



4th Session, 37th Parliament

REPORT OF PROCEEDINGS
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SELECT STANDING COMMITTEE ON
CROWN CORPORATIONS

Victoria

Wednesday, October 29, 2003

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**SELECT STANDING COMMITTEE ON
CROWN CORPORATIONS**

Victoria
Wednesday, October 29, 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:* Jonathan Fershau (Committee Researcher)

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MINUTES

SELECT STANDING COMMITTEE ON CROWN CORPORATIONS



Wednesday, October 29, 2003
9:30 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; Harold Long, MLA; Dr. John Wilson, MLA; Patrick Wong, MLA; Rod Visser, MLA

Unavoidably Absent: Barry Penner, MLA; Joy MacPhail, MLA

1. The Chair called the Committee to order at 9:36 a.m.
2. The Committee met in camera for the purpose of deliberating on its Second Report to the House respecting its review of the Insurance Corporation of British Columbia, British Columbia Utilities Commission, British Columbia Hydro and Power Authority and the Homeowner Protection Office.
3. The Committee received a draft report on the matter of the Organized Crime Agency of British Columbia and agreed to include it in the Committee's Second Report to the House.
4. The Committee adjourned debate on its Second Report to the House.
5. The Committee met in public session.
6. The Committee reviewed its procedures and the process of examining witnesses.
7. The Committee discussed governance issues as they relate to the Board of Directors and the senior officials of Crown Corporations.
8. The Committee adjourned to the call of the Chair at 11:05 a.m.

Ken Stewart, MLA
Chair

Craig James
Clerk Assistant and
Clerk of Committees

WEDNESDAY, OCTOBER 29, 2003

The committee met at 9:36 a.m.

[K. Stewart in the chair.]

K. Stewart (Chair): I'd like to call the meeting to order for the Select Standing Committee on Crown Corporations. Today is Wednesday, October 29. We have before us an agenda. There are some items on the agenda that I believe would be appropriately done in camera with regard to our report, and that is the first item up.

If we can just have a quick look at the agenda. Are there any additions, deletions or changes that anyone would like to see? So all okay with the agenda.

Meeting agenda approved.

S. Brice: Move in camera?

K. Stewart (Chair): Yeah, at this point. All those in favour of moving in camera?

Motion approved.

The committee continued in camera from 9:37 a.m. to 10:42 a.m.

[K. Stewart in the chair.]

Committee Procedures Review

K. Stewart (Chair): I would suggest that if anyone wants to get up and grab a coffee or something, go ahead. I don't want to take an official break now, because it seems to be hard to lasso everyone back. We'll try and get through this as quickly as we can. I know there's some anxiety to get to some other meetings.

J. Les: Why don't you just carry on?

K. Stewart (Chair): Let's just carry on. If you want to grab a refreshment, go ahead. We will move now into the other areas of the agenda. We've covered off that we're going to have a final draft of our report presented on, I believe, the 19th.

J. Fershau: The next meeting.

K. Stewart (Chair): Whenever that date would be.

Now I'd like to move on and do some other issues, including governance and our reporting out. We discussed how we'd like to take the opportunity to look at more effective ways in the process of interviewing and reporting out for this committee.

I would like to start with Harry, and we'll just move around this way. Thoughts about our process, reporting out, etc.

H. Bloy (Deputy Chair): Well, I was pleased with today and the information we got.

I guess the process is when the groups come in front of us at the Crown Corporations and the asking of questions — how we can be more effective. You know, some of us have different likes for some corporations and would like to spend more time questioning them, but under the present process we each get one question — maybe a second, if time permits. I believe that for certain Crown corporations, we may want to invite them in — not for an hour or two hours.... We may start a meeting at nine, and they'll be our only group, and we'll ask questions for the day, if that's what it takes.

K. Stewart (Chair): Any recommendation for changes, specifically?

[1045]

J. Wilson: I think we're under a little time constraint as to how in-depth we can get with these things. If we have the material ahead of time, perhaps we can be a little more effective in our questions, and maybe they can bring some answers. We don't necessarily give the question ahead of time. We can always supply them with the questions and ask for an answer.

I'm just a little nervous about.... If you look at our schedules, it's back-to-back meetings most days. To sit here and examine a Crown corporation beyond a set period of time, I don't think is going to work too well.

H. Long: I have no comment. I think we've got a pretty good process. Maybe I could say this. Lots of times when you have people come in and you just listen to them and ask them questions, lots of questions come up after. Maybe the process should be that they should give us some idea of what is coming up, what is controversial, prior to it — if we have the time to read it and take it in, of course, which lots of time just doesn't happen as well.

I'm quite satisfied if in fact you do the reverse, where you bring them in, they answer the questions and you bring them back. We just have a two-step procedure on some of these.

J. Les: I find the process of going around the room and everybody having one question very limiting and not very productive. I think what you might try is this. As the various Crown corporations come through, you kind of poll committee members to see who's got specific interests in specific areas. If it's XYZ Crown corp that comes in and Harold Long has a particular feeling for what they do and has some expertise, then I would be happy to defer to Harold to be sort of the lead on behalf of all committee members.

That's going to take some sensitive management on your part, for sure, and it doesn't mean I would defer it completely, but it does mean that I would be prepared to recognize his interest, his expertise. I'd be an interested observer, at least to that degree, and perhaps after he's finished, I would have one more question based on what he was able to elicit out of the witnesses. I know that every meeting isn't going to be the same

and every Crown corporation isn't going to interact with us in the same way, but I think we need a little bit more flexibility in terms of that questioning procedure.

S. Brice: I feel the same way John does. I think we could focus our questioning through a couple of questioners and still be able to go to questions 2, 3 and 4, which kind of brings out more meat. I would agree with that completely and would leave it to the Chair for whatever creative ways you could have that happen.

In terms of our reporting out and our scheduling, I think we need to put a little rigour to our own committee. We have a Crown corp here that met with us in May, and by our current time line it's going to be at least half a year before we get back to them. If we're going to have any sort of ongoing expectation that they come back within a year with some changes and what not, I think we really have to look at ways to shorten that.

For instance, in today's case I would have gladly, after our committee draft discussion.... As a committee member I would have said I left it to the Chair and the Deputy Chair to review with the staff the changes that were made — and then out. The more times we meet on something, we kind of chew it over again. What it does is allow us to become lazy in our preparation, because we know it's going to keep coming back.

I just put that out. I think we should put some time lines to ourselves — they might not always be met — where an expectation is that we try to have something out the door in, I'd say, a minimum of three months.

H. Long: And we could always change a recommendation later if it wasn't right.

P. Wong: Two points. One is that in choosing the Crown corporations, we should stick to choosing the more important ones, stick to our new-era agenda. I agree with Pat Bell, who was saying that FII is one of our priorities. We should choose the most important ones.

[1050]

Secondly, every time, we run out of opportunity to ask questions. The reason, occasionally, is caused by the witnesses. Some of them are really smart. They try to give you a long, wordy answer, and then you don't have a chance to ask questions.

K. Stewart (Chair): Run the clock.

P. Wong: That's why I think occasionally the Chair should put a stop to that, because that gives us more opportunities — or ask them to give us answers at a later time in written form. That's my suggestion.

P. Bell: I would just like to agree with both Susan and Patrick. I think the key direction, as Patrick says, is to direct the witnesses to have short, concise, simple answers. I think that's very important. That could come from the Chair prior to them attending, and then they

could be reminded of that as well. I think they do tend to rag the puck a fair bit in their answers to get to the end of the session.

Susan's comments are very relevant in that we should, on completion of each meeting, be reviewing the previous meeting's report and get that sent out to the Crown corporation. It's fine for us to do the review and submit it to the House, but as Susan says, some of these folks — ICBC is the example — will perhaps not even see our comments for six or eight months, and they're already in the process of preparing their '04-05 service plan and budget. Will they be able to incorporate our recommendations into that '04-05 budget and service plan, or are they going to be back here and we're going to be giving them the same comments because they haven't had the opportunity to actually review our recommendations? So I would support both Susan's comments and Patrick's comments.

S. Brice: I think it's important to note that in terms of the order or which Crowns are coming in, as an all-party committee we stay totally open and even-handed about which Crowns come to present to this committee.

K. Stewart (Chair): I've heard a number of suggestions here that I think are all very valid. There are two things that we're always challenged by here in Victoria. One is what John pointed out: the time. There is a lot to be prepared for a Crown corporation to come in. There's a lot of pre-reading to do. We get that usually a couple of weeks.... I don't know, with the next group, how long we've had that information — a couple of weeks already.

J. Fershau: Yup.

K. Stewart (Chair): We've got three or four weeks — usually three weeks — of opportunity to go over that. With the busy schedules, most of us don't seem to get to it until.... We may bring the reports with us, but we're relying on the presentation of the group that comes here. Unless we can sort of change that culture.... One of the ways, through John's suggestion, which has been suggested by some of you, is maybe to have specialists who take the bull by the horns on that. I think that's good, as long as we get people who can do that. It is a committee, and they can work off that.

The issue with regard to the questions is that we do give out some direction. We include it in our earlier package to members as to the information that goes out to the Crown when they come in. We do ask them to keep their questions concise, and some of them are much better at doing that than others.

The other constraint that we really are held to is the House. We cannot submit a report back to a Crown without it going through the Speaker. We were challenged last time. I wanted to get the committee going in the first week of.... I'm sure the Clerk can attest to the difficulty we had in getting our committee struck. It was near the end of the session, so we were somewhat

limited as to the ability to witness Crowns and then report back out to the House that now's the time we can report back to the House. Granted, we could have met more in September and had the report ready for early October on those.

[1055]

The difficulty, again, is time and people — wanting to be somewhat responsible for bringing people together when there are other reasons to bring them together, both as a fiscal responsibility to the taxpayers and being considerate of the time of the members and the limited time they have back in their home communities as it is. Those are some of the constraints that we're working with. I'm certainly looking for solutions around those, and some people have made some suggestions.

In that context, I'd like to continue on with the discussion of what we can. I just want to identify some of those issues. One is pre-reading. The other is identifying certain members of the committee to be the leads on Crowns. The other one is trying to work with the legislative calendar as much as we can to facilitate a quick response for those organizations and whatever we can do with the Clerk's office and with our writers to try and pull that in. They've been working, I think, effectively under the time restraints that we've given them. I don't think they've been overly onerous, but they certainly have been delivering in the time that we've asked. If we wish to pull those in more, we probably could see how far we could get with that.

Those are just a few points that I have. I see a couple of hands up.

P. Bell: Are we restricted to the number of reports that we can file in a year? There's no reason that we couldn't review the report here if we meet every two or three weeks — that we review the report for that specific Crown and then file that in the House and then release it to the Crown. Is that right?

K. Stewart (Chair): I'll let the Clerk answer that, because we had some discussion about that earlier.

C. James: I think the original plan for the committee was, in fact, to hear from a Crown corporation and the following meeting hear from another Crown corporation, but also to review the report of the previous meeting on that particular Crown corporation and submit the report to the House if it was in session. If it's not, the committee certainly is empowered to deposit its report with the Clerk of the House, which then becomes a public document. Of course, the onus is on the Chair then to present the report to the House as soon as it sits next.

In the meantime, I suspect that the Crown corporations receiving the Crown Corporations Committee's report would be reviewing the report in the context of the recommendation. The committee meets based on the assumption that the House would approve the report.

J. Les: I think there's one thing we could reasonably ask witnesses to do. We've had several of them now

that have come in and made fairly lengthy presentations using PowerPoint and overheads. I would really like them to resubmit those so that we could take a look at them and start generating some ideas and thoughts. Somebody makes a PowerPoint presentation with 50 different overheads. There's a lot of information there.

What I'd like us to be able to do is utilize our time as effectively as possible. If we had those presentations ahead of time.... Whether it's electronically or whatever, it doesn't matter. I mean, you could easily send those things by e-mail so that particularly those of us who might have a specific interest could look at them. I think that would be quite valuable.

J. Fershau: How long would you like them in advance? That would be something that I could simply.... It would be in the letter that goes. I could say: "We need this a week in advance."

J. Les: A week in advance would be fine. Much more than that and it loses its utility.

K. Stewart (Chair): We were actually getting most of them ahead of time before. They would submit them with.... If we can just re-emphasize that. Our next witness is B.C. Housing. If we can ask for those now, they should be able to submit them. A lot of these organizations have pretty much canned PowerPoints, and they just change them for the audience. There's another issue I want to bring in with regard to boards and governance, but if there's more discussion on this, I'd certainly like to continue with that first before I bring that in.

I believe it's the will of all of us to try and be more effective in these committees, but as we found out today, there are three other meetings going on right now that require attendance of MLAs. I know some of us would like to be there. Those are just the restraints on our time while we're in Victoria.

I would like to further look at picking specialists or people of interest with the group. I would like to spend some time at the next meeting prioritizing our group. Is the 19th our last scheduled meeting for this session?

[1100]

J. Fershau: We also have the Oil and Gas Commission coming in the week after B.C. Housing. I believe it's....

K. Stewart (Chair): That'll be the 26th. That's the last week we sit.

J. Fershau: Yes.

K. Stewart (Chair): That's an area where I think we can enhance delivery of those. We will spend some time at our next meeting discussing the future groups we're going to bring in and if we can identify some lead members to follow on. That should make the time spent, especially in the question period, more relevant.

Crown Corporations Governance Issues

K. Stewart (Chair): The next issue I want to touch on is governance. One of the areas, in reflecting our reviews and accountabilities, is the board side. We haven't really made that much demand on the requirements of what the boards are up to, which are overseeing these agencies. When we look at the ICBC issue and the concern we had with the CEO and the chairman of the board and being the president, etc.... I believe we should be asking more on that area of governance as to how often the board meets, who's on their boards and what's the responsibility of the boards to the Crown.

It's an area that I believe we haven't been looking into enough. They are the representatives of the shareholders, which are the people of British Columbia that are represented on those boards, and I believe we should be asking more on the accountability of those boards with regard to it. I just want to throw that out for some discussion. We've been more or less concentrating on the presenters here and looking at their service plans, but a lot of them haven't really told us much about the boards, and we really haven't been asking. It's an area that I think we might want to look at.

Actually, when we go to the various agencies and ask them for their presentation, we should maybe be asking them to present us with a report of how often their boards met, who is on the boards and the profiles of those. A lot of them are there, available — especially some of the bigger ones — through the websites, but as I was going through, they're not as obvious as they should be. Those should be the lead people on those agencies, and I believe we should give them a little more attention than we have with their responsibility to the organizations.

Any thoughts or comments on that?

J. Wilson: I don't know how far you'd get, but it wouldn't be a bad idea to have a look at all their

meetings and the agenda and the topics discussed — the actual work they are doing.

K. Stewart (Chair): I believe it would be an easy thing for us to request that in the package. I'd like to suggest that we include that in the package we send out prior to them coming before us. Do we have any kind of consensus that that would be a reasonable thing to do?

H. Bloy (Deputy Chair): So you're looking at a measurement for the board as well?

K. Stewart (Chair): Well, some accountability there, which we haven't really been looking at as of late.

H. Bloy (Deputy Chair): Overall, they would be responsible for the actions.

K. Stewart (Chair): That's correct. In theory, they're the representatives of the people that are the shareholders on that board and that agency.

H. Bloy (Deputy Chair): I can support that.

K. Stewart (Chair): Any other thoughts on that?

J. Les: I'm fine. I think it's a good recommendation.

K. Stewart (Chair): I would suggest that we can include that in our package that goes out. You might want to let the next set of witnesses know that we'll be looking for that in their presentation.

I know there's some anxiety to get out to some of these other meetings. Any other issues that we want to round off today before we conclude?

I'd look for a motion to adjourn, then.

We'll see you all back on the 19th.

The committee adjourned at 11:05 a.m.