fall of 2013, meetings were held with Canada, the institutions, Tsawwassen, Tla'amin and Maa-nulth on this topic. Representatives from Nisga'a and Chehalis also attended the initial meeting. A working group with representatives from Canada, B.C., the institutions and the First Nations was convened and was active from 2013 to 2017.

In June 2017, draft regulations, one for pool-borrowing and one for other revenues, were developed with input from all the parties and were submitted to Canada for consideration. No response was received, and the file has been essentially dormant since 2017.

The issues. Because of the unique circumstances of treaty nations in B.C., the solution to pool-borrowing requires much more than adaptation regulation. For example, amendments to the B.C. Treaty First Nation Taxation Act are required — and to the real property taxation co-ordination agreements between B.C. and the treaty nations.

It's beyond of the scope of this short summary to explain in detail each of those items. Instead, I have referenced the most current version of the working groups' workplan, which lays out the required steps and documents to the progress made to December 2016.

Just to give a brief summary of some of the progress on some of the items in a workplan since December 2016, there was a delegation agreement in November of 2017. The institution provided input to B.C. on the proposed changes to the delegation agreement. No response was received.

Manner and form. In March of 2017, a draft treaty nation pool-borrowing act was provided to members of the working group.

[10:10 a.m.]

Law enactment procedures. FMB and other institutions have continued to consider possible implications of the treaty nations law enactment procedures on the FMB's ability to enact laws in the event of intervention — extremely important under pool-borrowing.

Once the draft regulations are completed by Canada, FNMA will approach the rating agencies. We are rated by Moody's and S&P. We operate under pool borrowing with eligible borrowers right now that are made up of Indian Act bands.

The self-government First Nations. There's an issue there on paramountcy of laws. We need to treat them both the same; otherwise, the rating agencies will not accept it. That is the main issue of it. We could be doing all this work, but if somehow it differs between the self-governing First Nations, treaty First Nations and Indian Act bands, then there's a good chance rating agencies are not going to accept it. If they do, they will increase our rating, which is not what we want.

I know I'm just over, but I did want to mention a few other things, to sidetrack a bit. We issued our fifth debenture last week very successfully, \$138 million. We had a record number of investors. We got investors from all over the world — the Middle East, Europe, eastern United States and Canada. We're not into Asia yet, but we expect to be there. So there's acceptance of our debenture out there, what we're doing.

In terms of B.C., we actually went to 19 First Nations in B.C., \$160 million. When you look at the impact on the economy, it's quite an impact. Most of the revenues that support these loans come through revenue-sharing agreements with provinces. The revenue-sharing agreements that you have with the First Nations are extremely important, and it does benefit your province of B.C., which I live in, quite a bit.

We estimate the economic impact to be at least in excess of \$300 million to \$500 million just in B.C., and the number of jobs is probably around 500 or 600 directly created. We're using Stats Canada formulas, the government of Canada stats, to calculate that.

Thank you for the time.

B. D'Eith (Chair): Thanks, Ernie. That was great. It's actually nice because we did hear from the other group, so it's like all that gave us the background so that we could hear what you had to say, which is really great.

Obviously, it's complex. It's not like a simple solution. I'm just wondering. Are there things that the B.C. government can do that are isolated, in a sense, from what the federal government has to do? Or it only works if the feds and B.C. work together? Are there steps we can take now, even if the federal government is dragging its heels on the issue, in other words?

E. Daniels: Yeah, there actually is. This has to do with the intervention. We have a number of safeguards in our process that enable us to get the really good credit ratings that we have. One of the major safeguards is the intervention — the ability of the Financial Management Board to go and intervene in the First Nations to secure revenue streams that support loans. It's very similar to B.C. MFA, where the inspector general could go into a town and take over the town's treasury function. FMB has that role with the Financial Management Board.

Because of paramountcy of laws between the laws that exist under the self-government agreements and the First Nations Fiscal Management Act, the self-government agreement laws would trump the First Nations Fiscal Management Act. That could.... Our rating and everything else gets into jeopardy.

B.C. can act or delegate — that's what the delegation agreement is — the ability to go and intervene to the Financial Management Board. B.C. can do that. That's probably required.

B. D'Eith (Chair): That would help in terms of the credit rating?

E. Daniels: Oh yes. That would be the main goal in order to retain our credit rating.

T. Redies: Thank you, Ernie. That's a really interesting presentation. Are the treaty First Nations all on side with this change?

[10:15 a.m.]

E. Daniels: Yes. They developed manners and forms. There are secondary safeguards throughout the whole process. The manners and forms — it's a best effort. But if things don't happen, then we have the ability to appoint FMB through the delegation agreement. We haven't had any response in a delegation agreement to date.

B. D'Eith (Chair): Ernie, are you going to put this presentation in the written invitation?

E. Daniels: Yes, I will.

B. D'Eith (Chair): Great. There are some details I wanted to get. Also, is there a bit about the intervention in there? Do you talk about that?

E. Daniels: Yeah, I mentioned this to....

B. D'Eith (Chair): You mentioned it, but I'm wondering if you wouldn't mind expanding on that, because it seems like something that we might be able to do.

E. Daniels: Yes, I can send more detail if I had an email that....

Interjection.

E. Daniels: Okay.

B. D'Eith (Chair): Great. Thank you very much, Ernie. We're out of time, but thanks very much for your presentation. We really appreciate it.

Next up we have Okanagan College — Allan Coyle and Gloria Morgan.

OKANAGAN COLLEGE

G. Morgan: *Waytkp Xwayxwaytp. Re skwast Yawyawt All Xaxa tē Boonllp.* Hello, everyone. My Shuswap name is Strong and Smart Juniper. I am not Syilx; I am Shuswap. It's very important for me to welcome you to Kelowna but also welcome you to the traditional unceded lands of the Syilx people.

It's wonderful to be here, and thank you very much for this opportunity to speak with you. We want to talk about two things, and they go directly to the current government priorities: housing and building a strong economy.

One challenge faced by many of the Okanagan College's 20,000-plus students is access to affordable housing. Last year, the Okanagan College Students Union and our then board chair made a request to this committee for funding for affordable housing, and we were heard. The 2018-19 budget contained a significant commitment towards housing affordability and increasing affordable housing supply. Today we're here to ask you to help ensure that that commitment reaches into the region that we serve.

Okanagan College is in the process of finishing business cases for three residence projects, 560 beds in total. That would help ease the overall affordable housing situation in Salmon Arm, Vernon and Kelowna. Our request from this committee is simple: urge the Minister of Finance and your Treasury Board colleagues to ensure that much-needed residence projects in the interior of British Columbia get the support they need to address student housing issues here.

Your consultation document posed a simple question about where money should be spent. If I had a dollar, I'd spend it on an important part of our economy, and it would be on post-secondary education. You should expect me to say that because I'm the vice-chair of the board of governors of Okanagan College. But I'm drawing from my own experience as a residential school survivor, as a former chief of the Spltasin First Nation, as a former lawyer and Crown prosecutor and federal adjudicator of the Indian residential schools independent assessment process, as a former RCMP officer and as a former president of a chamber of commerce. There's a lot of history behind this request.

When I tell you that's where we should put our taxes to work, I really mean that. I've witnessed the transformative power of higher education, and it is power. I know it personally, and I've seen it firsthand in the Aboriginal achievement ceremonies at Okanagan College. We hold those annually. I've seen it among the 2,300 students that our institution graduates every year.

A. Coyle: For the sake of our young people, and those who are coping with career change, the need for increased investment in post-secondary should be self-evident, but let's tie it to the goal of building a long-term sustainable economy in this province. The latest labour market outlook for B.C. tells us that between now and 2028, there'll be 903,000 job openings in B.C. Of those, 288,000 will be new jobs,

615,000 will be to replace retiring workers, and 80 percent of those jobs will require post-secondary education. In short, we need to amp up what we're doing.

[10:20 a.m.]

I'm happy to be able to tell you that Okanagan College's enrolment is up about 13 percent this fall over last year, and we're expecting that we'll exceed government enrolment targets for the 14th year in a row. A significant part of our growth has been in attracting international students. That's important when you realize that the projections say that 27 percent of the people who will fill those 903,000 job openings are going to be immigrants. We're facing a skills shortage in this province, and post-secondary institutions are a driving force that will help address that issue.

While our student numbers demonstrate that we are succeeding, we need further support from the province to help us provide the services and reduce barriers to education for even more students. Growth in government grants to match the rate of inflation would be a tremendous place to start.

Knowing that we're close to the five-minute mark, I'll say thank you for your attention and ask that you please realize that institutions such as ours are a pillar for the continued prosperity of this province.

B. D'Eith (Chair): Thank you, Allan. Thank you, Gloria. Your passion is wonderful. Thank you so much for that. Fantastic.

One clarification, and then we'll go to questions. How far along is the student housing proposal, in terms of when...?

A. Coyle: We've been communicating with the ministry on this, and we're about to go to the business stage of the proposal. So we're anticipating later this fall that the proposals will go in.

S. Cadieux: Hi. It's not a question specific to the financial but just a note. You talked about an innovative women-in-trades program. How are the women-in-trades programs at Okanagan College different from the other colleges or training institutes?

A. Coyle: We're offering those women-in-trades programs throughout our four major campuses, and we rotate them. I think we're very close to the 1,000th person to go through our women-in-trades programs. We're using LMDA funding to help support those and are also finding ways, with that funding, to help support the women not only in terms of tuition but also in terms of some living supports.

D. Ashton (Deputy Chair): Chief Morgan and Mr. Coyle, thank you very much.

Just real quick. What's the spread difference between a resident student and an international student, percentage-wise?

A. Coyle: Domestic tuition?

D. Ashton (Deputy Chair): Yes.

A. Coyle: Our domestic tuition runs about \$3,409 a year for basic arts, and international runs about \$13,745 annually. About four times, three and a half times, something like that.

D. Ashton (Deputy Chair): A big spread in the province. We've heard as low as a 50 percent increase. But a big spread. One of the things for attracting international students — and being an international student myself, the other way — is opportunity, and don't forget the cost. It's nice to utilize those funds, but I think sometimes the Walmart attitude that you can bring those people in and have that opportunity, as long as you're not displacing local and domestics.... That opportunity presents itself without the cash grab. I'm being frank on that.

A. Coyle: I referenced the growth in our student numbers this fall. There were more domestics.... The increase was larger on the domestic student side of the equation than on the international side of the equation. That said, we're in a position.... We sit in the middle of the pack in the province, in terms of what we're charging for international tuitions. I'm sure you're aware that some international students are paying in the neighbourhood of \$36,000 a year to attend post-secondary. We don't seem to have a problem attracting them to Okanagan College. Of course, I put that down to the superb quality of our education.

D. Ashton (Deputy Chair): It's a wonderful institution. So thank you.

B. D'Eith (Chair): I have a quick question for you in regards to.... We hear time and time again that if you train locally, students will work locally, and that's why it's so important to fund local colleges and universities around the province. We don't really have a lot of data on that. We've asked the question.... I think we continually ask the question: do you have that information? So something maybe for the future to think about is tracking that.

[10:25 a.m.]

In addition, another question that often gets asked is.... You mentioned the need for more trained, skilled labour in British Columbia, and some of that is going to come from immigration. It would also be nice to know how many of the foreign students that come in stay. Not only do they stay locally, but do they stay in the province? Just for the future. This is something to keep in mind, if there's a way of tracking that. I think for future committee meetings or for the government, those things would be helpful, because some of the decisions could be influenced by those statistics. Just a comment. We've had that come up a number of times, and it would be nice to know.

A. Coyle: I wish I had the factual information to present to you. We don't at this point. We've seen some changes

in the demographics, especially in the Central Okanagan region, with the growth in a younger sector of the economy. I think both UBC Okanagan and ourselves would suggest that that's quite possibly the result of the growth in student numbers and the educational opportunities that are here for people. That helps.

On the international front, the greatest growth in our international student body has been from India. I know, from discussing with a fair number of those students, that they're really interested in the work permits that come along with their study permits and then the opportunity to stay and work two years out. Their eyes are on immigrating to Canada.

B. D'Eith (Chair): Very good to know. Well, thank you very much, again, for your passion and your presentation. We really appreciate that. Thank you so much.

Next up we have the Association of Administrative and Professional Staff at University of British Columbia — Joey Hansen and Sarah Muff.

Good morning. Welcome. This is our guide here, if you can see that. The floor is yours.

ASSOCIATION OF ADMINISTRATIVE AND PROFESSIONAL STAFF AT UBC

J. Hansen: Hi, I'm Joey Hansen. I'm the executive director of the Association of Administrative and Professional Staff at UBC. I'm here with my colleague Sarah Muff, who is our communications and government relations officer.

Our association — we call ourselves AAPS — represents about 4,500 managers and professionals at the University of British Columbia. They engage in research work. They manage facilities. They're the varsity coaches. It's a wide-ranging membership that we have. It spans the whole of the campus operations. We represent folks at both the Point Grey campus and the Okanagan campus here and various folks who are involved in medical research at hospitals around the province. We're here to ask for a few things. I'll go over the first one. My colleague will go over the other two.

We would propose that the province remove universities, particularly UBC, from the Public Sector Employers Council mandate. We would propose that the newly reinstated B.C. Human Rights Commission receive adequate funding and that there be a significant increase in the funding for primary care physicians across the province. Some of these might seem strange for us, but they all play an impact on our membership. The most direct one is the PSEC mandate.

I think it's important to start by understanding that UBC is transforming itself, and has been over the last number of years, from an institution that engages in nationally recognized research and educational programs to, really, a global powerhouse, in terms of both research and education. Because of that, the university needs to compete for staff and faculty in a global market.

At times, the salary constraints imposed by PSEC shackle

the university, I think, in its efforts to attract top-notch talent, particularly in fields like STEM, where you're competing not just with other universities but often with research in the private sector. Limiting the increases and having those tight constraints is harming the university's ability to attract and retain staff, even locally.

[10:30 a.m.]

These folks aren't our members. UBC is different than many other universities or institutions in the province. It runs its own municipal services, and it keeps a number of tradespeople in-house. Trying to attract carpenters or electricians locally in Vancouver is almost impossible, given the wage discrepancies between what the university can pay and what the private sector can pay. Our members manage the trades folks, and we hear from them regularly about the difficulties in recruiting.

About 93 percent of research dollars in the province go through UBC. The research drives many, many areas of the economy. To continue driving that growth, I think it's important that the university compete for the best people across the globe, and paying a fair wage is an important part of that.

S. Muff: We would also like to thank the provincial government for reinstating the B.C. Human Rights Commission but urge this committee to ensure that the B.C. Human Rights Commission is adequately funded and staffed so they can do the mission, manage their caseload, provide community engagement and also provide the research that's needed.

Human rights are fundamental rights. They're the foundation of citizenship in this province, and we need to ensure that the average citizen has access. Our members have our support when they go to the Human Rights Commission and our expertise and the support of our legal team, but the average citizen does not.

The workplace is getting more and more complex, and we need to ensure that the B.C. Human Rights Commission is able to support people across the province regardless of how they approach the commission. We also need to ensure that the commission is doing adequate research and looking at systematic issues of human rights abuses across the province.

Finally, we wanted to encourage this committee to think about family doctors — long term, short term. You heard from the previous group about the number of folks who really would like to stay in the province. We hear from members frequently about the struggles of finding a family doctor and how that may impact their own desire to stay in the province of British Columbia.

Not having an appropriate family doctor has a huge impact on things like medical leave, getting a sick note. Having that relationship with a long-term family doctor is critical. It's critical for our members, but I think it's critical for all people across British Columbia.

B. D'Eith (Chair): Great. Well, thank you very much.

D. Ashton (Deputy Chair): Just a quick question. How many human rights complaints would be generated at UBC in a year? Is there a round number?

J. Hansen: You know, it's hard to say because complaints aren't public unless a decision has been rendered. I will say that in the last couple of months — I'd say since July — we've assisted six of our members file a total of eight complaints against the university.

P. Milobar: We've heard from other institutions around wanting to get to a level playing field when it comes to funding, because over the last 15 years they've changed as institutions, just as UBC has changed as well. That being said, what are your thoughts...? And I recognize it's not directly the same in terms of programming, but obviously, you need faculty and administration and everything else.

What are your thoughts of if there was a revamping to make things the same? Obviously, in your situation, you're saying that international recruitment is a challenge. Would you see value in making everything the same for the other institutions and recognizing UBC on that international and have UBC be different and try to stabilize out all the other institutions? Do you understand where I'm going with it?

J. Hansen: I see the appeal of that. I think it's challenging. And I'm not here to speak for UBC. We're a professional association that's the equivalent of a union. I think it's challenging, because they offer different programs and there are different costs for those programs. Sometimes that's staffing cost, but sometimes it's equipment cost.

I'll pick on my degree from SFU a number of years ago. It's a lot more expensive to equip an auto mechanics shop to train people to be an auto mechanic than it was to train me to do sociology — right? I think you have to take into account those sorts of costs. I think a lot of the reason UBC....

UBC is really the only place where medical research is conducted, and it's significantly in the other STEM fields. That's where it happens. Those are expensive, but I think there are lots of other expensive programs that bring value to the province. You almost have to look institution by institution, I think, in what those program offerings are.

N. Simons: I was just going to ask about the recruitment of physicians. Do you think that it's the compensation that's keeping doctors from living in various parts of the province? Is that the issue? And has the division of family practice been involved in assisting with that recommendation?

J. Hansen: We haven't contacted the division of family practice. I'm not sure what the issue is, candidly. I mean, we're providing this as a comment primarily from feedback from our members.

For instance, I worked with a member who had very serious health issues. She's been at UBC for a long time. She's

been going to a walk-in clinic for a decade with these health issues because she can't get a regular physician. Her compromise is she sees the regular doctor at the walk-in clinic who's only available Thursday afternoons.

B. D'Eith (Chair): Thank you very much. We really appreciate your comments.

We're just going to take a short recess.

The committee recessed from 10:35 a.m. to 10:43 a.m.

[B. D'Eith in the chair.]

B. D'Eith (Chair): Okay. We're very happy to have FortisBC — Dave Bennett — with us.

Off you go.

FORTISBC

D. Bennett: Great. Thank you very much. I'm Dave Bennett. I think I know most of you. I'm the director of communications and external relations with FortisBC. I'm going to read this so I can get my five minutes in. So bear with me, and we'll have questions later.

We believe FortisBC has an important role to play in helping British Columbia build a sustainable and innovative economy. We deliver approximately 21 percent of the total energy consumed in British Columbia, the most by any utility in the province. Millions of British Columbians we serve in 135 communities across the province look to us to deliver energy safely, reliably and affordably every day.

We are committed to investing in projects that will make life more affordable for British Columbians, improve efficiency, reduce greenhouse gas emissions, and drive innovation. By investing in B.C. natural gas, electricity and alternative forms of energy, we see a long-term opportunity to create sustainable, good-paying jobs across the province.

[10:45 a.m.]

B.C. is among the top economic growth leaders in the country. FortisBC is committed to helping B.C. continue this growth trend. In 2017, FortisBC invested over \$570 million in capital expenditures in the province, bringing our gross asset base to \$7.2 billion. Looking forward, we plan to invest a further \$3.6 billion in capital expenditures between 2019 and 2023.

When developing the upcoming budget, Fortis advocates for the B.C. government to consider the following items: increase investments in both low- and zero-carbon vehicles and infrastructure in the transportation sector; position B.C. as a competitive LNG provider, to lower global GHG emissions; and support increased investments in energy efficiency programs, to enhance affordability.

The transportation sector is the single largest GHG emitter in the province, accounting for nearly 40 percent of B.C.'s emissions. FortisBC is well positioned to be a catalyst for the expansion of British Columbia's EV charging network

and more widespread adoption of low-carbon vehicles. We can achieve cost-effective and significant GHG reductions by promoting the wider adoption of electric passenger vehicles.

FortisBC is pursuing public-private partnerships to expand the province's expanded EV charging network, which allows us to make a difference, while simultaneously expanding our rate base for the benefit of all our customers. However, other transportation sectors like commercial freight, transit and marine are going to be very difficult to electrify in a cost-effective manner. So we're going to need both electric vehicles and alternative-fuel vehicles, like natural gas, renewable natural gas and hydrogen.

FortisBC has also been providing incentives to businesses to switch to natural gas-powered commercial vehicles, freight vehicles and public transit segments, where few proven EV options exist. To date, over 800 vehicles have switched to CNG or LNG, displacing 145 million litres of diesel consumption to reduce both fuel cost and emissions.

One significant opportunity to further reduce emissions and improve air quality exists with the approximately 1,700 drayage trucks. Those are the ones that go back and forth from the port each day. Converting these trucks to natural gas would realize economic and environmental benefits. Natural gas costs less than diesel and can reduce greenhouse gas emissions by up to 30 percent compared to diesel and gasoline. Additionally, switching to natural gas can improve air quality. Natural gas emits virtually no particulate matter and also emits 95 percent less nitrous oxide.

Climate change is a global problem, and British Columbia can be part of the solution. By replacing high-carbon fuels like heavy fuel oil and coal with LNG, it's possible to achieve substantial reductions in both air pollution and GHG emissions. In B.C., we're already fuelling B.C. Ferries with cleaner LNG. However, there are more opportunities with other marine sectors. In the vessels that call on British Columbia from international ports, they emit approximately seven million tonnes of carbon dioxide per year, which is greater than B.C.'s emissions. We see a big opportunity to convert those vessels over to LNG.

FortisBC agrees with the provincial government that reducing GHGs must happen alongside a strengthening economy. Reducing GHG emissions through investment, technology and sustainable growth must be fostered in a framework to ensure that B.C. businesses and industries are not put at a competitive disadvantage.

I'd just mention, as we're coming up on five minutes, that we're also advocating for increased energy efficiency. We've applied to triple the amount of money that we're spending on energy efficiency each year. We find that's very popular with our customers, because they're saving money.

I'm open to questions, and I'll provide you with this so that you can read it at your leisure. There are a few other things in there that would be interesting, I think, to the committee.

B. D'Eith (Chair): Great. Thank you so much, Dave. I

just wanted to clarify something. You mentioned hydrogen. Are you talking about fuel cell technology, or are you talking about liquid hydrogen, or a combination?

D. Bennett: All of the above. We think that we need to look at all these different things. For instance, we're looking at mixing hydrogen into our gas lines. It would displace regular fossil natural gas, and hydrogen, of course, burns without carbon dioxide.

B. D'Eith (Chair): H₂O out the back, right.

[10:50 a.m.]

D. Bennett: There's a thing called power-to-gas technology, where you take surplus electricity that's available when it's really sunny or really windy, and you use it to make hydrogen. You can use the gas system like a big battery to store hydrogen. Hydrogen for fuelling trucks can be similar to compressed natural gas. It's very difficult to liquefy hydrogen.

B. D'Eith (Chair): So you're talking about gaseous hydrogen, primarily?

D. Bennett: Yes. For liquid hydrogen, you need it at absolute zero. So it's a challenging thing.

B. D'Eith (Chair): I was just curious.

D. Bennett: You can mix it into the pipelines, or you can use it directly at fuelling stations, and things like that.

B. D'Eith (Chair): Just to clarify, as well, you'd mentioned EV charging. Is this something Fortis would provide, or is this something that you're asking the government to provide? I maybe missed that.

D. Bennett: We know that the government is looking at policies around EV charging in the province. We think that the utilities have a role to play. We have the electric service territory here in the Okanagan, but we would like to also participate in providing EV charging throughout the province because we have expertise in that area. We're already doing it, to a certain extent. We've provided support to accelerate Kootenays, so some of the stations in the Kootenays were built by FortisBC. And we have stations here in Kelowna and other places.

B. D'Eith (Chair): Just one final clarification. In regards to the increase in incentives for low-carbon vehicles, there was just an announcement to renew the electric vehicle one. But are you talking about other incentives, like trucks? I mean, are we talking beyond sort of personal vehicles but into commercial vehicles?

D. Bennett: Yes. I think we have to look at everything. We've had a lot of.... We think commercial vehicles are a great thing on natural gas, and we think that electricity may come along. We'd be interested in putting fast-charging stations at some of these commercial stations as we look at bringing on some of these early adopters of electricity.

So yes, commercial vehicles — and looking at ways we can.... It may not be direct support for the vehicle. I think we've just received some federal government funding to put in a fast-charging station here in the Okanagan.

B. D'Eith (Chair): Great. We have a few more minutes.

T. Redies: Is there anything from a regulatory or government perspective that's preventing Fortis from putting in EV charging stations right now?

D. Bennett: I wouldn't say preventing, but our experience in doing this, over the last ten years, is that policy can actually provide direction. Because we're regulated by the Utilities Commission, policy certainly can provide that direction to help say: "Okay, this is what the government would like to see." That really got our natural gas vehicle program up and running. And it wasn't dollar support; it was more policy support and telling the commission that, yes, the utilities should be involved in this.

EV right now is really.... The commission is looking at it. That's where policy could really play a role. Certainly, on the marine side, too, there are opportunities there to do some work as well.

B. D'Eith (Chair): Have you looked at all at EV trucks, like the bigger trucks? I think Tesla is launching that.

D. Bennett: Yeah, I think I mentioned to you that my son works for Tesla. We're always looking at them. We haven't actually seen any. We're seeing some transit buses being tested now. Again, we'd be interested in putting in fuelling stations and things like that for that. But on the heavy-duty truck, it's still maybe a few years off.

The point I'd like to make, also, is that when you're adopting new technologies, even if a lot of people say, "Well, I want to wait for the perfect technology," actually going through the process of bringing on an alternative energy vehicle means the next time you do.... Say you do natural gas the first time. The next time you do electricity, it makes it that much easier. That's what we've seen.

We have some vehicles now that have been on the road for six years. They've got over one million kilometres on them. And six years ago people were telling me: "We're going to wait for electric vehicles." I think you can do some things now, but we need to do all these things.

B. D'Eith (Chair): Right. We're out of time, but thank you very much, Dave. We really appreciate your presentation.

Okay. Next up we have YMCA of Okanagan — Sharon Peterson.

Hi, Sharon. How are you?

S. Peterson: I'm good. Thank you. I understand that you've heard from my colleagues up in Kamloops and northern Alberta, so hopefully, I'm the riveting presenter.

B. D'Eith (Chair): The floor is yours.

YMCA OF OKANAGAN

S. Peterson: All right, good.

Thank you for providing me the opportunity, on behalf of the YMCAs in B.C., to present to you today. I am the president of the YMCA here in the Okanagan, primarily serving the Central and South Okanagan regions.

[10:55 a.m.]

In the Okanagan, the YMCA serves approximately 37,000 individuals annually through recreation, health and wellness programming, licensed child care and day camps, and employment programs.

I'd first like to commend the government of B.C. for the bold and significant financial investments made to create affordable, accessible and high-quality child care, particularly over the past year. The YMCA is the largest provider of licensed child care in the province, and we provide safe and educational spaces for more than 5,000 children. Here in the Okanagan, our YMCA provides care for 466 infants, preschoolers and school-aged children.

We're currently building a new multi-aged licensed child care centre in Penticton, which will open early next year, and another in the Glenmore area of Kelowna, which will open late next year. These two centres combined will create another 146 new child care spaces for families.

The YMCA is very grateful to have received provincial capital grants of \$500,000 each for these two centres, for a total of \$1 million. We're partnering, both in Penticton and in Kelowna, with the school districts, which are allowing us to build these centres on their property.

The issue we're facing, however, is that the funding doesn't even come close to covering the actual cost of construction. The capital investment required to create these 146 new child care spaces totals \$3 million. Our 69-space centre in Penticton is a modular building, with a total cost of \$1.4 million, and the new Kelowna centre, at 77 spaces, is estimated currently to cost \$1.6 million, but we know that's going to rise.

As I'm sure the committee is aware, construction costs throughout British Columbia have been rising steadily, and it doesn't appear this will change in the near future. For these two centres, therefore, in addition to the \$1 million in provincial funding, the YMCA needs to raise \$2 million — a huge investment in our mission to provide safe, high-quality child care to the most vulnerable families and one that we are committed to making. But it is very challenging.

This brings us to our recommendation. I only have one for

the committee, and that is that charities and non-profits be eligible for the same child care infrastructure funding that's available to municipalities and the public sector. When it comes to creating new spaces to ensure all families who need child care can access it, non-profit providers don't have the same access to funds as public sector applicants.

The community child care space creation program that was announced September 12 is a partnership between the province and the Union of B.C. Municipalities and provides up to \$1 million to municipalities and regional districts for new child care spaces in government-owned facilities. Further, the child care new spaces fund will provide up to \$1 million for public sector applicants in partnership with non-profit providers. But if a non-profit provider applies independently, they're only eligible for half a million.

The non-profit sector, as you know, in general, is our key resource in addressing complex social issues most pressing to British Columbians and most important to the government. Charities and non-profits with a provincewide scope, like the YMCAs in B.C., are effective in taking action on priorities that we share with you. We would be even more efficient and effective if our contributions are fully recognized through sufficient and direct funding to do what we do best.

It's clear that government is serious about investing in child care, and we applaud this commitment. Sufficient and equitable funding of non-profit child care organizations like the YMCA could help your investment move farther and more quickly, seeing more families finding accessible high-quality child care.

In summary, we call on government to truly recognize the impact charities and non-profits make on addressing complex social issues. Specifically in the 2019 budget, we recommend the government increase capital funding to \$1 million per project in equitable direct funding to charities and non-profits for the creation of new child care facilities in British Columbia. Together, we think we can build a strong sustainable future in B.C.

Thank you, once again, for providing me the opportunity, and the YMCAs of B.C. will be providing a written submission that summarizes our recommendations.

B. D'Eith (Chair): Thanks, Sharon. Thank you very much. Questions?

R. Leonard: Thank you for your presentation. I really appreciate.... You really outline very clearly your on-the-ground experience with the funding formula. I guess the question I have is: is it only municipalities? Or is it also...? You say you're partnering with school districts. They don't have access to apply for this pot of money as well?

S. Peterson: With the new fund that was announced, if they, as a public sector organization, partner with a non-profit organization, they can. But if a non-profit organization independently applies, they only are eligible for half a million. Again, it doesn't really make a lot of sense. Again, we're

committed, and we have the ability to raise funds, but it is limited. There's a lot of competition out there for donated money.

R. Leonard: Okay. Thank you.

T. Redies: Thanks, Sharon, for your presentation.

[11:00 a.m.]

If the government was able to increase the limit to \$1 million, has the Y done any work on how many child care spaces they think could be provided as a result of going up to that \$1 million mark? How much would it cost the government, and how soon could those child care spaces be delivered?

S. Peterson: For example, currently we're in discussions with Okanagan College at their Salmon Arm campus. They would be eligible for \$1 million if they partnered with us. We're in active discussions right now. They have identified the need, and we're identifying that we are a great provider, that we can do the high-quality child care they're looking for.

In terms of what the need is, we know, and government has demonstrated their knowledge of how important this issue is for British Columbians. There are wait-lists everywhere. So we're ready and willing, I think.

In terms of what the costs would be, we recognize that government can't fully fund the cost of creating child care spaces, so we are willing to contribute, and I think the community is as well. Through partnerships, I think the money can go a whole lot further, especially when you don't have to purchase land. So I don't know the actual cost of what the.... Again, \$1 million for 77 new spaces, I think is a bargain.

B. D'Eith (Chair): Great. Thank you very much for your presentation. We really appreciate it.

Next up we have Canadian Home Builders Association of Central Okanagan — Les Bellamy.

Hello, Les. How are you?

CANADIAN HOME BUILDERS ASSOCIATION OF THE CENTRAL OKANAGAN

L. Bellamy: I'm good. Thank you. Good morning. I'm Les Bellamy. I'm the president of the Canadian Home Builders Association of the Central Okanagan. I also sit on the board of directors for the CHBA provincially, and I'm chairman of the Central Okanagan step code committee.

CHBA Central Okanagan represents over 200 members in the residential construction industry who work as homebuilders, renovators, tradespeople, service professionals and others. CHBA Central Okanagan members are small and medium-sized businesses creating jobs and economic business throughout the Okanagan. The residential construction industry in the Central Okanagan represents over 20,000 on-site and off-site jobs and generates over \$1 billion in wages.

CHBA Central Okanagan recommends industry consultation in advance of any new housing measures. As the

boots on the ground each day, industry is best positioned to speak to costing, timelines, capacity and any other challenges to home ownership. Home builders can contribute valuable insight to any provincial discussion with firsthand experience.

There is no doubt that housing is a critical issue in British Columbia. It affects all residents in every corner of the province. However, new policies must address and benefit all aspects of the housing system, from homelessness to market ownership.

At present, approximately 95 percent of residents live in market-provided homes, whether owned or rented. While social housing investments are encouraged and the provincial government should be commended for its investment in social housing, there are actions the provincial government can take that would provide relief for market-housing buyers or renters as well. This means that new social housing units could go to those who most urgently need them.

In the context of Budget 2019, there are other options for the provincial government to support and encourage market housing in B.C. With this in mind, please consider the following recommendations.

Introduce new tax credits for energy efficiency. The provincial government can incentivize energy efficiency in existing housing with a renovation tax credit for energy efficiency. Homes built before 1985 use 100 percent more energy than a home built today. If affecting climate change is important, we must address existing housing.

The policy structure for a tax credit is already in place, as British Columbians already deduct the costs of renovating for seniors or individuals with disabilities. Adding energy efficiency to the existing policy is a logical next step. Research indicates that every dollar invested in an energy retrofit yields four to seven times more energy savings than a dollar spent upgrading a new home. This benefit could be for both market and social housing units, which are equally in need of energy efficiency repairs, for the long-term benefit of owners and tenants.

[11:05 a.m.]

A renovation tax credit is the best model to approach this issue compared to financial grants because it is a voluntary program, and it also fights the underground economy in the renovation sector. Homeowners and housing operators will have to work with a contractor that will provide receipts to receive the tax benefits.

Our recommendation: introduce a renovation tax credit for energy efficiency upgrades using the existing renovation tax credit system in B.C. There is no doubt this would be a popular move for homebuyers. The previous LiveSmart B.C. program worked with over 100,000 homeowners. However, using the existing renovation tax credit system is a lower administrative burden and creates consistency for homeowners when looking at renovation tax incentives.

Our second proposal: restructure the property transfer tax. With rising prices, the property transfer tax burden on homebuyers has also increased. At the same time, provincial

revenue from the PTT has never been higher. This tax structure was first implemented in the 1980s with few amendments. It's time for an adjustment to this tax.

Increase the first-time-homebuyer exemption threshold to \$750,000. Increasing the program threshold to at least \$750K would allow more first-time homebuyers to take advantage of the significant tax savings in this program. At present, first-time homebuyers are approximately 20 percent of buyers, a key demographic in the housing market. It would also create consistency by keeping the thresholds the same for all housing programs, including the newly built home exemption. These programs could then be adjusted concurrently as necessary.

Increase the 2 percent PTT threshold from \$200,000 to at least \$525,000. When the PTT was first introduced, it was a luxury tax. Now many properties are priced well above the \$200,000 threshold. This measure would help all consumers for both new and existing homes and is an immediate way to decrease the tax burden on British Columbians. As prices rise, these programs will have to be adjusted to ensure the maximum number of B.C. residents can benefit.

Decrease the annual housing taxes collected on new housing projects. A house can be sold at market value, but there is still a minimum cost to take a project from dirt to door. Several new housing taxes introduced in Budget 2018 impact the cost of new construction and, ultimately, the price paid by new homebuyers. For example, the property transfer tax and the school tax were increased for properties over \$3 million. While the average person may correlate that with a luxury home, it can also be the price for a very average-sized piece of property used to build multiple family-sized units in all parts of the province.

Homebuilders are required to purchase land in advance. It's an essential raw material to the development process. However, this land is also subjected to several taxes from the time it takes to move it through the development process, and the time window is largely out of the developer's control. It is very possible to identify properties for development, such as through the municipal permitting system.

I see I'm running out of time here. I know it's important to keep things on schedule.

In conclusion, there are many factors that have contributed to the rising cost of construction — and home prices, by extension. These include but are not limited to the following: building code changes, local government fees, unfair tariffs and trade disputes, trade shortages, product costs and availability, bylaw changes, lengthy processes and new municipal requirements.

There are tools available to the provincial government to impact on the taxes and fees paid by new homebuyers and the benefits going to the homebuyers directly — for example, changes to the property transfer tax.

Lastly, a focus on market housing affordability should be a priority for the provincial housing strategy in any budget investments. The expensive affordable housing investments undertaken by the government to date are to be commen-

ded, but the whole housing continuum needs to be considered when looking at housing policy and Budget 2019.

Thank you for hearing me out.

B. D'Eith (Chair): Thanks, Les. We really appreciate that. Questions?

T. Redies: Les, thanks for your presentation. I noticed you didn't mention the speculation tax. I'm just curious how that's impacting your industry up here in the Central Okanagan.

L. Bellamy: To date, it's estimated over \$400 million in cancelled contracts since the announcement of the speculation tax. Considering one in five people in British Columbia are employed in the construction industry, this will have a big impact on employment.

B. D'Eith (Chair): Any other questions at all?

Well, thank you very much, Les. We really appreciate your time.

Next up we have Okanagan and Similkameen Invasive Species Society, Boundary Invasive Species Society — Jaymie Atkinson, Erin Kitchen, Lisa Scott and Barb Stewart. We've got the whole group. That's great.

[11:10 a.m.]

I know we have four people. I just want to remind everyone we're trying to keep it to five minutes. I know everybody loves to have their bit, but if we can try to keep it on time, I'd really appreciate that.

OKANAGAN AND SIMILKAMEEN
INVASIVE SPECIES SOCIETY,
BOUNDARY INVASIVE SPECIES SOCIETY

L. Scott: Good morning. I am Lisa Scott. I'm the executive director of the Okanagan and Similkameen Invasive Species Society. I'm here today with Barb Stewart. She's the program manager of the Boundary Invasive Species Society. We're also joined by Jaymie Atkinson and Erin Kitchen. Jaymie is from Princeton, Erin Kitchen from Beaverdell. They are two range tenure holders. Our presentation today will be on the direct impact of invasive plants on your range clients and the compounding issue of wildfire recovery.

E. Kitchen: I'm Erin Kitchen. My partner and I manage the Quadra Estate in the community of Beaverdell. We hold the range tenure for the Beaverdell range unit, which is about 70,000 acres and 1,400 AUMs.

In 2016, we made the decision to stop using their range unit until some improvements were made to the forage availability after our cattle came home in modest condition and with poor conception rates. We also had an influx of cattle covered in burrs and hound's tongue, which wound up in our yards and encroaching our pasture. Invasive yellow

hawkweeds are also a problem on our unit, and nothing has been done, which, I believe, is your first photo.

When we requested the ministry do treatment, we were told that there is not enough budget. Ironically, this year overall funds were increased. But instead of investing more each year, the funds were spread over three years at the same funding level as before. This improved consistency, but it does nothing to address our issues.

We have met with our local agrologist and discussed performing a soil-quality analysis. However, due to busy schedules and possibly funding, it is yet to be completed.

Our range is also logged and used for recreation. Although harvest plans must include some sort of reclamation or deactivation of the logged area, it's our experience that the logging companies often take the cheaper route and either plant an annual blend or they don't put down anything at all, which gives a wide variety of noxious and unpalatable weeds the opportunity they need to take over.

With the number of vehicles travelling the road through our range, we also end up with infestations along our roadsides and ditches. We have an influx of knapweed, and despite biological agents being released, it's still spreading and impacting our operations. We feel that more needs to be invested into control work on Crown range, and more re-seeding, to avoid future breakouts.

J. Atkinson: My husband and I hold range tenure for approximately 25,000 acres and 1,555 AUMs. We've ranched in the area since 1980 and have seen five generations grow up here and seen many changes. Our range is in the Nass, Knudson and Hoover Creek areas. We worked with OASISS in trying to control noxious weeds for over 20 years, with success in bioagents and controlling hound's tongue and toad flax, spraying and pulling weeds. But we've also seen the spread of knapweed, sulphur cinquefoil and new species of weeds moving into other areas due to recreation use.

In July of last year, the Princeton fire — your next three photos — impacted the northeast part of our range. The result was a reduction of animals allowed on our grazing lease, and many new roads were put in for fire suppression, creating even more seedbeds. Since then, we've not seen any grass seeding done.

What we have seen are a huge number of new roads opening up access to the range. We've seen increased recreational use, including ATVs, to go around the deactivated roads, and hunters, too, pay no attention to posted areas or deactivated roads. Unfortunately, cattle can't read signs. The movement of animals and people in a now much wider area.... We've seen invasive plants moving up the hill.

Effective treatment of invasive plants has become a priority in these fire-impacted locations, but it's not happening on most areas of the fire. We all know the response and recovery costs are staggering. This is the time for us to be cost-effective, and this is where well-established groups such as OASISS and BISS can provide the support you need during the recovery phase.

These organizations can work, through the ministry, to ensure equipment and machinery are clean and collaborate with forest companies to identify new invasive plants early on. I hope you have a look at the photos. They're impactful.

[11:15 a.m.]

B. Stewart: Fires and floods are basically more than our organizations can handle at our current funding levels. Something needs to be done to deal with these issues. We focused on fires today, but there are also berms being created from flooding that are now covered in puncturevine in the Oliver area, and there are no plans for any type of reclamation of those areas.

The province needs to invest more into on-ground management to address the declining range forage issues and provide dedicated funding for effective rehab of fire- and flood-impacted areas. We need to ensure that action is taken now, not in five years. As we've seen in the Princeton unit, it is spreading really fast, and funds need to be made available to deal with it.

That is the conclusion. Thank you for considering our concerns, everyone. We appreciate it.

B. D'Eith (Chair): Great. Thank you very much.

Questions?

Dan, do you have a question?

D. Ashton (Deputy Chair): Well, I was just ensuring that a presentation was coming forward to the committee. A written one will be submitted?

J. Atkinson: Yes.

P. Milobar: Thanks for the presentation. I'm just wondering.... I've asked previously from others if there's been a change in Highways saying they can only spray to this line, FLNRO saying they can only spray this part, along road corridors and that — in terms of invasive plants. I get assurances that: "Oh, yeah, the overlap is...." There's less worry about jurisdiction.

Have you seen that in practice, or is that still a problem where you've got everyone pointing fingers at the other and no one's actually getting to the root of the problem? Or they're stopping with five feet of weeds still sitting there? So, yeah, it's great. You sprayed the first ten feet; you didn't spray the 15 feet worth of the weed tract.

L. Scott: Thank you for your question, Peter. We can, of course, only speak to our respective regions, but certainly, that's the role of us as regional committees: to bring the funding partners and the jurisdictions together to address those issues. The weeds and other invasive species don't respect jurisdictional property boundaries, so we collaborate and come up with management plans and actions, and we deliver on those that cross those varying jurisdictions.

B. Stewart: I just wanted to add that in general, the Ministry of Transportation actually has a fairly well funded program, so congratulations to the government for doing that. But the Crown range, the Ministry of Forests, Lands, Natural Resource Operations.... That is the underfunded program currently. That's where the real issue started.

T. Redies: Thanks for your presentation, ladies. Do you have a sense of the scale of additional funding that you need for dealing with the problems that you're talking about?

L. Scott: We would be looking at, essentially, between our two regional committees, an increase of \$100,000 collectively for the two regional committees. That would just be for maintenance of invasive plant treatments. However, in addressing the current impact of floods and fires, that would be something that would need to be explored in terms of our role and responsibility in working with the province in terms of recovery. The problem is that there are no plans in place for a lot of these areas. It's in limbo, so seeds not getting put in the ground. In the meantime, we're losing precious time.

B. D'Eith (Chair): Is there anything else that you wanted to add at all?

Nicholas Simons has a question.

N. Simons: Thank you very much. I'm just wondering.... It seems to me that this is an issue where, like a lot of issues and things we hear about, if we invested in prevention, we would be a little bit further ahead.

How long has this been a crisis situation?

B. Stewart: It's been an ongoing situation as long as I've been involved, as far as funding levels going up and down. But most recently, in the last five years, as the fires and floods have really started to impact us, we're really seeing it, and we're going: "We've got to get on this prevention. We've got to invest in it."

I think it's always been an issue. Plants aren't fuzzy and cute, so people don't go: "Yes, we've got to save them." You know?

N. Simons: I just want to add that the Ministry of FLNRO.... They assign work in conjunction with the Ministry of Agriculture, especially when it comes to grazing land. I'm wondering if the Ministry of Agriculture has been involved at all, or if there's a role for them.

[11:20 a.m.]

L. Scott: There may be a role. In the region that I work with, in the Okanagan-Similkameen, we mainly work with them on invasive insects. I mean, we're here today talking about plants, but we're both invasive species societies, and we deal with invasive mussels, invasive insects. But the plants are really the core of both of our programs.

B. Stewart: The Ministry of Agriculture is more of a policy ministry at this level. The Ministry of Forests really is the lead when it comes to range and rangeland issues.

B. D'Eith (Chair): Thank you very much for your presentation. We really appreciate it.

Next up we have the Kelowna Chamber of Commerce — Ron Cannan. We also have Caroline Miller.

Hello. Please, the floor is yours.

KELOWNA CHAMBER OF COMMERCE

R. Cannan: Thank you, Mr. Chair and members of the Standing Committee on Finance and Government Services. My name is Ron Cannan. I'm vice-president of the Kelowna Chamber of Commerce and chair of our policy committee. I have Caroline Miller with us, our policy guru who tirelessly works for us, helping keep us on track. Unfortunately, Carmen Sparg, our president, is away today and wasn't able to be here.

We are well represented with over 1,200 members in our chamber, representing over 25,000 employees throughout the city of Kelowna.

First of all, I just want to applaud each one of you, putting your name forward. I had the opportunity to serve in public office myself. I was for nine years a city councillor here, and I was a Member of Parliament for about ten years. I was on the Standing Finance Committee, so I did the dog-and-pony show as well, across Canada, and understand that budgets are all about making choices, and often difficult choices, to find the balance between the needs of British Columbians, in this case, in each one of the communities.

I believe you have found the submission that was submitted to you with some of our key recommendations, but I just wanted to sort of highlight them. I'm happy to answer any questions that follow.

One of the concerns — and it's not really anything new — is the impact of multiple-layered taxes on businesses. I've had a chance to meet with several of you over the years and know that it's always a balance.... Whether it's local, provincial or federal government, you're trying to work in a harmonized fashion on taxation. This is one of only two Canadian jurisdictions that have had a successful reputation of balanced budgets. We applaud you for that and want to keep you, hopefully, focused on that initiative so that we can keep our excellent credit rating intact.

Local businesses in Kelowna and the Central Okanagan are also concerned about the layering of taxes from our current government. We've identified, with the cooperation of the B.C. chamber, 12 new or additional taxes since your government took over in 2017.

Number one is the upcoming employer health tax. The concern there is about the double dipping per se. We support health care for residents. We'd like to see the recommendations of the MSP Task Force that was struck in 2017. They suggested eliminating a specific date that the new revenue

measures take into effect at the same time. That would be one of our asks, and it's been brought to our attention by many of our members. I don't think a lot of people in the community are aware of it — until January, when they see the statement and realize what's happened.

We applaud those businesses that have been paying employees' MSP premiums as well. They actually get hit another time. So we recommend the province eliminate the proposal of the employer health tax or continue with the implementation, as I said, as the MSP report.

We want to continue to keep that excellent record intact, but we're concerned about the school tax. I know from past experience that it's more like a land tax. And of course the speculation tax is more of an asset tax or a vacancy tax, as is alluded to in the impacts on our community from the previous presenter from the Canadian Home Builders Association.

The bottom line is that the businesses don't have a bottomless pit of money. We need to work together to ensure that there is cost-benefit analysis when they're bringing in new taxation, and that means coming in consultation, in meaningful consultation. So we appreciate the example for today.

[11:25 a.m.]

One of the big factors in our province is transportation, and the Okanagan is not exempted from that. Our topography is a real challenge. It creates a lot of difficult and costly aspects, because we're limited as far as our road corridors. We also want to ensure that we continue strong investment into a provincial highway that goes right through our city and looking into alternatives. A study we had was called the Central Okanagan Bypass study, and that study has been shelved for now. We'd like to get that working together to ensure....

Right now we really have no major investments in the capital plan that we can see from the province, and we need to work together with a long-term plan for a second crossing and flyovers. For example, at the airport, it's over two million passengers now. It's the economic engine that's really driving a big part of our economy. It's a big part of our city here as well. Local businesses suffer from logistics in transportation — the fact that it's an environmental issue as well. Cars starting and stopping on Highway 97 have a big impact. We'd like to see, as I said, some of the capital plans that are listed in the presentation.

The other one is a trained workforce. We need good labour, skilled labour, in our community. Now, we have some challenges working with Okanagan College, and UBCO has just been bursting at the seams. We really applaud the investments the province has invested in there. We're working with our tech community, which has had another 15 percent increase, pretty well year over year, since 2013. It has been a great means of keeping a lot of the young families in our community, which continues to grow. We used to have the highest census metropolitan area for retirees. It was the newlywed and nearly dead. Now we've got a good cross in

between there, helping to continue to help our economy grow.

We want to continue to focus with our provincial partners in the nominee program, the PNP. It has worked really well to assist businesses, but we need to ensure that the federal government increases the allocation and works in a more expedient manner, as well, for our agriculture, which is the big economic engine for our community. We have the seasonal agriculture worker program, but there's also the PNP program, which would help.

One other. I mean, there are several issues here, as far as housing affordability and reducing red tape. We know that's a big issue. I have a consulting company; one of my clients is the Interior Savings Credit Union. They have a couple of issues. If a sporting team comes to register for a bank account, they have to have two members sign up. Then we track them down at the Girl Guides. If somebody changes, you have to track them down. It's not a requirement of the bank. It's things like that, or else they want to mail out their summary financial statement for the year. They have to use snail mail instead of email. Bringing legislation up to the 21st century is one of the big things.

Housing affordability. There's nothing you haven't heard, I'm sure, from community to community, whether it's Kamloops, the Kootenays, the Island or the Lower Mainland.

Protection of fresh water from invasive mussels is something that has been a big issue for our chamber, working in partnership with provincial and federal partners. Once they get into the waters, it's nearly impossible to get them out. We want to get to 24-7 manned stations at the border. I just went across the Alberta border recently, and they had a big sign there. You have to report in. We'd like to see that here in the province of British Columbia.

The last one is that interprovincial trade is something near and dear to my heart. I've been working on it for years, and I know we have a new federal minister that was announced last year. Not a lot has happened, but I think you'd all agree that it's easier, especially, to move your wine and spirits across north and south than it is east and west in Canada. We need to continue to focus on breaking down the barriers. Whether it's B.C. taking the lead in sitting down, maybe, with some of the new provincial leaders across Canada, I think there's some gain that can be made, and it's beneficial for all of Canada. About 20 percent of our GDP is internal trade, and most of that is through human resources rather than actual product.

I'll leave that for now. I'm happy to answer any questions.

B. D'Eith (Chair): Okay. We're at about eight minutes, so we only have a couple of minutes for questions. Any questions?

[11:30 a.m.]

I'm curious. I gather that the Okanagan, especially Kelowna, has a very low vacancy rate for rental housing. I'm just wondering if you had any thoughts on how to address it. For example, there's a new provision that allows for rental-only

zoning. Do you think that's something that might be helpful? I guess part of the problem is that if you speculate on condos or higher-luxury condominiums and things like that, it tends to take stuff out of the rental pool. I'm just wondering if that type of provision is going to be helpful here, in this context.

R. Cannan: I don't really see that as a solution in the sense that when government tries to pick winners and losers and tries to pick the market, it can interfere in a negative way. I really applaud B.C. Housing for working with our local government in trying to find additional resources for the affordability aspect.

One of the issues from a member of the chamber.... I've been working closely with B.C. Housing on the social housing perspective. We're caring and compassionate. They're a part of our community — you know, the social conscience. The chamber is business, but we're also very socially conscious and trying to work with our local partners to find some affordable resources in housing.

Land costs are very high, and we've been working diligently. Some additional assistance from the province would definitely help, not necessarily with zoning but working with those agencies to secure some longer-term financing so they have commitments. Instead of a one-year allocation, maybe a five-year contract so they can enter into some long-term leases for rental affordability.

That brings the whole issue of mental health and drug addiction — it's a big, complex issue — and the number of treatment facilities as well, not necessarily beds but treatment facilities for the drug addiction. What we find is that housing affordability is a big issue. We know that one-third, approximately, have drug addiction and one-third, mental health. The other third seem to be preying on those two-thirds. We need to get them into a shelter, get them to treatment, and part of that is providing the affordable shelters.

I think we've got some very dedicated non-profit organizations working that cause, and we can make some positive groundwork with additional communication and collaboration with the provincial government.

B. D'Eith (Chair): Great. Well, thank you very much, Ron. We're out of time. Thank you for your presentation.

Next up we have the Adventure Tourism Coalition — Brad Harrison.

Okay. The floor is yours.

ADVENTURE TOURISM COALITION

B. Harrison: Hello. Good afternoon. Thanks for the opportunity to present our submission on the 2018 budget and government services process.

I'm here representing the Adventure Tourism Coalition. The coalition consists of 18 adventure tourism sectors across British Columbia. We coalesced, and we created a document called the adventure tourism strategy, which was circulated to the former government as well as this government. That

strategy was designed to address barriers that are hampering our ability to advance our sectors and our industries.

As I'm sure you're all aware, tourism is one of British Columbia's major industries. In 2016, the numbers were \$17 billion in GDP, which was up about 39 percent from the previous year.

We're here today to request a change to the ministry service plan's objectives and strategies, with a focus on advancing government goals for expanding and diversifying the rural economy. We're specifically seeking references for goals and objectives directed at the adventure tourism industry. We're not seeking to replace resource extraction industries. We're just seeking parity as a sector.

When we were looking at the ministry service plans for 2018 going forward, we asked ourselves: "Are we looking to the future, or are we supporting the past?" Economic indicators are suggesting that resource industries are contributing less to the economy than in the past, yet much of the government investment for the future appears to remain in those sectors.

To date, government direction for rural economic development appears to be focused on supporting the status quo of assisting extractive resource industries with little reference to innovation, divergence or recognition of other valued economic activities on the landscape. The government's provincial strategic plan notes that our tourism, resource-based and creative industries are helping drive our economy. Tourism is a critical industry to B.C.'s economy and a significant provider of sustainable jobs, supporting families throughout the province.

[11:35 a.m.]

Rural economic diversification has been one of the emerging priorities for the previous and current governments. We feel that current policies and regulatory frameworks may need to change in order to facilitate the outcomes that the province is hoping to achieve. This means the vision for growing the rural economy needs to move from concept to reality through setting clear strategic direction and detailed plans to change the status quo.

Ensuring our natural resource sectors are planned and managed for sustainability is equally or more important for the adventure tourism industry as it is for the long-term well-being of the extractive resource industries. Our coalition believes that rural economic growth and diversification require a more robust and expedited strategic approach by the provincial government in order to realize this change. We do not currently have provincial governance or a business environment that will facilitate the changes required for us to continue our success. Like any industry, there are barriers to our growth in investment.

One of our asks is for government to commit to a review of those barriers that are preventing the growth and diversification of the rural economy in its annual service planning. We request that government set a plan aimed at reducing or eliminating those barriers.

The Adventure Tourism Coalition has identified five main

focus areas to advance the objectives of the adventure tourism strategy. Collectively, these actions will assist in advancing government goals for a strong, diverse economy in rural B.C. We ask that this committee adopt those recommendations in its report to the Legislature.

Our first one is improving the policy and regulatory environment to remove impediments and increase business certainty for adventure tourism. Create harmonized forest management planning, as roadbuilding, forest harvesting and road deactivation and access can directly or indirectly impact adventure tourism.

This is a big one: financially support and implement sub-regional land planning.

To achieve harmonized management and administration for tourism, recreation, fish, wildlife and habitat stewardship and management across the province.

Work with rural economies in developing and maintaining sustainable adventure tourism and recreation opportunities.

Promote and realize sustainable use and wise stewardship of the province's natural resources with the adventure tourism and public recreation sectors.

In summary, we are asking for three things.

Government creates a vision and a strategic plan for expanding and diversifying the rural economy.

Ministry plans include goals, objectives and strategies to advance the provincial government's rural vision.

The adventure tourism strategy goals and objectives listed above are included in the ministry service plans, specifically the Ministry of Tourism, Arts and Culture, items 1 to 5; FLNRO, items 1 to 5; and Environment, items 2 and 4.

In closing, I'd like to thank you for the opportunity to present this request and look forward to working with government for positive change in rural British Columbia.

B. D'Eith (Chair): Thanks very much, Brad.

T. Redies: Thanks, Brad. As we've been travelling around the province seeing different areas, you can understand why adventure tourism is a real opportunity for the province.

I'm just wondering if you could speak a little bit in terms of the wages in the adventure tourism industry, sort of the average wages. I think one of the challenges we've also looked at in the province is: how do we boost wages? I'd just like your thoughts on that, please.

B. Harrison: I would say it's a very good question, and I field it often. We often hear that tourism jobs are \$12-an-hour, front-line entry jobs. I run a guiding business, a climbing and skiing business. I pay my guides \$400 a day. I think that's a pretty fair, living wage.

I think, like with all industries, there are some front-line workers that get less pay. Then there's.... You compare tree planters to tree fallers in the forest industry — a big difference in wages. I think one of the things we miss in tourism is that a lot of people are included in the tourism industry,

but their numbers aren't added — i.e., I worked at Thompson Rivers University in the tourism faculty, and that wage would never be considered a tourism wage, but really, it's based on tourism.

T. Redies: Thanks very much.

B. D'Eith (Chair): Very interesting. Some other presenters we've had, which I think is an interesting idea.... When policy is being made, there are often unintended consequences.

[11:40 a.m.]

Sometimes that might be for different things like, let's say, gender equity or these sorts of things. One of the lenses is to look at what the impact is on rural B.C., for example — it seems to kind of echo what you're saying — when policies are being made: "Okay, what impact is that going to have on diversifying the economy in rural British Columbia, enhancing adventure tourism or enhancing tourism?" We've heard a little bit of that trend as we've been travelling around British Columbia, so we really appreciate your thoughts. That actually drills down a lot more into some of the specific challenges that you face. Thank you very much.

Next up we have B.C. Wine Institute — Miles Prodan.

Welcome. All right, this is our little guide here. The floor is yours, if you can try to keep it to five minutes.

M. Prodan: Five minutes? Okay. It's not counting down; it's counting up. That's a good sign. So I don't get the hook.

D. Ashton (Deputy Chair): Oh, it comes. It comes.

B.C. WINE INSTITUTE

M. Prodan: Good morning, ladies and gentlemen. My name is Miles Prodan. I'm the president and chief executive officer of the B.C. Wine Institute. It's my pleasure to present to you here today. No, I don't have any wine samples today.

B. D'Eith (Chair): The orchard guys brought us apples. I don't know what's going on.

M. Prodan: I know. If it were after lunch, I could have acquiesced and helped with that.

I'm here to talk a little bit about the B.C. wine industry in the province and how proud we are of where we're at today. There's a deck here that I've handed around. I'm just quickly going to walk through that. I really just want to highlight some of the points. Really, it's important to note that the B.C. wine industry has a \$2.8 billion economic impact yearly on this province. So it is significant, and it clearly is important in terms of what it does, not just for agritourism and agriculture but also for jobs and taxes to this province.

It's also important to point out that that \$2.8 billion economic impact is not revenue to the wineries. This is not a cash-rich industry. It's incredibly capital-intensive. With the

price of land, the price of inputs, capital is hugely important, and it's very critical to the growth of it. I can tell you that for every dollar that is spent on B.C. wine there is an \$8.40 economic impact. For every bottle of B.C. wine that is sold in the province, it's \$94 directly, and if it's an import product, it's \$16. I'm always here promoting B.C. wine, and I hope that those around the table would support it as well.

B.C. VQA is an important designation. It means that it's certified 100 percent B.C. There is other wine sold in this province that is not B.C. VQA which is 100 percent B.C. The real inputs for everybody.... It requires that it have land associated with it. You cannot grow and sell wine in this province if you don't have land. That tie is critically important, and the inputs and the amount that goes towards that really dictates how important it is and how controlled it really is. If it's a VQA wine, there are very strict production rules you have to follow. You can't water it down. You can't add sugar to make it sweeter. It's very important to maintain that integrity of our wine, and we've been very successful with it.

Wine covers, primarily, all of the province. Certainly, grape wine extends all the way from the Gulf Islands over into the Kootenays and as far north, today, as up in Lillooet. There are other fruit wineries up in Prince George, so it's fair to say that we represent the entirety of this province, save the far north. But with global warming, who knows? We're seeing some of that really happening in the Kamloops area, where there are some phenomenal wineries that are coming out of there.

B.C. Wine Institute is the key, integral industry partner in this. We're supported by a number of other groups around the table. We have the B.C. Wine Authority, which is responsible for the VQA authenticity. There's the Wine Grape Council, there's the B.C. government itself and the grape growers. We're the voice of the industry, and I'm here today representing not just the winemakers but the wine growers. Again, that's a key point I'd like to get across. We are farmers first and foremost. We have no choice in that. The way it's set up, we have to be growing grapes in order to sell wine in this province.

[11:45 a.m.]

I want to talk a little bit about April Wine Month. In April, our friends in Alberta surprised everyone with a boycott on wine into that market. Given the way liquor distribution is structured in this country, they have the purview to shut it out. There's this belief that there's free trade or that there's not government involvement in wine in Alberta. That's not true. Every province has got controls, like we have here in the province of B.C. What happened was that they put a moratorium and quickly shut off the tap, so to speak, and we felt immediate effect.

I can tell you that we were very proactive and supported by this government, by Destination British Columbia and by a number of other partners to put together April Wine Month. I can tell you that April, it turns out, was the highest month we've ever had for B.C. VQA market share in this province. So kudos not just to our partners but, really, to the

consumers around the province who stepped up and bought B.C. wine.

I can also tell you that April was not an anomaly. Every month since then we've seen it incrementally increase as well. People are buying B.C. wine, seeing the value in it and really helping to support it.

Challenges? There are many. As I say, it's a capital-intensive business. The wine market in Canada is growing exponentially. That is, consumers are interested in wine. We're the sixth-largest import market in the world. That means wine-growing countries around the world look at B.C. and try to access this market. We're not afraid of competition. We know that the quality of wine that we produce and the value that we produce it at are worthy. That's spoken by and supported by the stats.

I just talked about how our market share increases, but it's important to also realize that what the trade agreements that the federal government is engaged in, whether it's CETA or CPTPP, are really doing is taking off tariffs on wine-producing countries for better access into this market. That's a challenge for us. All we really want — I believe my colleagues and friends from the chamber echoed the same thing — is the ability to ship B.C. wine across Canada to Canadian fans and supporters of that. That's a key support for us as well. That's really important. We're looking for some guidance and help from the province in that.

You should know, if you don't already, that B.C., once the feds stepped out of the way and removed the federal legislation that prevented interprovincial wine, was the first to open it up. You, as people in B.C., can buy and have shipped to you directly any wine from anywhere in Canada. We think it's only fair that others in Canada allow us to do that.

In terms of recommendations, what we're looking for is continued recognition and support of the industry as the highest value-added agrifood — we call it farm-to-glass — sector in this province. There's not a doubt that other farmers and producers contribute significantly to the province. But what you take from a handful of grapes to turn into a bottle of wine is a phenomenal value-add and really speaks to the success, again, of our industry.

Provincial tourism I didn't touch on, but one of my graphs earlier on talks about how over one million people a year include wine touring when they visit British Columbia. That generates about \$600 million a year in tourism dollars. We are an active tourism sector, and we're a key component of that. We've got a great partnership with Destination B.C. We share in some co-funding, and we look to see that continue — and, if possible, expand — because we know that as the product offering grows, the interest is definitely there from the public.

Finally, again, just to reiterate: whatever support we can get — we recognize it's other provinces that are making it difficult to ship wine into those provinces — collectively, as a country, we really believe in free trade and our ability to sell, to Canadians, Canadian products.

That's it. Thank you very much.

B. D'Eith (Chair): Thanks, Miles. We really appreciate the presentation. Yes, B.C. wines are amazing. We should be so very proud of the industry.

Any questions from our members?

I just wanted to reiterate that you really want the province to be proactive in trying to make sure that the trade barriers between provinces are eliminated.

M. Prodan: Yeah, it comes down to the first ministers. There was a meeting some time ago where there was some movement. Some of those intransigent provinces are now allowing you to personally take back a little bit more wine. That's not what we're talking about. We're talking about being able to come to the Okanagan, anywhere in B.C., visit a winery, fall in love with the wine, sign up for the wine club, go back to wherever you are and have that wine shipped to you.

[11:50 a.m.]

We've done lengthy analysis of it. It doesn't impact provincial liquor monopoly revenues in those provinces that don't want to have it happen. We just believe that they see it as sort of the thin edge of the wedge. But it's an agrifood product; it really is. The amount that goes into it is significant. So we believe that needs to happen.

Again, this province has been fantastic in opening that up and making it available to others, and we think that reciprocity only makes sense. Let the consumer decide what they want. Similarly, with import wine, we're not against import wine and consumers having selection. We just think that with all that impact, with all the focus on export wines in this market, just being able to sell within Canada would be truly helpful to us. If people buy once, they'll come back and visit again. That's been proven. There's that tourism aspect of it as well.

D. Ashton (Deputy Chair): Miles, to you and your organization, I just want to say thank you. The references in here.... I know the association with VQA, but a big step has been taken — that a rising tide will lift all boats. I just want to say thank you to you and your organization. You are talking about all wines in the province of British Columbia, which makes a big difference. Thank you again.

M. Prodan: Thanks for recognizing it.

B. D'Eith (Chair): Perfect. We're right on time. Thank you very much, Miles. We appreciate all the work you do for the wine industry.

Next up we have the Students Union of UBC Okanagan — Sarah Ferguson, Amal Alhuwayshil and Paula Tran.

Thank you so much. This is our guide here. We're trying to keep the initial comments to five minutes, if we can. We'd really appreciate that.

STUDENTS UNION OF UBC OKANAGAN

P. Tran: Hello, everyone. My name is Paula Tran. I am the vice-president of external affairs for the UBC Okanagan Students Union. I have with me Amal, who is the president of the students union, and Sarah, who is the staff at our students union.

Before we start, I would like to acknowledge we are on the land of the Syilx Okanagan Nation, and it is a privilege to be able to learn and live on this land that is not our own.

On behalf of the students of UBC Okanagan, we would like to request the following to be reflected on the B.C. budget. We urge the B.C. government to provide funding to low- and middle-income students through the creation of an upfront, needs-based program. Student debt is a massive problem here in B.C., and in 2018, the B.C. graduate survey has said that one of two students graduated with debt, and 65 percent of those graduated with \$20,000 or more in debt.

Many students have to work more than one job to afford living expenses — rent, among other expenses — and, in turn, delay savings, emergency funds and pretty much any major financial milestone. I know a friend who has to work four jobs over the summer in order to afford his tuition, board and food, which is a big stress on anyone.

Grants programs are not new. Newfoundland and Labrador has replaced their entire loan model to student grants, and recent public polling has said that 68 percent of B.C. residents support a needs-based grant program.

We demand that the interest on student loans be eliminated entirely. Students currently pay prime, which is 3.6 percent, on top of their student loans, which adds up to about \$9,000 during the ten-year payment plan. Maybe that payment plan is even longer than ten years. I know teachers, back in my primary and secondary school days, who were still paying back loans even when they were teaching for more than 15 years or so. And 68 percent of B.C. residents want their government to follow through with the commitment to remove student loan interest.

We also want the B.C. government to allocate an additional \$5 million to BCcampus to develop open textbooks. Textbook costs rose 82 percent between 2002 and 2012. At UBCO, students paid an average of \$400 on textbooks this semester. On top of their tuition, that's a lot of money to be asking for.

Many students, to offset these costs, share textbooks with others or won't purchase one due to the cost, which hinders their academic success. I know that personally, in my first year, I have shared a biology textbook with four other classmates because I couldn't afford the \$200 it was to buy the textbook in the bookstore. With the recent research, it is said that 27 percent of students drop courses due to the high cost of textbooks.

[11:55 a.m.]

BCcampus is not new. They have been established since 2012, and since then, they have already helped students save \$9 million in textbook costs. It really is a way for students to

have more accessibility to their education. We would like the B.C. government to commit to helping enrich students' academic success and provide support for those that need it the most. Students are the future of B.C.'s economic, political and social success. But we can't nurture success without adequate support, resources and funding. Thank you for your time.

B. D'Eith (Chair): Thank you, Paula.

Sarah, Amal, did you want to add anything before we go to questions? Great.

Questions?

We have heard from a number of student organizations, and we are getting a consistent message around needs-based grants. For your own interest, we've actually heard from not only students, like students unions. We've also heard from faculty and from administrators about the open textbook programs around the province. All areas seem to be supporting it. I know there are some challenges on the faculty side in terms of making it work, in terms of their getting paid and how that impacts on them. But I certainly applaud the efforts to get this program going and the clear cooperation between them, all areas of the universities and colleges, to try to get that to happen.

It was interesting because in past years, tuition seemed to be a consistent ask — tuition fees. I'm just wondering: do you have anything to say about tuition fees in particular in regards to the foreign students at all, or domestic students?

P. Tran: International students pay a lot more than domestic students. This is not something new. However, we would like to have some sort of regulation in terms of tuition increases for international students, because right now, they're not regulated, and schools can increase those fees however they like. At UBC, for the past years, they have increased international student fees by 15 percent, even 20 percent.

These are not guaranteed increases compared to domestic tuition fees, where we are guaranteed a 2 percent to 3 percent increase every year. We're asking for a regulated increase for international students and more support for international students if we are going to raise the international student fees provincially.

A. Alhuwayshil: But also coordinating across B.C. on the same campaign for fairness for international students, in terms of putting a cap on the increase — not decreasing their tuition but putting on a cap.

B. D'Eith (Chair): Dan has often asked: "Okay, so how much is the difference between domestic and foreign?" We've found, from institution to institution, that there's a huge range. One of them said: "It's going to be up to \$36,000 a year." For others, it's less than double. It might be \$6,000 or \$7,000. So it does seem to me that there's quite a wide range, especially on the foreign side. It also creates a vulnerability,

in some respects, for the universities relying on the foreign revenue. It is a very important issue.

Any other questions? Well, thank you very much for your presentation. We appreciate your time.

Okay. Next up we have "Susan's Battle" — Art Van Pelt. Hello, Art. Nice to see you. This is our guide. We're trying to aim for five minutes for the initial presentation if we can, Art. I would appreciate that.

SUSAN'S BATTLE

A. Van Pelt: Okay. I'll work towards that.

Again, Art Van Pelt. I'm here representing "Susan's Battle." Susan is my late wife. She was diagnosed with lung cancer on November 28, 2013 and passed away seven weeks later. She had stage 4 non-small cell lung cancer, and it had spread to other parts of her body by the time we noticed there was an issue.

She had been smoke-free for about 23 years at the time of diagnosis. But like many people, she started smoking when she was a teenager. Back then, when she started smoking.... The tobacco companies will still deny the fact that there is lung cancer being caused by the tobacco itself. Today, though, we know a lot more, and we know it's deadly. But still we have young people starting to smoke and getting addicted to nicotine.

[12:00 p.m.]

What I'm trying to recommend here in my submission is a number of steps that the provincial government could take to actually reduce the nicotine addiction that's affecting our society and affecting youth.

Essentially, 99 percent of smokers start smoking before the age of 26. Young people are particularly prone to addiction. Their teenage brains are not fully developed. There have been studies that have indicated that nicotine in young people actually creates a molecular change in their brain so they're prime for addiction, not only just for nicotine but other illicit drugs.

My submission contains a section on a study that was published in the *New England Journal of Medicine* where, basically, they're recommending that all sources of nicotine be regulated for young people.

When you get back to my recommendations, the first recommendation is to place a moratorium on new tobacco sales licences. There are over 6,000 retailers in British Columbia that sell tobacco. That is a significant number of places where young people can get tobacco. At this point, you can get a tobacco sales licence, and it doesn't cost anything, so we're also recommending that an annual renewal of the tobacco sales licence take place and that there's an annual fee.

Right now the health authorities are using health care dollars to enforce the regulations, and we think the retailers who profit from the sale of tobacco should be paying for the enforcement of the regulations in their sector. So we're recommending a \$1,000 annual fee for about 6,000 retailers.

That's \$6 million a year that would be collected, and the moneys that are currently spent on enforcement could be redirected to other programs, such as extending the smoking cessation program that's currently in place.

Right now you can be any age to sell tobacco, which is quite unusual when you consider the restrictions on selling liquor. So we're also recommending that if you are going to sell tobacco, you have to be legally able to purchase tobacco.

Of course, the new source of nicotine for young people is e-cigarettes, and there are vape shops popping up all over the place, so we're also recommending that there be a licence regime put in place to control the number of vape locations. Then enforcement dollars can be collected from them, as well, to ensure that they're properly selling their product and not selling it to young people.

Of course, the vape stores and manufacturers of these cigarettes are using all of the tactics that the tobacco industry used many years ago. You can now get bubble gum-flavoured juice for your e-cigarette, and who's that targeting? It's young people.

Again, given the magnitude of the problem and the fact that nicotine addiction, in itself, can create addictions in other areas.... Think about the opioid crisis that we have. The studies have indicated that a large number of people that are using illicit drugs started smoking cigarettes. Nicotine is a gateway drug, and we think there should be more controls over how that product is sold. It's actually a controlled substance under the substance act, but there are exceptions for tobacco and vaping devices.

B. D'Eith (Chair): Great. Well, thank you very much, Art, for your presentation.

Any questions at all?

N. Simons: First of all, thank you very much for doing the work that you do. Obviously, it's motivated by a concern for others, and I appreciate that.

The issue around e-cigarettes. I know that it's caused some legislators some issues around whether or not it's better than smoking or what have you. What research have you done or what have you concluded with respect to that? I know that some people quit smoking cigarettes by switching to vaping. I just would like your perspective.

A. Van Pelt: The research shows that e-cigarettes for smokers are not a cessation product in terms of getting you off nicotine, because it uses nicotine just to replace the nicotine in your tobacco. It is better for you in terms of your lungs and other parts of your body that can be affected by the carcinogens and chemicals. But the e-juice itself has chemicals in it, and at this point, there have not been studies long enough on the effects of that on a person's body. Right now it seems to show that it's better for smokers.

[12:05 p.m.]

The problem with vaping is that young people are getting

into it and, of course, getting addicted to nicotine, and that leads to other problems.

T. Redies: Thank you, Art. My condolences for your wife. I feel your pain. We lost my brother to the exact same illness, from smoking. You won't find anybody more supportive of cracking down on tobacco than me.

One of the challenges, of course, with all drugs or substances that people become addicted to.... The harder we put controls on them — some of that business tends to go underground. Have you looked at that in terms of: what's the max we can go to without creating a much bigger underground economy in this?

A. Van Pelt: Well, what I'm proposing is not really a change in any of the regulations that currently exist. What I'm proposing is that you ask tobacco retailers to actually pay for the cost of enforcement, enforcing existing regulations.

The e-cigarette issue — again, that's something that needs to be addressed. The studies I've seen.... Black markets exist because of price. Really, when you put tobacco taxes up, it's an incentive for the black market to take place. It's not a convenience issue. When you think about Ontario and Quebec, where they have the largest problem with black market tobacco, people go a long way to save a few bucks. It's an economic issue.

That's why I've not recommended increases in tobacco taxes. I think the way to attack this is to go out to retailers. Every retailer has to make a decision on how that cost gets passed on. It may not be able to be passed on in price. So it won't affect the consumer.

B. D'Eith (Chair): Great. Thank you very much, Art. We really appreciate your presentation.

A. Van Pelt: Thank you for the time.

B. D'Eith (Chair): Next up we have the regional district of Okanagan-Similkameen — Lyle Armour and Karla Kozakevich.

Hi, Lyle. Hi, Karla. If you could try to keep the initial discussion to five minutes, we'd appreciate it.

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

K. Kozakevich: Thank you so much for having us here today. I'm Karla Kozakevich. I'm the chair of the regional district of Okanagan-Similkameen. I'm also the elected director for Naramata.

With me today is Lyle Armour. He is a resident of Naramata, and he's on the executive of the newly formed Naramata Society for Responsible Infrastructure group.

We're here to talk to you today about the need for increased funding for stormwater management. You may be aware of the significant flood issues that happened earlier

this spring. In particular, in our community, the issue comes from high snowpack melt and rain, at the same time as development on the hillsides. This water is coming through the new developments but is not being channelled away from the homes and down to the lake. There is no infrastructure that takes water to the lake or to a creek and then to the lake. The system cannot adequately handle the water flows. That's through the Ministry of Transportation Infrastructure.

Some of the issues we're experiencing, being an unincorporated community... We don't approve subdivisions — that's done through the provincial approving officer — and we have subdivisions being approved on top of subdivisions, going up the hillside. When one subdivision doesn't have an adequate stormwater management system and then another group of 50 homes is put above that, it just compounds the issue. That is one of our issues.

I'm going to just have Lyle speak to the KVR Trail system, which flows right through there, and how it's impacted.

L. Armour: Yes, the KVR rail system that is renowned as a world-class linear park, as it has been described — and an asset to the community both for recreational purposes and tourism — is being impacted significantly by runoff and water from developments. Compound that with a high amount of logging in the area and no way for the water to get to the lake, if you will, which is the natural end result of runoff. It follows the path of least resistance, which in many cases, is the KVR, unfortunately for people such as myself and my neighbours.

[12:10 p.m.]

The runoff that comes off the KVR that isn't contained up above impacts our property. It impacts the road systems. It impacts the potential for more destruction when more development is allowed.

One of the main talking points we've had in our Naramata society is that when a subdivision is approved, we understand that there are certain things that have to happen. The developers look at that, do what they've been told to do. That's great, but what happens after the fact, when it's inadequate? The provincial approving authority hasn't been able to go back and say: "Look, I know we gave you permission. You've failed. It didn't work out like we think it should work out."

We need things like that to be addressed, or we're going to have a huge problem in the future as far as drainage and runoff, the KVR system being impacted and people's properties.

K. Kozakevich: There is a home that did get significantly hit. MLA Ashton is quite well aware. I had him come out and have a look at it. The Ministry of Transportation did put in a closed culvert system to divert water just north of the house, which was excellent. However, it still doesn't take it down to the lake, and essentially, a lot of the systems we see up there are culverts that will let out onto private property

— we call it "culverts to nowhere" — or to ditching that's not maintained, so then it just floods somebody else's property.

B. D'Eith (Chair): Great. Well, thank you very much for your presentation.

R. Leonard: Thanks very much for your presentation. I share your pain. I've seen it in other rural areas. Of course, it's exacerbated by the wildfires and the loss of the trees to help absorb some of that runoff.

As I understand it, and I don't know if this is... It's been a few years since I've been involved in stormwater management issues. MOTI, their whole purpose around flooding is to protect the roads that they allowed to be built or that they do build. So their whole focus is somewhat different than the idea of water balance, of trying to maintain communities. It's protecting roads.

I don't know if that's still the case. Is that your sense of how they manage the whole issue of stormwater?

K. Kozakevich: Well, I do know that, of course, they have to protect their roads. That's the primary focus. But when water hits the sides of the roads, where the ditching is, they are responsible for that ditching and culvert system. When that's not adequate or is often plugged — there are different scenarios — it is flooding the homes. So it doesn't seem like the systems that MOTI's putting in place are adequate.

R. Leonard: Right. It's not flooding the roads; it's flooding the properties.

K. Kozakevich: Well, it's flooding across some of the roads and then into properties. We've seen it go right over roads, down the hillside and take out homes.

R. Leonard: So your request, your recommendation, is around increasing funding so that there can be better infrastructure in place.

K. Kozakevich: Correct. In particular, it has to go somewhere. It's not going to the end source, which should be the lake. It just stops at a certain point or spreads out over properties. We've had folks, including Mr. Armour and some others, have retaining walls come down and other damage to their properties.

R. Leonard: This is a big, challenging time for sure. Because I know that the issue of stormwater management, over the decades, has changed significantly. Just funneling it down to the bottom of the hill is not necessarily the best solution. So it's a question of how MOTI manages it as well as the fact that they need the money to do it. Thank you.

D. Ashton (Deputy Chair): You know, the issue is with the valley and the development going up the hills and, as Mr.

Armour has said, the additional new subdivisions that are taking place.

Yes, MOTI is doing their best to protect their roads and, especially with the new developments, developers are requested and required to do X amount, but it's what happens below. That water is diverted, and in our case, because it's the bedrock and with the clay — the glacial till — it causes incredible issues when that water percolates underneath the clay, hits the bedrock and goes. You get these tremendous slumps, etc.

[12:15 p.m.]

The trick is to manage the water not sporadically but from top till bottom. It involves a lot of ongoing preventative maintenance that hasn't been, over the years.... Because, again, there have been changes. There have been changes in development. There have been changes in the weather.

Now we have to take a look at a bigger picture there and also look at ways that, through recommendation on this committee, that preventative maintenance can take place, and that when approving officers do this, the water is directed, in our cases, to the end source, which is the lake.

B. D'Eith (Chair): It seems to me that it's also a cross-ministerial issue, too, because it's not just MOTI. It's like.... Obviously, if developments are being approved, it's the planning around that, plus how that is impacted on the roads plus all of that.

D. Ashton (Deputy Chair): Absolutely. We will be hearing from the opposite side of the lake with the fires. The problem is now exacerbated on the opposite side because of the fires, so that will be through another submission from individuals on the west side of Okanagan Lake that are affected. But you know, as Mr. Armour.... We have new homes, and people are doing what they've been asked to do, but all of a sudden that water just starts coming out everywhere.

I mean, with Ms. Kozakevich, water was directed through the ministry onto the society's property to save the home, but then a vineyard was flooded out and another home was affected. So it starts here and ends up here. We have to get it down to the end, which is the lake.

N. Simons: I'm just wondering if the Union of B.C. Muni-

cipalities had a resolution on this. If not, is there any larger organization taking up your cause?

K. Kozakevich: I don't recall a specific resolution. The Southern Interior Local Government Association, which I'm the second vice-president of.... We did speak on this issue. We were not the only region having issues. Obviously, it's provincewide, with unincorporated communities.

I did speak with Minister Donaldson regarding issues around logging. So if there's logging near these new developments, then as soon as you remove trees, there's less soaking up groundwater and there's more direct flow of surface water. I also spoke to him about the lack of funding in the budget for recreation sites in Trails B.C. so that they could do some work with the KVR Trail system. There's pooling all along it, and that water needs to be directed somewhere else. As it stands right now, it seeps through and damages the properties on the downside.

B. D'Eith (Chair): Well, thank you very much for your presentation. We appreciate it.

K. Kozakevich: Thank you so much for listening to us today.

B. D'Eith (Chair): Before we adjourn, I just wanted to say that this is the end of our second week of deliberations. We've been all over the province, and I just wanted to take the opportunity to thank the members for their questions and their attention to all of the amazing presentations that we've heard.

I also wanted to thank Jennifer, Stephanie and Mariana, who have helped us this week, and, of course, Hansard, again, for all the wonderful work that you've done — Steven Weisgerber and Amanda Heffelfinger, who are here right now. Thank you very much.

Could I have a motion to adjourn?

Motion approved.

B. D'Eith (Chair): We are adjourned.

The committee adjourned at 12:18 p.m.

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