



4th Session, 37th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON
CROWN CORPORATIONS

Victoria

Wednesday, April 30, 2003

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**SELECT STANDING COMMITTEE ON
CROWN CORPORATIONS**

Victoria
Wednesday, April 30, 2003

- Chair:* * Ken Stewart (Maple Ridge-Pitt Meadows L)
- Deputy Chair:* * Harry Bloy (Burquitlam L)
- Members:*
- * Pat Bell (Prince George North L)
 - * Susan Brice (Saanich South L)
 - * Daniel Jarvis (North Vancouver-Seymour L)
 - * John Les (Chilliwack-Sumas L)
 - Harold Long (Powell River-Sunshine Coast L)
 - * Barry Penner (Chilliwack-Kent L)
 - * Rod Visser (North Island L)
 - * John Wilson (Cariboo North L)
 - * Patrick Wong (Vancouver-Kensington L)
 - Joy MacPhail (Vancouver-Hastings NDP)
- * denotes member present*
- Clerk:* Craig James
- Committee Staff:* Audrey Chan (Committee Research Analyst)

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MINUTES

SELECT STANDING COMMITTEE ON CROWN CORPORATIONS



Wednesday, April 30, 2003
10:00 a.m.
Douglas Fir Committee Room
Parliament Buildings, Victoria

Present: Ken Stewart, MLA (Chair); Harry Bloy, MLA (Deputy Chair); Pat Bell, MLA; Susan Brice, MLA; Daniel Jarvis, MLA; John Les, MLA; Rod Visser, MLA; Patrick Wong, MLA; Barry Penner, MLA; Dr. John Wilson, MLA

Unavoidably Absent: Harold Long, MLA; Joy MacPhail, MLA

1. An orientation seminar was conducted for new members to the committee.
2. The Committee considered a potential list of Crown corporations to be asked to appear before the Committee this session.
3. **Resolved**, that the Chair, the Deputy Chair and Susan Brice, MLA comprise a subcommittee on agenda and procedure and that Joy MacPhail, MLA be invited to participate in its proceedings.
4. The Committee met in camera to consider outstanding business from the previous session namely, a draft report to the House on the matter of the British Columbia Securities Commission.
5. The Committee met in public session to consider any other business.
6. The Committee adjourned at 10:47 a.m. to the call of the Chair.

Ken Stewart, MLA
Chair

Craig James
Clerk Assistant and
Clerk of Committees

WEDNESDAY, APRIL 30, 2003

The committee met at 10:08 a.m.

[K. Stewart in the chair.]

Orientation for New Members

K. Stewart (Chair): The plan is to orient some of the new members and go over some of the processes that were taking place in this committee. I'd also like to have the Clerk start by going over the package that's been presented for you today.

C. James: For the information of members, you were presented yesterday with a blue folder which contains the draft agenda for today's meeting; a guide to the operations of the Select Standing Committee on Crown Corporations, which has been prepared over the past year and a half to two years by the committee's predecessors; a document entitled "Key Reporting Principles" — it's a working document which Audrey will quickly lead you through in a moment — to assist the members in assessing their review of the particular Crown corporation; a document entitled *Crown Agencies That Have Completed the Core Services Review*, to date, to enable the members to see where everybody is in that state; as well as the committee's terms of reference, which I'll touch upon in a moment.

[1010]

On the left-hand side is some unfinished business. You will notice in the terms of reference that the committee is empowered to complete its review, its work from the previous session. Outstanding from the previous session is the committee's review of the British Columbia Securities Commission. Audrey has prepared a draft report for you to consider, along with some updated material, press releases, media clippings and other material relating to the British Columbia Securities Commission which I believe they may have alluded to during their review in the previous session.

Referring to the committee's terms of reference for a moment, the members, I'm sure, have read the terms of reference. Primarily, just so that members are aware, the committee interprets its own terms of reference. Where members may be uncertain as to the extent or scope of their ability to deal with issues collectively, they can decide, based on the terms of reference, how far they wish to proceed in fulfilling their mandate. Much of the terms of reference is fairly standard, empowering the committee to meet intersessionally, to meet while the House is in session, to meet elsewhere beyond the precincts and to retain personnel if that happens to be the case, if they require some additional assistance in their review of certain Crown corporations and so on.

Primarily, the nub of the work of the committee revolves around a review of the annual reports and service plans of the British Columbia Crown corpora-

tions. I'll leave that to the Chair to maybe describe in more detail as to the approach that's been taken to date.

I'll leave it at that. If members have any questions at all about the role and function of the Select Standing Committee on Crown Corporations, I'd be more than delighted to discuss it with them. Having said all of that, I'll turn it back to the Chair.

K. Stewart (Chair): In order to be efficient today, one of the things I thought would be a reasonable way to go about combining two of our tasks at hand is to go over how we build the report, and at the same time we can review the B.C. Securities report. I'd like to ask Audrey if she could go over it, starting with the form that we use. I trust you've all had an opportunity to at least quickly go through the report of the B.C. Securities Commission.

Just before I commit us to that, does that seem like a reasonable way for us to proceed, Audrey — to explain how you do a report?

A. Chan: Sure.

K. Stewart (Chair): Okay. Over to you, Audrey.

A. Chan: If members will refer to the one-page form that's included in your folder, that's something that's provided to all of you prior to the meeting where the Crown corporation appears, and it's also available at the meeting. It's basically an aid for you to put down your comments about the Crown corporation's annual report and service plan. As you know, committee reports are drafted and produced under the direction of committee members, so this is a way to kind of let me know what you think about the Crown corporation as I draft up the report for you.

In the past, members have found it helpful to fill out the form during the meeting. To facilitate the report-drafting process, if you could return the forms back to me, say, within a week of the meeting date, that would be really great. These forms are confidential working documents of the committee, which means they're not part of the public record.

If you refer now to the B.C. Securities Commission draft report that I've provided. Basically, if you look under the committee observation section, that section is drafted based on these forms that I receive from the committee members. The way I do it is that I go through each of the questions. Actually, before that I would compile all the members' feedback into a document like this.

K. Stewart (Chair): Did everyone get one of these, Audrey?

A. Chan: Yes.

K. Stewart (Chair): Okay.

A. Chan: These are there on your desk.

A Voice: The compiled...?

[1015]

A. Chan: Yes. This document, too, is confidential. It shows, basically, the members' assessment, how many felt that, yes, a criterion has been satisfied or just partially satisfied. When I'm drafting the committee observation section, I'd go through and try to put down the majority of members' assessments. If most of them have found that a criterion has been satisfied, I would indicate that in the report.

If you look, for example, under No. 4 on the Securities Commission draft report — actually, No. 5 — that's where members' assessments had some divergence. The way I would deal with something like that is that I would use wording like: "The committee was only partially satisfied that.... Blah, blah, blah."

Generally, too, in the committee observation section, I also incorporate committee members' comments. These are what you would have provided in the third column of the assessment form. I would try to incorporate that into the draft report too.

Then, if you turn to "Issues for future review" — that section of the draft report.... I draft that up based on a review of the committee transcripts. I would review the transcripts and try to look for issues that members have raised during the meeting, where they had asked questions of the witnesses. I also would provide the question that was asked and the witnesses' response. The basic function of this section is to highlight any issues or concerns that the committee might have had during the review.

Finally, the last part of the report would be some draft recommendations. These are just provided for your reference and your convenience. They're usually provided in very generic language. If you have more specific recommendations or if you'd like to add to or revise those recommendations, please, definitely let me know.

Then, of course, this document is just provided for you to consider at the meeting where you want to look at the draft reports. Please provide me with any feedback or any changes that you would like to see, because, after all, this is your report. I've just put some words on the page to help you along. In the past, during the previous session, the report has been a cumulative one. That means that it consisted of four chapters, each chapter dealing with one particular Crown corporation. For example, this piece on the Securities Commission might just form, if you wish, one chapter of the next report you put out. Perhaps it might also include the ICBC review that you'll be doing on May 7.

I think that I've touched on everything. If there are any questions....

K. Stewart (Chair): Great, Audrey. I have a few extra comments to it, and I'll see if the Clerk has any. Craig, do you have any comments you'd like to make before I make mine?

C. James: In relation to the draft report that the committee is considering, the committee reports to the House and only to the House, not to any other person

or body. As such, the practice has always been, generally speaking, that the committee considers its report in camera.

The process, then, would be that when the committee has finished its deliberations, it will go back to the office and generate a report for the Chair to have a look at. The Chair will bring the report to the committee for the committee to have a look at. It will be amended, no doubt, in one form or another. During that process, it needs to be held strictly in camera.

Once the committee has completed its review of its report, it meets in public session to adopt its report. The Chair presents its report to the Legislative Assembly and then moves on to other business. I just wanted to make that clarification for members so that they're aware of the in-camera process. If they have any questions about it, please don't hesitate to let me know.

[1020]

K. Stewart (Chair): There are other times when we may want to go in camera for specific things, and at that time we will do so. I believe I indicated to everyone last time that you'll notice by the on-air recording that this is a Hansard process. Everything we say is recorded, and within a day or so it's live out there in the public. I think it's a good way for the public to hold us accountable for what it is, and at least we're open in that.

Just back to the process. There are a couple of points that I wanted to make. Bill Bennett was very helpful in working with the Crown corporations secretariat in doing the worksheet we used. I think it's something that we're always going to try and enhance and make better.

What we really would like to be able to do with this is carry it forward so that we have items that are objective, measurable and comparable, so we can come back in the case of, say, the B.C. Securities Commission — there's a number of recommendations there, and we'll be going into that in camera later — and say: "Here are some of the things we talked about last year when you were here. Now you've come back a year or so later. How have you done with these?" We want to really be able to measure their performance and see what they told us they were going to do and how we assessed them, and come back to see the improvement or the gaps that are continuing, or where they have not met the measures they set out earlier. That's really what we're trying to do.

The other thing we look for are specific comments that identify what it is we're saying. If we're making a comment about a performance that's less than our expectations, we should be able to justify that. It shouldn't just be: "Well, I don't think you're doing a good job." "Okay. Here's an area that we don't believe you're performing up to standard, and this is why." We want to be as specific as we can so it's not vague; it's helpful. It's a process that, again, allows us to be objective and be able to measure it on a platform that everyone can understand. We don't want to make it too complicated. We want it to be pretty clear what it is we're saying about a Crown corporation, why we're saying it and what our expectations are in saying that.

With regard to the reporting out, I was just looking at.... We're having ICBC next week, and then two weeks later we'll have another group. It doesn't look like we'll be reporting out until we come back in the fall. We can talk about that further, but that's what it looks like. We'll probably tag the B.C. Securities Commission onto that, or we can report out earlier if we wish. We can discuss that when we go over the report. It wouldn't be a problem to do them as a group. In the past we haven't reported out individually; we wait till we have a group and then report back as a report to the Legislature.

That's pretty much the comments I had with regard to the process. Audrey, I think, did a good job presenting that. Any questions with regard to that process out there?

D. Jarvis: I'm not quite sure if this falls into this reporting part of it, but on the questioning of witnesses aspect.... For example, ICBC's coming in on May 7. I was a critic for them for years, so I have a raft of questions — tons of questions. I could spend four hours at it, which we have done in the past sometimes.

[1025]

We have an unusual situation here, where we have seven or eight members, and up until now I think we have been going down sort of a system. I'll ask a question, and then John will ask a question, etc., as it goes around. Then it comes around to you again. Sometimes you know yourself that when you ask a question, the response does trigger something else. You can add another couple of questions on top of it. I'm just wondering if there is any kind of procedure or what the rest of the committee members recommend we do. I know I ask one question, and then I have to wait for eight other individuals to ask questions, and it becomes a belaboured situation. You're limited, very limited, as to what kind of questions you want to ask.

K. Stewart (Chair): One of the things we didn't take advantage of last time and that we may want to consider more, is that you all received — last week, I believe — the websites for the files on ICBC. It is incumbent on you as members to do your homework ahead of time. If there's a series of questions that you may specifically know you want to ask ICBC, we can forward that to them before their presentation and indicate to them: "Here are some areas that our members would like to touch on during your presentation." If they can answer the questions in their presentation and be more prepared for those questions.... We haven't done that in the past. As with anything, there's a risk in doing it and there's an advantage in doing it. That's something we can consider.

D. Jarvis: You're suggesting that we stay awake during the whole presentation.

K. Stewart (Chair): Not only that, but stay awake a couple of nights ahead of time and read over the material so you're prepared for it. That would also be helpful.

That's an option that is open to us. The one thing that you'll find with the terms of reference.... It's our committee, basically, with a lot of latitude given to this committee to ensure that we are looking after the public's interest in this. That's our primary goal.

D. Jarvis: You're going to think about whether you should say, "Well, member, you can ask one or two questions," and then move on to the next. Or it is going to be one, one, one and into the circle or....

K. Stewart (Chair): The one thing that worked out quite well for us.... We have to also acknowledge that.... What we tried to do was to be fair, because even though some person may have a specific knowledge with a topic, someone else may have a different perspective.

D. Jarvis: I appreciate that. And some may not even have a question.

K. Stewart (Chair): I think if they don't, there's nothing wrong with deferring to the next, and that's what happened. Usually we went around once or twice, and then everyone had, usually, one or two questions. After that there were people who had specific....

The other thing we have to realize is that we do have some limitations of time. The more prepared we can be, the more specific the questions are and the more information we give the organization ahead of time as to what those specific questions are, the better it will be.

Also, keeping in mind that we want to have a baseline for when they come back next time.... There are some organizations that are in transition, and I suspect ICBC would certainly be one of those. A lot of questions that may have been relevant six months ago may not be so relevant, and there may be a whole new group of questions that wouldn't have been relevant six months ago, which will be now.

Any other questions with regard to process? Okay. Maybe we can move on to No. 2, the scheduling of potential witnesses.

Review of Crown Corporations

D. Jarvis: I would just put forward that I would recommend we look at.... And why is the B.C. Utilities Commission...? There are many things that are coming up with regard to the Utilities Commission's reporting, and also B.C. Rail. I think it is a pretty interesting subject, considering.... I think the general public would really be interested as to what the future holds for that.

H. Bloy (Deputy Chair): For questions that we want to forward, should we send them to you directly as Chair, or do you want them...?

K. Stewart (Chair): The process we've taken in the past is that everything goes through the Clerk's office.

Then they'll ensure that it gets distributed. That way we're keeping very close to the spirit of the fact that we are a legislative committee, and I think that's the proper way to do it. Anything you have, send through the Clerks, and then they'll get it distributed. You can always cc me at the time too.

[1030]

H. Bloy (Deputy Chair): Okay.

K. Stewart (Chair): Any other questions with regard to process? Back to our planning. We have ICBC next week. Then we have one more group slot on the 28th, so we'll only actually get one more group before this session is over. The intent is to continue on tying in meetings with events over here, so that we're trying to utilize our time and keep the expenses down as much as possible. We will be following on and trying to keep in that two-week cycle of meeting.

We've had a couple of suggestions so far. Any other suggestions out there for the one that we're going to be seeing in three weeks? What's usually good is to have three or four potentials. We were held up a lot because of core review last time, and I believe that's one of the reasons we got some latitude to continue the work with this committee the way we did. There's no holdup with that anymore. Everyone is pretty much through their core review, so we don't have that dilemma. Anyone we want to see, subject to scheduling on their part and on our part, should be pretty available. There's really not too much reason for someone to be elusive about seeing us, if we give them proper notice.

There is the list there. We could also leave it.... We've got ICBC, and we've got some other suggestions. At the end of the meeting we'll try and narrow it down to a couple. Just look at your list, see who's there, and we'll take it from there.

D. Jarvis: I was just going to reiterate that at BCUC.... You know, there are some great changes happening to B.C. Hydro out there. Maybe it would be interesting to find out how they plan to treat the new sections that are being created as a result of the division of it.

K. Stewart (Chair): So there's an interest in that one. Also, the second one you mentioned, B.C. Hydro, was big on our list before. It was one of the ones we were waiting to conclude. Now that they've had some reorganization, it may be an appropriate time to see those also.

P. Bell: I would concur with that. I would suggest that we go.... Obviously, ICBC is first up, and I would suggest that we bring B.C. Hydro in for our second session. I think perhaps after B.C. Hydro, if we do another one after that, BCUC would be an appropriate adjunct to the initial Hydro one. It might work together nicely. Certainly, I think the public is ready to have some feedback on B.C. Hydro.

K. Stewart (Chair): Again, we've got three to look at, so any other suggestions, just e-mail them through to us. You've got the list there, and we'll just take it from there.

Subcommittee on Agenda and Procedure

K. Stewart (Chair): Also, what I would suggest we do, once the input is given, is have a subcommittee — the vice-Chair and myself and one other member — that can do the scheduling. Do we have anyone who would be interested in moving that we have a subcommittee formed for scheduling?

The Clerk has a suggestion with regard to a motion that may be appropriate if someone would wish to move it. Do you want to suggest that?

C. James: Ordinarily, the subcommittee on agenda and procedure would consist of the Chair, the Deputy Chair and another member of the committee so named. In this case, it might be appropriate, if the committee so wishes, to invite a member of the opposition to participate in this exercise as well.

K. Stewart (Chair): Would anyone wish to move that?

P. Bell: So moved.

Motion approved.

K. Stewart (Chair): Now I'm looking out beyond Harry around the room for a volunteer who would like to be on this committee with us.

S. Brice: I'll volunteer.

[1035]

K. Stewart (Chair): Seeing no others, we'll add Susan Brice to that committee.

If there's no further discussion on potential witnesses, I believe we've covered the topic of No. 3, scheduling meetings — that will be with that subcommittee — and No. 4 is the outstanding committee reports to the House. I would have us move in camera with that.

Outstanding Committee Report

The committee continued in camera from 10:36 a.m. to 10:45 a.m.

[K. Stewart in the chair.]

Other Business

K. Stewart (Chair): Any other new business out there that anyone wants to bring forward at this time?

I have a couple of points as housekeeping. With regard to attendance, it's the expectation that unless otherwise noted or granted leave, everyone will be

here for the meetings and be here on time. The quicker we can get started, the quicker we get out of here and the more efficient use of our time with regard to that. Just as a courtesy, if anyone is unable to attend the meeting once they're given notice of a meeting.... If you can respond back through the Clerk to the Chair that you will not be able to attend — or if you have a time issue, let us know. Then we can accommodate that by not waiting around.

The last item is confidentiality. There's a public portion of these meetings that I think we've been pretty clear about, and then there's the in-camera sessions with regard to the reporting out. The reports are confidential until they're delivered into the hand of the Speaker or the Clerks in the House. I just want every-

one to be aware of that — that the discussion on *Hansard* is public, but the reports are confidential until that point.

Does anyone else have any business they'd like to bring up this morning? Well, I look forward to an interesting meeting with ICBC next week, and I trust that everyone has got the information to peruse. The more information you have before the meeting, the more informed you'll be and the more benefit it will be not only to ICBC but to ourselves and to the public at large so that we can ask the appropriate questions and gauge them accordingly.

Thank you very much for coming. Do I have a motion to adjourn?

The committee adjourned at 10:47 a.m.