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THE HONOURABLE BILL BARISOFF, SPEAKER

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**FIRST SESSION, 38TH PARLIAMENT**

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THURSDAY, NOVEMBER 17, 2005

The House met at 10:03 a.m.

Prayers.

### Orders of the Day

**Hon. C. Richmond:** In this chamber I call Committee of Supply to continue debate on the estimates of the Ministry of Health, and in Section A, the Douglas Fir Committee Room, is Committee of Supply estimates debate of the Ministry of Finance.

[1005]

### Committee of Supply

ESTIMATES: MINISTRY OF HEALTH  
(*continued*)

The House in Committee of Supply (Section B); S. Hawkins in the chair.

The committee met at 10:06 a.m.

On Vote 34: ministry operations, \$11,323,248,000  
(*continued*).

**K. Conroy:** Good morning. I just wanted to get a little bit of clarification on some of the discussion we had last night. What I would really appreciate.... I'm new to this, and on some of it, I would like clarification. I wanted just an actual number for the number of net new beds in long-term care in the province.

**Hon. G. Abbott:** I can provide the member with an approximate number. The challenge is that there are many projects that are either at completion or near completion. For example, in Salmon Arm, up in my constituency of Shuswap, there is a 75-unit Good Samaritan assisted-living residential care facility that has some of its units occupied, as I understand now. But it hasn't had a grand opening, so whether we'd count them or not, I'd leave that up to the member to decide.

Over all, we are somewhere probably.... In terms of the number since 2001 that we have added or remediated in a substantial way, it would be around 4,500 since 2001. The net number net of closures would probably at this point be somewhere in the range of 300 to 600, again depending on which ones you chose.

**K. Conroy:** Just to clarify, that's just the long-term care beds. The minister had talked about assisted living and long term with his Salmon Arm example. So we're looking at 300 to 600 just in long-term care beds.

[1010]

**Hon. G. Abbott:** I'm not sure what the member means by long-term care beds. There are, as we discussed quite extensively with the Health critic the other night, a range of supports across a continuum, from

supportive housing without external supports; to seniors supportive housing with supports, where there's regular intervention by home care; to assisted living, where there is access on a regular basis to medical supports plus a hospitality package that includes two meals a day, personal care, and so on; to the highest level of care, which is 24-7 complex residential care.

I don't know, when the member says long-term care.... When I use the term "long-term care," I am talking about that continuum from supported living with medical intervention to residential care. If the member is talking only of residential care, we can try to get her a number. But that's not the model today. The model is a continuum of care.

**K. Conroy:** I appreciate that. I understand the continuum of care. I think we all do. I would appreciate if the ministry would provide for me the exact number of residential care beds, and we can wait for that and get it in writing. I would also like it based on the health authorities — the actual number of long-term care. We don't need it today, Mr. Minister. We can wait and get that in writing — the actual number of residential care beds, the net number that have been created throughout the health authorities. I will wait for that in writing. I'm fine with that.

I just want to move on. In my role I receive information from many families in this province concerning the number of seniors who are in acute care beds in hospitals, waiting for long-term care placement. What we'd like to know is: is the minister aware of the number of acute care hospital beds that are currently being occupied by seniors waiting for residential care?

**Hon. G. Abbott:** There are an estimated 25,000 residential care beds in British Columbia today. What we will provide to the member is a breakdown by health authority of the number of residential care beds they have and as much information as we can collect about what the current differential is around what existed in 2001, what exists today, which I gather is what the member is looking for — correct?

**K. Conroy:** Thank you. Now on to my next question. I'm fine to get that in writing. We'll look forward to those numbers. Again, what I wanted from the ministry is the number of seniors who are actually in acute care hospital beds awaiting placement in the residential care beds.

[1015]

**Hon. G. Abbott:** Perhaps I would first of all ask the member if she would check the record. We went through a lot of these issues the other night, and a lot of this stuff has been put on the record. I don't know how we can better coordinate the efforts here, but we actually had the staff in and dealt with that. We don't have that number with us today, but it is part of the *Hansard* record of the debate previously.

Generally, what that showed was that we are seeing a reduction every year and probably every month

over the year, although there would be some variations. But there has been a substantial reduction in the number of so-called bed-blockers — that is, people who are inappropriately in acute care beds when they really should be in alternative-level-of-care beds.

Good, we just got the graph here. What the graph shows is that the inappropriate use of acute care beds by what should be ALC clients has dropped from 95 per thousand in 2001-2002 down to about 82, 83 in 2002-2003, down to the most recent figures, 2004-2005, of about 77 per thousand. So the number has been dropping, and that drop is reconfirmed by the documented wait times for accessing residential care or assisted-living beds. From acute care beds it's most commonly residential care, but not always. Sometimes assisted living is the more appropriate venue, depending upon what health issue the individual is dealing with.

The drop-over time is reconfirmed by the wait time for ALC. In Vancouver Coastal Health Authority the average is 17 days to wait between identification of a need to actually being able to occupy an alternative-level-of-care bed. In the Interior Health Authority, which has the longest wait time, it's currently — again on average — 88 days between the identification of need for a long-term care bed and the time at which they would be able to take occupancy of that bed or unit. That is a reduction over time from about one year when our government took office.

The member says she's heard from all kinds of people saying that they don't like to wait and that the wait is unacceptable. Fair enough. We want people to have ready access to the level of care they need when they need it. That's the goal. As we talked about this with the Health critic the other evening or other day or whatever time of day it was, in a perfect system you have a perfect symmetry between acute care beds and their usage and alternative-level-of-care beds and their usage. But there is always some churn between those two bodies of beds, and the churn occurs because there are times when people in acute care beds suffer an injury or an illness that, in the view of their medical care giver, should move them back into the acute care system.

Alternatively — and I spoke at some length about this — there are lots of cases, as was the case with my father, where he had a series of strokes that incapacitated him. This was the late 1990s. There was no residential care bed available to him, so he spent three or four weeks — very unhappy weeks — in an acute care bed waiting for a bed to open up in residential care. He was lucky. He is a veteran, so he was able to get one of the beds that was dedicated to veterans in Bastion Place in Salmon Arm.

[1020]

To me, it was probably the most powerful example I will ever need in my life of why we need to have sufficient stock in all areas in order to meet that need. Is the system perfect? No, it's not, because they're never in perfect alignment. It would be nice if they were, but they're never in perfect alignment, because there is a

certain amount of churn, and there is still some capacity to come on line.

I'm very confident, given the way the wait times have been reduced in recent years, that as the new capacity comes on.... As I think I mentioned to the member last night, we have 52 projects with shovels in the ground, which will add about another 2,700 units by the end of 2006. As those come on, it will make a dramatic change in terms of how the health authority can manage that intersection between assisted-living, residential care and acute care beds.

There has been an issue in Salmon Arm — again, I'll use that as an example — at times, with the inappropriate occupation of acute care beds by people who should really be in residential care or in assisted living or in facilities that are some combination of those two things. As the new Good Samaritan project comes fully on line, it'll be an addition of 75 beds. I suspect it will pretty much eliminate for Salmon Arm the problem of inappropriate use of acute care beds. But even at that, there may be times when a bout of illness or something like that will have those systems out of perfect alignment. That's what happens in the health care system, but we are always working for continuous improvement to keep those things as well aligned as we can.

**K. Conroy:** Thank you to the minister.

The seniors of Salmon Arm are very fortunate that they have that capacity being built in their region. The seniors of the West Kootenay area aren't quite as fortunate, as many of them do wait in beds for a considerable time. The number of beds that have been shut has been substantial, and seniors are having difficulty accessing residential care beds close to home.

I'd like to ask the minister what the ministry's policy is. It's my understanding that when seniors are in extended care facilities that are part of a public general hospital situation, additional fees that are charged are covered by Blue Cross insurance, for example. When seniors are in private facilities, those additional fees are not covered.

I want to know if the ministry has addressed what happens to seniors if they are in a public facility and that public facility is closed and they are transferred to a private facility because that's the only bed available in the community. They would now face the possibility of having to pay the additional fees that they would not have paid before because they were in a public facility. Has the ministry entertained any kinds of policies about that?

[1025]

**Hon. G. Abbott:** We're just getting some additional information in respect to the latter question by the member.

In relation to her previous question.... Actually, it wasn't a question; it was more a commentary on the Kootenays and the availability there.

Just to let the member know: in Cranbrook, 47 beds in Steepleview Care Centre will be replaced by a new 75-bed facility in fall 2006. At Joseph Creek Village, 25

assisted-living units were opened in September 2003. In Creston, Swan Valley Lodge — 90 beds are being upgraded at an estimated cost of \$4.2 million to renovate 30 care rooms and install ceiling lifts. At Orchard View Village, again in Creston, 21 assisted-living units have opened. In 2002-2003 enhanced rehabilitation services and an adult day program to include a dementia program seven afternoons a week and expanded home nursing services to seven days a week, volunteer support meal program.... In Fernie-Sparwood, Rocky Mountain Village, a new facility with 50 residential care beds and ten assisted-living units, opened July 2004. In Golden eight assisted-living units are approved, and we hope.... I know there's been some confusion around what the municipality and the health authority are working towards there, but that hopefully is going to be resolved shortly, if it hasn't been now.

In Invermere, Columbia House has been upgraded at an estimated cost of \$3.8 million to install ceiling lifts and add 15 new rooms, and it has the capacity to add five additional rooms in the future. Additionally, in Invermere, eight assisted-living units have opened at Columbia Garden Village — previously Mere Wood Village. In Kimberley, the Kimberley Special Care Home has been upgraded at an estimated cost of \$1.7 million, and 11 assisted-living units will open October 2006. Arrow Lakes: four residential care beds opened at Arrow Lakes Hospital. Castlegar: 15 assisted-living units opened at Castlewood Village, September 2003. Kaslo: five beds added in 2002, and 15 beds at Victorian hospital. And so on. So it's not all bad news in the Kootenays by any means. There's been a lot of exceptional work done, I think, by the Interior Health Authority.

I think the member's latter question was around: whether a facility is owned by the public — i.e., the government — or by a private owner, is there a difference in terms of the rates that an individual occupying a room in one of those places would pay?

[1030]

The first thing staff advise is that with the distribution of private non-profit facilities to private for-profit facilities, the balance is about the same today as it was through the former government's time in office back in the 1990s — about 50-50. About half are where the health authority, or whatever entity exists to serve the public at that point in time, purchases those services in the private market, or whether it's in a government-owned and government-run facility.... The distribution is approximately the same as it was ten years ago and probably about the same as it was 20 years ago.

As a government, we have always — and I'm speaking historically here — had some mix of public and private. That continues today. Again, I assume the former governments, when they were in office and were looking at the allocation of their capital resources, were always looking to try to get the best value — the best, greatest taxpayer benefit — for the expenditure of every taxpayer dollar, just as we do today. I would

assume that. Others may want to correct me on that, but that's fine.

What is in the best interests in terms of deriving maximum public benefit is going to vary at different times in different parts of the province. I spoke of the facility that is the sort of government-builds, government-runs model up in Vanderhoof, but there are lots of other instances where, because of either competitive forces in the marketplace or other issues, perhaps a private non-profit is the best route — a partnership, for example, with Salvation Army. Or it may be in our best interest to purchase a services package from a private sector entity, because of the competitive nature of the marketplace, or because they want to build a 30-unit facility because they believe that's the long-term viable number of units for their facility. But in the next five or ten years they are prepared to give us an exceptionally good rate in order to buy a service package from them for perhaps five or ten years.

These are the kinds of things that staff do and do very thoroughly and, I think, very professionally, in terms of assessing where in the marketplace the best place is for us to invest our dollars.

**K. Conroy:** Just to be clear, we are not in any way, shape or form expressing any negative concerns about assisted-living facilities in this province. Assisted living is a good thing. Our concern in the Kootenays is residential care: the number of residential care beds that have been closed. I would appreciate if the ministry could provide in writing — not today, not in a verbal answer, please — the number of beds in the Kootenays, residential care beds, that have been closed and the number of beds that have been opened. That's residential care beds, not the assisted living. I would appreciate those numbers for the Kootenays.

[S. Hammell in the chair.]

I think the minister misunderstood my other question. My other question was really very simple. It was a question of extra fees that people are charged that insurance companies cover. All I want to know is.... When a senior is moved from a public facility to a private facility, through no fault of their own, no choice of their own — the public facility is closed, and the only bed in the area for them, the next available bed, is a private facility — Blue Cross will no longer cover the extra fee the senior is charged. For instance, seniors who are covered by Blue Cross under Cominco in Trail — if they're in a private facility, Blue Cross will not cover that extra fee. If they're in a public facility, Blue Cross will cover it.

Does the ministry have any kind of policy in place — that's all I'm asking — for seniors who are transferred, through no fault of their own, from a public facility to a private facility? Who now covers that fee, a fee that they had in no way, shape or form planned on paying for and do not have as part of their budget? That's all I wanted to know.

[1035]

**Hon. G. Abbott:** I thank the member for raising the question. It's obviously an important question. In the first instance we're dealing with Blue Cross, which is a private sector entity. It's not an entity that the government controls. The issue the member raised, while it's an important one, is not one that we have heard about previously or have encountered. But it is one that would certainly cause us concern, so we're prepared to look into it. If the member could forward to me some examples of where she has seen this problem occur, we would certainly want to do what we can with Blue Cross to remediate this. It does sound like an unfortunate situation.

Again, we can manage public policy as a ministry, but we can't necessarily force Blue Cross to do anything, because they are a private sector provider of insurance and some services not covered by CHA. We welcome the member's submission of more information to us, and I can assure her that we will take it up with Blue Cross.

**M. Karagianis:** I do have a few questions for the minister, as well, to do with very specific facilities. Having worked in the field, however, for the last number of years, I see that definitions around the levels of care have again somewhat changed. I know that over the last number of years the term "assisted living" was actually not in favour, and "independent living" was the required terminology to be used.

I've heard a number of different references here in the course of these estimates, and so I would ask if the ministry could actually please provide for us a definition now of the new language around each level of care — in fact, what that refers to and where the thresholds are, where assisted living becomes complex care or long-term care or whatever the new terminology is. That would actually help a lot in defining some of the confusion around when a bed is a bed and what level of care we're referring to. That doesn't need to happen at this moment, but at some time if we could, please, have those definitions.

[1040]

In the spring of this year I requested, on behalf of my constituents, that audits be done on facilities here in the capital region, very specifically Sunset Lodge. My first question is whether those audits have been completed and if, in fact, the results of those are available to the public.

**Hon. G. Abbott:** Let me address the first portion of the member's comments. The comment is an entirely legitimate one. There are a number of different terms that are occasionally used. They appear to be used interchangeably, and there's a certain amount of confusion around exactly what the definition of each of them is.

For members who would welcome some additional clarification around what we mean by home care, supportive seniors housing, assisted living and residential care, I would refer them first to the Ministry of Health

website, or Independent Living B.C., for that matter — both are useful — under B.C. Housing. That would be one source. I understand that the ministry also has a new pamphlet out which goes into some detail in terms of what the different parts of the continuum of care are.

Again, we don't have a bias about what's better than another thing. What we do want to see is a situation where there is a sufficient quantum of different kinds of care, ranging from home care, where people are living independently in their own home and are supported periodically by external supports through home care aides and so on; to supportive seniors housing, where there is layered-on periodic intervention from the health authority through health care aides or community nurses and so on; assisted living, where there are those supports plus a hospitality package of meals and personal care; and residential care, for those whose needs are most intensive and who require, generally speaking, 24-7 supports in order to manage.

Our aim, to put it simply, is to have the housing and health supports that are commensurate with need in wherever the location is that the need exists. If you have too large a number of residential care beds and not enough assisted-living beds, for example, you may have people living in residential care who don't require that level of care. Part of the challenge here is not just to ensure we have alternative-level-of-care beds but a proper balance and mix within that area.

Staff were just looking for the detail around Sunset Lodge. I think they have that now, but I want to review it quickly with them, and then I'll come back to you.

[1045]

Thank you again to the member for her patience in waiting for an answer in respect of Sunset Lodge. Regardless of the facility — whatever health authority, whatever location in the province — audits are a regular part of licensing and so on in these kinds of facilities. Audits are referred to the health authority. In the case of Sunset Lodge, Vancouver Island Health Authority has the responsibility. We understand that licensing officers from VIHA have met with senior management at Sunset Lodge to review the concerns that have been raised by, I believe, the member and perhaps others as well. Hopefully, those concerns have been resolved.

**M. Karagianis:** Is that information public? Further to that, Sunset Lodge recently, in fact, cancelled a contract with Compass and has engaged in a new contract. As part of this audit system, are the ministry and the minister looking at that new contract, making some comparisons with it and the Compass contract that was previously in place, and auditing the difference between those two contracts?

**Hon. G. Abbott:** As I recall and understand it, the Sunset Lodge is operated by a non-profit society — of course, a very prominent one: the Salvation Army. They are the ones who have the fiduciary responsibilities in terms of the management of the facility, so the

licensing management of contracts rests with the non-profit.

[1050]

What we do, what the government does, is monitor the outcomes. If there are complaints that are registered in terms of food or cleanliness or other issues, the licensing officers could be dispatched by the health authority to look at those things, but it is not up to government, nor can it be up to government, to determine what relationships the Salvation Army enters into in terms of food contracts, housekeeping contracts or those sorts of things. It's up to the non-profit provider to determine what's in the best interests of their patients and clients in moving forward. So that's, I think, the best way to characterize that.

**M. Karagianis:** Certainly, I do understand the responsibility that the Salvation Army holds in providing care at Sunset Lodge. But as a health facility that is under the care and responsibility of the health authority, it would be my hope and expectation that the ministry would take a keen interest in the difference in the contract that was engaged with Compass when, in fact, that is an organization that provides both food and cleaning services to most of the public facilities in the region. In fact, now we've seen a private caregiver cease this contract because of lack of performance and engage in another contract which may be able to provide better food service and better cleaning service. So it would be my expectation that VIHA and the minister would take a very keen interest in auditing both the previous contract and this one.

We see that so much of our private health care is now dependent on the services provided by Compass, and we have, in fact, not one but two facilities in this region that have now shown a lack of performance by this Compass contract. In fact, Saanich Peninsula Hospital has now changed the terms of their food provision contract with Compass as well. Again, I would hope that the minister and the ministry are taking a keen interest in the performance evaluations of these contracts, are monitoring that and are looking to provide a public audit on that.

I would actually ask at this time if the minister would take a personal interest in comparing these two contracts — the previous Compass contract and the new contract that Sunset Lodge has engaged in — and in reporting out to the public on the differential of performance in those. I think we all have a keen interest in seeing whether or not there are some better options than what we are currently experiencing.

Saanich Peninsula has managed to change the terms of their food contract. They are no longer rethermalizing. I would ask the minister if this is a move to look at new terms of reference for how food is provided to health facilities across the region and perhaps provincewide.

[1055]

**Hon. G. Abbott:** The member asked a not particularly long question but a fairly involved one, so there

may be areas of her question that she'll want to do supplementals on, because it is fairly involved in terms of the level of complexity around these things.

The member says: do we take a keen interest in these matters? We certainly do. The ministry takes a keen interest. The health authority takes a keen interest.

Our entrée into this is through licensing, and it's through the service contract that we have with the service provider. In the case of Sunset Lodge, it's the Salvation Army, which is a very well-experienced organization in the provision of care of this sort and has a very strong reputation for both quality and care that is provided by the organization. That's something we respect.

What we do on a regular basis are inspections and audits. Those occur on a regular basis, but they can be triggered more frequently should we receive complaints about food or cleanliness. They can be triggered more frequently so that we can better understand what's going on in a particular facility.

In the case of Sunset Lodge, as we understand it, they were dissatisfied with the quality of food and housekeeping that had been provided by Compass. They took advantage, I presume, of the conditions for termination which existed in that contract and terminated it and have now entered into a new contract.

We don't try to micromanage the Salvation Army in terms of who they enter into a contract with. That is up to them. What we monitor are the outcomes. Is the quality of food better? Is the housekeeping better? And so on. Those are the issues, among other things, that come into our purview through the licensing inspections and the audits that go on.

There is an important point around all of this as well. There have never been in the history of this province the kinds of comprehensive audits of food quality and housekeeping that there have been in recent years through the health authorities. In fact, even the information in respect of those food and housekeeping audits is posted on the health authority websites. In the case of the Vancouver Island Health Authority, audits are posted on VIHA's website at [www.viha.ca](http://www.viha.ca).

The member may ask: well, how do those housekeeping audits and food quality audits compare to audits that were done in her former government's days back in the 1990s? The answer to that question is that you can't compare them at all, because there were absolutely no audits done in the area of food or housekeeping under the former government.

[1100]

We are adopting a far more rigorous approach to this than has ever been undertaken before. When problems emerge, we can deal with them under the terms of the contracts we have. Whether they're with a non-profit service provider or a for-profit service provider, we always have provisions for terminating a contract that's in non-compliance. Again, the system's not perfect, but it is constructed in a way that lends itself to continuous improvement within that system.

**M. Karagianis:** I would hope that the minister would be very interested in the new contract that Sun-

set Lodge has struck, considering that the Compass Group has now several times over shown lack of performance, both at Sunset Lodge and at Saanich Peninsula Hospital. In fact, Saanich Peninsula Hospital is under the responsibility of VIHA. It is not run by a private organization like the Salvation Army, and they have had their food contract altered because of complaints around that.

It would seem to me that the minister would want to examine the new contracts to see whether, in fact, better options are available for the health authorities to provide these services. Given the fact that we've seen complaints from Saanich Peninsula Hospital on the food provision there.... There are continued complaints coming to MLAs. I'm sure the member for Saanich North and the Islands probably receives the same information that I do around the concern for Saanich Peninsula Hospital.

Sunset Lodge is just now coming out of the third quarantine this year. The facility has been shut down, and family members were not allowed to go and visit their mothers or fathers or relatives in Sunset Lodge for the past week because of a new quarantine.

I would ask the minister, as I did in May, if he would please commit to conducting an independent audit of the health facilities in this region — not a VIHA-stimulated audit but an independent audit — given the failure of many of these contracts to fulfil their obligations to the public.

**Hon. G. Abbott:** I do not agree with the suggestion made by the member for an independent audit. In fact, the licensing officers from the Vancouver Island authority are expected to perform their jobs in an independent manner, and we have absolutely no evidence or reason to think that the professional, well-trained and well-educated licensing officers from the Vancouver Island Health Authority would acquit themselves with anything other than professionalism and independence.

If the member has some reason to think that they would not, then she can advise me of it. We have complete confidence in our licensing officers to deliver independent and fully informed reports in respect of what is going on in facilities.

Further, I find it just at least modestly offensive that the member suggests that somehow the Salvation Army — which is a very well-experienced, well-respected, well-managed and excellent organization in every sense — would need to have oversight from the government in terms of the food and housekeeping contracts it undertook.

[1105]

Clearly, the Salvation Army was dissatisfied with the work of Compass. I don't know the details of it and wouldn't speculate on it, but I do know that the Salvation Army took steps to remediate that situation. I think that given their reputation, their obvious management abilities and their experience, we are completely confident that the Salvation Army would take all steps that are appropriate in terms of meeting the

needs of the clients they serve. If the member wants to take issue with that, that's fine, but we have confidence in the Salvation Army in what they do.

Further, with our regular licensing inspections, with regular audits that are done, we will continue to develop a good sense over time of how the new contractor is doing in respect to that.

In terms of the Saanich Peninsula Hospital, which the member raised, I do want to report this in terms of the audits that have been done. "Saanich Peninsula" — and I'm quoting from a report here — "consistently scored in the high 80th percentile in our joint house-keeping audits, and in the recent third-party independent audit, SPH scored 85.32, above the acceptable benchmark of 85 percent. With regard to food services, in a patient satisfaction survey done in July, 74 percent of residents stated the meals they receive are acceptable."

Obviously, there are 26 percent that are less than fully satisfied, and we need to try to make whatever changes are appropriate to try to ensure that a higher percentage of people are satisfied. I think patient dissatisfaction with hospital food is something that goes back probably about 3,000 years in history, but we are always looking for ways to improve things.

After some extensive consultation, again at Saanich Peninsula Hospital, VIHA is making some changes in respect to on-site food preparation. The new food preparation model will result, they believe, in improved food presentation, taste, appearance and palatability.

VIHA and Morrison, the food provider, trialled the new system at SPH before making a decision to implement it. The trial involved some of our residents and was monitored by our clinical and dietary staff. The SPH resident family council advocate was also involved in the trial and is supportive of the change. The trial included a survey where 90 percent of residents told us they preferred the appearance, taste and palatability of the meals prepared on site. So I think this really shows the responsiveness of VIHA in working on a continuous basis to try to improve the food outcomes and the enjoyment of food by the patients at Saanich Peninsula Hospital.

I do know, as well, that across the province health authorities are all engaged in the building of best practices around food preparation and presentation. They share those best practices across institutions within the region, and they share them between the regions as well.

While I suppose that we're always in competition with some perfectionist nirvana, that will always be a challenge. But I'm satisfied that health authorities are making their best efforts to improve food and housekeeping quality every day across their health authorities.

**S. Hawkins:** I have a few questions, and I believe I did inform the minister. The issue is around cardiac services.

[1110]

Let me say, first of all, how impressed I am with how PHSA, our Provincial Health Services Authority,

is working to make sure that services for patients across the province are delivered across the province and that patients do get care as close to home as they can. Having been through a personal experience with the health care system, I honestly can appreciate the fact that patients do want to get home or get treated at home if they can. Certainly, around accommodation; costs of living somewhere else or your family travelling somewhere else to look after you; just the cost of meals; the emotional, social, psychological challenges — all of that; not having your community around to support you or your family doctor — all those kinds of things come into play.

I know that in the last ten years the minister and I have both talked about how important it is for patients outside the lower mainland to access high-level services. So I do want to just talk a little bit about cardiac services, because that's an issue we have talked about for the last few years. I know the ministry has done an excellent job in making sure that the wait-lists have been reduced, and I think that's very commendable. I understand now that the ministry and PHSA have embarked on a study to look at cardiac services. I believe the Hay Group out of Ontario, from a briefing that I did get from Dr. Halpenny — I believe it was two years ago; maybe it was a year ago — did indicate that services for cardiac surgery and where they would be provided were being looked at through this Hay study.

I just want to let the minister know that this is an issue that is of great interest in my constituency. I know the IHA board, Interior Health Authority board, is onside with providing a good level, a better level, of services for our cardiac patients in Interior Health and that the health care providers, families, patients, myself and a lot of the MLAs in the area support this.

I'm wondering if we can just get an update on where we are with the Hay report, if the minister can just briefly tell me where we are with the report and when we might expect to see some recommendations from that study.

**Hon. G. Abbott:** I thank the member for her very important question in respect to cardiac care — specifically in the Interior Health Authority but certainly an issue that's very important in health authorities across the province.

There is currently a review being undertaken by the Ministry of Health and the Provincial Health Services Authority who, as the member knows, have tertiary responsibilities across all of the geographic regions in the province. The PHSA and the Ministry of Health are working with all of the health authorities, including the Interior Health Authority, on that review. The Hay Group is assisting in that process. They're not leading it, but they're assisting it. We anticipate the work that is being undertaken by PHSA and others should be complete by early in the new year of 2006. I should probably make the year clear just in case it could be the new year of some other year, but it's actually 2006. It will address access for patients in the Interior Health Authority and other health authorities to cardiac, surgical

and other intervention services. So we'll very much look forward to that.

Again, cardiac is one of the very important areas from the public perspective and, indeed, from the ministry's perspective in terms of how well things are going within the health care system. It's been identified as one of the five benchmark areas in the FMM accord, and it's one of the five areas in which we are constructing evidence-based benchmarks across the nation to help guide the formulation of better-informed public policy in respect to wait times for procedures like open-heart surgery or for other angioplasty or other forms of heart surgery.

[1115]

The wait time for open-heart surgery, I'm happy to report to the member — and this is new information, so her question is very timely — has actually been reduced from 14.4 weeks in 2001-2002 to now 9.6 weeks in the first quarter of 2005-2006. That's very good news: a very substantial reduction in the wait time for cardiac surgery.

I can also happily note — as this is one of the areas where we are, hopefully, going to be constructing these evidence-based benchmarks in concert with other provinces — that this 9.6 weeks is well within the new benchmark for wait time for open-heart surgery. I think that is really a tribute to not only the ministry staff that have been working very hard on better management of wait time but to the excellent leadership and staff at the health authorities who have been trying to build stronger models for efficient operating rooms and so on and, of course, to all of the service providers, as well, and the health professionals who work very hard to ensure that British Columbians receive timely care.

**S. Hawkins:** I appreciate the minister's answer to what the wait time is now. I think that's great. I do know that's been reduced.

My constituents and certainly the people that live outside the lower mainland are also very interested in what options or models, if that's what the Hay study is going to recommend.... I guess I just want some detail around the Hay study. Is it being asked to present some models for how cardiac surgery can be regionalized in the province? I know we very successfully did that for thoracic surgery, and I understand that's working out very well, especially for our interior patients. I think what we'd like to see is something like that come out of this study.

I know there have been previous studies done. There was one back in 1988 with Keon and Menzies. There was another in 1989; there was another in 1998. I believe — I'm refreshing my memory here — that all of them suggested that we need to have something a little bit more in the interior to deal with patients who wait for days or do have their surgery in the lower mainland and then, unfortunately, don't always have the best transportation to get back or caregivers down there to look after them post-surgery.

Again, I guess I'm just asking — and I understand that the study will be out in 2006 and that the ministry and PHSA will be working on the results of that: is it actually going to result in some options or models for future provision? Will there be some consultation on those so that we can look at that and see if they actually fit the needs of our region?

[1120]

**Hon. G. Abbott:** The member's question invites a little complexity in terms of the response. In terms of where open-heart surgery is currently provided in this province, there were about 1,948 open-heart procedures completed in the seven-month period between April 1 and October 31, 2005. Just over a quarter of those.... Actually, the largest hospital in terms of number of procedures was St. Paul's, at 597. Vancouver General had 502, Royal Jubilee had 435, and Royal Columbian had 414. That's for open-heart surgeries.

I'm advised that by and large, open-heart surgeries are being performed, relatively speaking, on a less frequent basis and often now are displaced by angioplasty as an alternative to that. One of the important issues that is being considered within the bounds of the discussion underway that we've referenced previously is whether we can have stand-alone angioplasty centres without having the standby cardiac surgery, open-heart surgery, etc. That's an important issue here.

The conclusions have not been reached on that. Certainly, with the expert clinical evidence that is being gathered through the discussion that's underway, currently led by PHSA and the ministry, we will be assembling all the expert clinical evidence that comes to bear in terms of whether we should be moving forward with a different option or a different model, as the member expressed. So there will be options and models considered in this report.

While we understand that there is no formal consultation being anticipated around this, we would certainly expect, as with most things, that as the health authorities consider whether some expansion or change in the existing model is appropriate, they will certainly be hearing from a range of people within their regions about whether that's a good idea or not.

In terms of open-heart surgery, as well, and the relative centralization of this in the lower mainland and southern Vancouver Island, transportation then becomes an issue. The member is absolutely right. You know, for patients in the interior, having a centre in Kelowna would be welcome from a transportation-cost perspective and, obviously, a family perspective and in a range of other areas.

I do appreciate the member's advocacy in respect of whether she would welcome it, and certainly she would. I guess if I was wearing a different hat, I might as well. But of course, I'm a dispassionate Minister of Health at this point in time and make decisions only on the basis of the evidence that is assembled for me. I'm pleased that the evidence is being assembled, and as I noted earlier to the member, we hope that sometime

relatively early in the new year, we will have that evidence finalized in the form of a report.

**S. Hawkins:** Thank you, minister, for that, and thank you for raising the issue of cardiac surgery and angioplasty.

[1125]

Let me just say: you raised the issue of stand-alone angioplasty, and I totally agree. I've done a little research on that. If you are going to do a stand-alone angioplasty unit, I suggest that could perhaps be done in an area where cardiac surgery is already concentrated. If we're looking at dispersing some of these services across the regions, perhaps Kelowna would benefit by having cardiac surgery and angioplasty together, because with angioplasty sometimes there can be a problem, and you need that backup cardiac surgery.

I look forward, minister, to talking to you about this in a little more detail. I know there are other members that have questions. I just wanted to raise the issue, because I was wondering if that was the kind of stuff that was being considered in the ministry and PHSA's deliberations. You have confirmed that it is. I know the position of caregivers and families in the region, and certainly myself, is that we not have just a stand-alone unit but that we also have cardiac surgery with an angioplasty stand-alone unit. I will look forward to discussing this with you further.

**C. Puchmayr:** Recently, there was an announcement of the closure of 87 residential care beds at Queen's Park Hospital. Those were contracted out to other facilities in the Tri-Cities. It's to create the subacute rehabilitation program in New Westminster to provide some of the services, actually, that were provided at the now-demolished Saint Mary's Hospital.

The Woodlands site, which is the site for a future project through, I guess, Good Samaritan Canada, an Alberta-based organization.... Actually, when the city of New Westminster negotiated with the government on that site, part of the negotiation was to earmark a large section of that — I believe it's about four or five acres — for Fraser Health strictly for P8, which is public institutional lands.

I notice that there's going to be a replacement of, I believe, 59 units of assisted living on that site. My question is: why wouldn't the subacute care rehab program be constructed on that site, rather than disrupting and creating emotional duress for the patients and families that were on the third floor at Queen's Park Hospital, who have had to adjust, some with dire consequences, to this move? Some were there for many, many years.

[S. Hawkins in the chair.]

My question is: could not that program be built on the land that the city of New Westminster has put aside through the provincial government — through BCBC, I believe — and the transition be dealt with in that manner?

[1130]

**Hon. G. Abbott:** I thank the member for his question. Even though it's a fairly involved and specific one, I think we have some reasonably good answers here in respect of what's being attempted and what's being served.

I guess the underlying point is one we have talked about a number of times in recent debates — although never, obviously, in the context of this specific institution — and that is how we need to have sufficient quantities of both residential care and acute care beds. Where we can enhance the number of acute care beds in facilities in an expeditious way, we try to do that. That would be the case here.

The Queen's Park Care Centre or QPCC, and Royal Columbian Hospital or RCH, are involved in a redesign to create a 25-bed convalescent care program, a 20-bed subacute rehabilitation program at QPCC and a 20-bed acute medical program at RCH, thus creating programs more appropriate to each facility and enhancing overall care for seniors. In the redesign, 87 beds on the third floor of QPCC, as the member noted, will be converted from residential care to provide space for these two new programs, which in total will comprise 45 beds.

The addition of the new 25-bed convalescent program means there will be a net increase of 17 beds aimed at meeting seniors' needs within Fraser north, and the redevelopment of the Woodlands site adjacent to Queen's Park is anticipated to include some assisted-living units as well, further enhancing seniors' options.

In terms of the third floor itself, we can note that because we need to free up space for these programs, all residents on the third floor will need to be moved, but we will accommodate these moves within QPCC itself wherever possible or move residents to a different facility, perhaps closer to family. There are, we gather, a number of instances of that, where the residents would happily be located closer to their families, if that has been the preference expressed by the residents.

Residents and their families will be meeting with a team at QPCC to discuss the moves, and a detailed care and relocation plan will be developed for each resident, even those moving within QPCC. The actual number of moves is likely to be fewer than the beds involved, due to normal attrition rates.

While I'm appreciative of the member's question and his suggestion that it would be better to do something elsewhere and just leave everything as it is at these facilities, that is not the informed view of Fraser Health. They have looked into this and clearly feel that the greater public benefit, a greater patient benefit, would be served by the kinds of changes they have proposed here. It's obvious from what we know of this that they intend to do it on a very careful and thoughtful basis, and we look forward to them doing that successfully.

**C. Puchmayr:** I just want to go on record to state that there is not a move available to the second floor. The second floor is virtually full as it is. I think the let-

ters to the patients and to the families did state that wherever possible, the accommodations would be made. My instructions are that that isn't possible with all, so there are some issues with that. I would really like to discuss this with the minister or the ministry after the estimates.

[1135]

**K. Conroy:** I want to move now into the Community Care and Assisted Living Act, with some things around regulations in this sector. I was really pleased to see, when the act was introduced, that there are actually going to be regulations in this sector. One of the interesting things in the act is the formation of resident and family councils in facilities.

Although they're encouraged, it's not mandatory. What I would like from the ministry, just in light of the time — we only have so much time left here today — is to get an answer in writing as to if the ministry is aware of the actual number of facilities that have active councils that are working in the facilities in the province. If we could receive that in writing, I would appreciate that.

I am also understanding the role of the assisted-living registrar, who has been appointed to protect the health and safety of seniors in public and private assisted-living facilities.... I think this is a great resource. We were wondering what actual resource dollars are committed to this office.

**Hon. G. Abbott:** We don't have that precise figure here, but we're happy to provide it to the member. It's probably in the ballpark of \$200,000 to \$250,000, but we will advance the precise figure to the member — along, of course, with the other information we've promised her.

**K. Conroy:** I'll look forward to the information.

Within this office, I'm wondering how many complaints have been received by the registrar. How are they acted upon once they're received? When they're acted upon, what are the penalties or outcomes of the complaints when the complaints have been received?

[1140]

**Hon. G. Abbott:** We don't know the precise number of complaints that have been registered with the office, but that information may come in as we continue this discussion. The process, though, is a fairly straightforward one and is actually quite consistent with how these issues are managed, for example, by the health authorities as well.

Typically, the office is triggered by a complaint. Often, that complaint might come from a family member or a friend who sees something and feels aggrieved about it, so the complaint would be registered with the office. If a complaint is registered, the officer investigates. She would look at whether the conditions present in the facility would in any way jeopardize the health or safety of a patient or client in the facility.

The model would then see the registrar work with the operator to try to remediate those conditions which, in her view, held some jeopardy for the health or safety of the client. Hopefully, those would be remediated through the process of discussion with the operator, but in the final analysis, should the operator be unwilling or incapable of remediating the conditions that jeopardized the health and safety of the patient....

In that case, it is within the purview and authority of the registrar to lift the licence and registration of the facility. They thereby would lose their opportunity to provide care needs for those patients.

**K. Conroy:** I'm not sure if this information is available, but if it is, I would like, in writing, the number of facilities that have actually had their licences removed. If that's possible, I'd like to access that.

One of the other things that come up in my discussions with people across the province is the issue of food and facilities. It was mentioned briefly this morning. I'm sure all of us who've visited seniors facilities know that quite often the meal is the highlight of the day for them. They look forward to breakfast, lunch and dinner with anticipation, and the food is an issue.

It's an issue across the province. I've had calls from all different parts, where it continues to be an issue. We've been through the whole issue of rethermalized food in the Interior Health Authority region. Apparently, packaged food is an issue in the lower mainland, and it carries on being an issue across the province.

[1145]

My question, in light of this, is not to get into a discussion around whether or not food is an issue but to ask: what kind of standards does the ministry expect health authorities to have in place with respect to the nutritional quality they're providing to seniors in the residential facilities?

**Hon. G. Abbott:** I appreciate the member's concern with respect to food in facilities across the province. We certainly share that concern. That is why for the first time in history we have undertaken comprehensive audits across facilities, across health authorities to measure the quality of food being provided in facilities across the province and to set benchmarks and really demand continuous improvement in that as we move forward.

The member, I suspect, knows or should know that food has been an issue for a long, long time in hospitals and related facilities. In fact, one suspects that the first food complaints were probably initiated just about the day the first hospital opened, and they have been pretty much continuous ever since. Certainly, those that work in the system would advise of that.

So how do we move forward to try to ensure that we have better food from a nutritional perspective, from a hot and cold and preferred temperature perspective, from a quality and safety perspective? Well, I think there's lots of good work being done in that regard, and technology is going to be a part of that. It is

not possible to advance in this area without some reference to the new technology that can assist.

I know that the times I've had meals at hospital facilities, we've gone through some of the issues around thermalization and rethermalization and so on, and there has been a lot learned in respect of that in recent years. This is new technology, whether we like it or not. Unless we want to be sort of 21st-century Luddites, we need to find ways to build best practices out of the new technology we have.

I'm very satisfied that the health authorities are trying to come to grips with building best practices around food management within their authorities and then moving on to sharing those best practices across the health authorities. Thermalization and all the new technologies and so on is something that's happening on an international basis. It's not just happening in British Columbia. This is international, and we need to learn from it and, on a continuous basis, be improving those outcomes.

I'll welcome the member's next question.

**K. Conroy:** No one wants to be accused of being a Luddite, but I've talked to some of the seniors, and I think they'd like to go back to the good old-fashioned way of cooking in those hospitals where they weren't dealing with rethermalized food. But that will be an ongoing issue we will continue to discuss and take up.

[1150]

One of the things I wanted to talk about this morning is standards around staff-patient ratios. I'm very well aware and well-acquainted with the licensing acts through the early childhood education field and have lived and managed under those licensing regulations for some 20 years. One of the interesting things that I found missing in this act is the lack of appropriate levels of staffing for patient population.

When I looked at the act, in fact, it was around a responsible person being involved in the care of seniors, and there were no specific staff-to-client ratios. How are staffing levels determined in the facilities, and how are professional staffing levels determined — as in RNs, LPNs — in the facilities?

**The Chair:** Minister, noting the hour.

**Hon. G. Abbott:** Thank you, hon. Chair, for noting the hour. I was so caught up in these debates that one has the time simply flying by.

**H. Lali:** Filibustering your own estimates.

**Hon. G. Abbott:** Don't confront me with the truth like that, member. That is so harsh.

Let me note, just to begin here, Madam Chair, the registrar's budget for the CCALA, the assisted-living registrar. I had grossly underestimated her budget. Her budget is, in fact, \$420,000 per year, not the \$200,000 to \$250,000 I had estimated. I'm sure she recoiled in hor-

ror on hearing the lower figure and advised me of same.

The registrar of assisted living has received 50 complaints this year. I presume that's probably calendar year: 50 complaints to date. That answers a couple of the questions the member had posed earlier on.

In residential care facilities, the appropriate mix of registered nurses and licensed practical nurses is an ongoing issue, and I don't believe we have all of the answers around that. It is a matter that is still under study and discussion, and there are some different kinds of models in terms of staffing arrangements that we should be looking at.

[1155]

I think one of the opportunities we've talked about earlier in these estimates that may have some application here is the building of collaborative teams where each of the participants can bring their skills and their appropriate scope of practice to bear. That would be one of the things we want to look at.

In terms of sort of that scope of practice and education and training, those are the kinds of issues that tend to be addressed by the respective colleges — under a college of nurses and all of that. That's where a lot of that discussion lies, as opposed to us always trying to determine that.

In terms of how we look at what is occurring in a facility, we wouldn't go in and be necessarily prescriptive about how many RNs or how many LPNs or how many care aides.... Rather, the licensing officers, when they go into residential care facilities, are looking at the question: are the patients getting good care? That would be what they look at. If there is a problem in the quality of care that is being received in a residential care facility or an assisted living facility, then that might beg, among other questions, whether the staffing ratio was appropriate or not.

I know there has been some tension around this issue, and some of that continues. Perhaps some of it is inevitable. But again, I do hope that as we move forward, we can build more collaborative models where, in fact, the relative skills that people can bring to a team are embraced and that this becomes as much an opportunity as it is a challenge.

The expectations that the health authorities set out for facilities, whether they're non-profit, public or for profit, are set out in the service contracts that they put together with the facility operators — whether they're non-profits, private or public — and those tend to be the general guide in terms of what we expect from outcomes.

Noting the hour, Madam Chair, I move the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:57 a.m.

The House resumed; Mr. Speaker in the chair.

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

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

Hon. C. Richmond moved adjournment of the House.

Motion approved.

**Mr. Speaker:** This House stands adjourned until two o'clock this afternoon.

The House adjourned at 11:58 a.m.

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## PROCEEDINGS IN THE DOUGLAS FIR ROOM

### Committee of Supply

#### ESTIMATES: MINISTRY OF FINANCE

The House in Committee of Supply (Section A); H. Bloy in the chair.

The committee met at 10:10 a.m.

On Vote 29: ministry operations, \$46,571,000.

**Hon. C. Taylor:** Good morning, everyone. It's my pleasure today to introduce the estimates for the Ministry of Finance, fiscal year 2005-2006.

Before I begin, I would like to introduce the people who are with me today or, at least, some of them. Many of you, of course, know right beside me is Deputy Minister of Finance Tamara Vrooman. She's not going to like this, but I will say that the *Globe and Mail* profiled Tamara earlier this year as one of Canada's top 40 under-40 achievers. She will now not speak to me for the rest of the morning.

Interjection.

**Hon. C. Taylor:** Yes, unlike the rest of us, she is under 40.

Tamara is an example, as are all of the people who are here, staff of the ministry, of the strength of the public service in British Columbia. We're very, very fortunate to have people like Tamara and others who have chosen to work in the public service.

Nick Paul is the assistant deputy minister, deputy secretary to Treasury Board, and he is overseeing not one but effectively two budgets this year. He has been a very busy man. Also with us is acting comptroller general, David Fairbotham. That is from the Finance side. From public affairs, of course, our new deputy minister, Linda Morris, is with me on my left. Denise Champion, right behind me, is director, operation and human resources, and also Cheryl, who wears many

hats. Cheryl Wenezenki-Yolland is EFO of Ministry of Finance, and Cheryl is directly behind me.

I'm proud to be able to work with these senior staff. I'm proud of the many talented and dedicated people that I have the privilege of working with in the ministry. It's a ministry with a very long history of achievement. It's a ministry key to government achieving our five great goals. All of us are committed to improving literacy, leading healthier lives, supporting people at risk, improving our environment and creating more jobs.

Reaching those goals takes focus, discipline and a very strong foundation. That foundation includes maintaining a balanced budget, a tax and regulatory climate that supports a strong and vibrant economy, effective financial and resource management and reporting, and leadership in innovative business and people practices. Those are the goals of the Ministry of Finance. Now I'd like to talk about those goals, all of which position the province to achieve the five great goals of government.

Our first goal, as I said, is to maintain a balanced budget. And why? Well, because balanced budgets create the financial discipline necessary to ensure the decisions we make today are affordable now and in the years ahead. Balanced budgets result in proper long-term planning so that our spending does not outpace our revenue. They're also an important signal to the world that we have our financial house in order in British Columbia.

We balanced the budget in 2004-2005 as promised, with a record \$2.6-billion surplus and record debt paydown. That paved the way for another balanced budget in February of this year, one that included a series of tax reductions for lower- and middle-income British Columbians and increased funding for health and education. In September we introduced the first of what will be five balanced budgets in this mandate.

The first one, the September budget update, built further on February's budget by focusing on all of our seniors. We renewed the seniors supplement, which will benefit about 40,000 low-income seniors. We doubled our annual investment in the Shelter Aid for Elderly Renters, or SAFER, program, to provide more support for low-income seniors who rent. We provided funding to update existing seniors health facilities and strengthen and modernize the full range of services for seniors. We know that we can provide those supports now and that we can continue to provide them in the future because of the prudent management and long-term planning that has become a hallmark of this ministry.

Our second goal is to maintain a tax and regulatory climate that supports a strong and vibrant economy. Today, in contrast to a few years ago, B.C. is an economic leader. We outpace all other provinces in job creation. Our unemployment rate is the lowest in nearly a quarter of a century. People are moving back to B.C., and our business community continues to grow.

Now we must focus on keeping our economy strong. We know that taxes are an important factor in businesses starting, staying and growing in our province. We are continually reviewing British Columbia's tax system to keep our taxes competitive and fair. We have reduced taxes for individual British Columbians and also for the businesses that create jobs in our communities.

[1015]

Our tax reductions since 2001 have included a 25-percent reduction in personal income taxes, so that B.C. now has the lowest tax rate in Canada, in the bottom two tax brackets.

This year we introduced the B.C. tax reduction to reduce or eliminate provincial income taxes for about 730,000 British Columbians. We increased the thresholds to qualify for MSP premium assistance. We improved the first-time-homebuyer's program, and we reduced the PST to 7 percent from 7½ percent.

Last month, in addition to improving our support for low-income seniors, we took steps to enhance B.C.'s economic competitiveness. We reduced the general corporate income tax rate to 12 percent from 13.5 percent to benefit all sectors of the economy. We also provided a tax incentive for the commercialization of life-science patents to build on B.C.'s growing stature as a centre for biotechnology research and development. I think that anyone who saw the headlines in the paper yesterday sees that that notion is being reinforced and recognized across the country.

In addition to these tax measures, we have created a more favourable regulatory climate by cutting red tape and modernizing the governance of financial institutions in the real estate sector. All of these measures support our great goal of creating more jobs per capita than anywhere else in Canada by making B.C. an even better place to work and do business.

Our third goal is effective financial and resource management and reporting. British Columbians want to know how their tax dollars are being spent and deserve assurance that those dollars have been used wisely. That's why the area of financial reporting is so important in terms of government accountability. British Columbia is a leader in the timeliness of its financial reports, and we provide the most comprehensive set of public disclosure documents in Canada. The office of the comptroller general reached a milestone this year with our public accounts fulfilling the commitment to fully consolidate information from school districts, universities, colleges and health authorities — the SUCH sector.

As a result, for the first time in nine years, B.C.'s Auditor General removed his reservation on the province's financial statements and provided an unqualified opinion. The Auditor says British Columbia now leads the provinces in complying with GAAP and the inclusiveness of its budget and financial reports. What those reports show is the excellent track record of sound management of the province's finances. That track record has been noticed. This past year B.C. has earned three credit rating upgrades by the major bond-rating

agencies. Standard and Poor's, Moody's, Dominion Bond have all recognized the government's success in meeting and beating its financial targets. The result is lower borrowing costs.

Meantime, our debt-to-GDP ratio continues to improve. The ratio is a key measure of debt affordability and one which is closely monitored by the credit-rating agencies. It is forecast to continue to decline during the next three years.

Along with debt management, the ministry is responsible for a host of banking and cash management functions. With government cash flows of about \$100 billion a year, we're looking for opportunities to reduce cash management costs. We're also achieving savings in the area of government procurement. Government buys more than \$2 billion worth of goods and services each year on behalf of British Columbians, so it is important that we promote best practices to ensure value for the taxpayers and fairness to private sector suppliers.

I'm very pleased that the ministry's procurement and contract management program has just won a national leadership award for its training program for government employees. The program builds on the expertise and the professionalism of staff involved in procurement and promotes best practices to ensure value for taxpayers and fairness to private sector suppliers. This award comes from the Canadian Public Procurement Council, and I'm proud that ministry staff are being recognized for their achievement.

Designing new ways of doing things is part of our fourth goal of leadership and innovative business and people practices. For example, the one-stop business registry has changed and improved the way entrepreneurs get the services they need from government. It's a one-window electronic service that lets businesses interact with a wide range of public agencies, saving them both time and money. For example, they can apply for a municipal business licence, a provincial PST number or a WorkSafe B.C. account — all on line. They can do it with a single business number identifier. It does mean that entrepreneurs can spend less time dealing with government and more time doing their own business.

[1020]

Very recently three more partners have signed on to our one-stop system. Economic development organizations in Surrey, Comox, Port Alberni and Sun Country are now using the service to provide even more support to their local entrepreneurs.

I began by acknowledging the skill, the professionalism and the hard work of staff who have made the Ministry of Finance a national leader on so many fronts. I want to again touch on how important they are to the ministry and public service, and I am very pleased that the ministry has set its goal to attract and retain the very best and the brightest.

One of our service plan commitments is to be a learning and innovative organization. We want staff to develop the knowledge and the leadership skills to take us forward in an increasingly challenging envi-

ronment. That's why the ministry works closely with staff to hear their ideas, identify areas for development and provide opportunities such as internship programs, career-pathing, mentoring and critical skills training. The ministry relies on all kinds of skills — administrative, accounting, auditing, project management planning, and human resources. We compete with other employers for people with those skill sets.

The staff and Finance Ministry have the opportunity to help guide the \$34 billion operation that is government. They are rising to that challenge. They take pride in being members of the public service, and I am very pleased at the culture of achievement that the ministry has developed. I look forward to seeing continued leadership and innovative business and people practices. I know just in the past couple of months I've had the chance to work with a couple of our young interns that we're mentoring and helping along, and it's a positive, good program for young people.

As we begin the estimates debate for the Ministry of Finance, I'm pleased to remind everyone of the accomplishments of not only the ministry but of all British Columbians in restoring sound fiscal management to our province. Again, that sound management provides the foundation for government's five great goals. Our annual budget consultation process is underway. We have the report that's just been presented. I look forward to hearing suggestions from all parts of our province on everyone's priorities. I look forward to input from members of this House and especially the members opposite, and I look forward to answering your questions today.

**J. Kwan:** I thank the minister for her opening comments and, as well, for the complement of staff that she has with her. I look forward to canvassing questions to the minister around the ministry. There is no doubt that many of the staff the minister has with her, many whom I have worked with in the past in different capacities, certainly do have a very professional approach to the work, and they are certainly very skilled. There is no doubt about that.

With that, congratulations, Tamara, on the Top 40 Under 40 award. That's actually wonderful to be recognized, especially for a woman in the sector. My congratulations to her.

Let me just put on record, Mr. Chair, the order of things, if you will, in terms of the questions that I would be asking the minister around her ministry. I would begin with the overview of the ministry and the review of the services plan. Within that, there are some specific questions, not necessarily in the extensive detail one might expect but just some broad questions I might cast in that area there. Then we are going to move on to the public affairs bureau, the government procurement policy, Partnerships B.C., taxation policy and, finally, economic and financial analysis. So I would expect that's how we would proceed.

I will also from time to time have colleagues who would have questions they would like to put to the minister, and of course, I would welcome that, and I

would at that time yield the floor to my respective colleagues.

Let me first, then, begin with the overview of the ministry and the review of the services plan. In the document it reads that the ministry is responsible for a variety of functions and activities, some of which the minister identified in her opening remarks. I'm particularly interested in this piece around the capital project oversight. Could the minister please outline for me: what sort of steps does the ministry go through with respect to capital project oversight?

[1025]

**Hon. C. Taylor:** It is true to say that probably in the first four years most of the concentration of government was on balancing the budget. This particular four years coming up, we intend to spend a lot of time looking at the balance sheet. That means, of course, capital managed debt management.

With the new regulations that make us GAAP compliant, it means that we have taken on to our books all of the SUCH sector: schools, universities, colleges and hospitals. That has been a little bit of a shock to everybody's system because it means that all of the capital projects from those sectors, whether or not there is one penny of provincial money going towards them, come onto our books as debt.

So, therefore, if we are to maintain control over the debt levels in the years going forward, we have to know what's coming. We have to know what's around the corner. For the first time in the summer I sent a letter around to all of the ministries but also all of the sectors, asking for their ten-year capital plan so that we could start to at least see what was out there — see what the options were, what the expectations were.

We received all of the capital plans by the end of August. We are now, within staff, charting the flows of when they expect to build what they've got on their list. We're also trying to determine what's a necessity and what's a wish list, because the numbers, as you can imagine, are large. We are now going through that process. It's coming to Treasury Board, even as we're working through the analysis, so that Treasury Board is constantly aware of what those patterns look like. We hope, by the February budget, to have a clearer notion of exactly what the numbers are, what sectors in particular will require capital funding, but the whole.... The big idea for this is to know what's out there, know what's coming and then to try and manage it properly.

**J. Kwan:** Could the minister please advise what criteria she is using to determine what projects fall under the wish list category and what projects fall under the necessity category?

**Hon. C. Taylor:** Mr. Chair, as a start, we are just asking the agencies.

**J. Kwan:** Is the minister expecting to develop some sort of criteria that she would apply in evaluating these projects as they come in?

**Hon. C. Taylor:** Because this is a work in progress, I would say to you that our first step was to get the information. Our second step — we've now asked the question: "What are the real absolute needs and commitments?" Some of the projects, of course, have already started, and once we see those numbers, then we'll know what the next question will be.

**J. Kwan:** I fully appreciate that — in terms of needing to know what is out there. However, one would expect, though, that the minister has some sort of idea what would fall under the category of a wish list. Would that be...? Well, I'm just going to leave it at that. I'm not even going to give examples of what one might call a wish list project versus a necessity project. But I think that when the minister says that, though, I detect, fairly definitively, that these are the kind of categories by which the minister will be evaluating these various capital projects.

But surely the minister has some sense, though, even as the projects are coming in, what the numbers may look like — what those guidelines might be. Or is someone anywhere within the ministry developing that for the minister?

**Hon. C. Taylor:** Hon. Chair, yes. In fact, that's exactly what we're doing.

When I say wish list, what I'm talking about is if I say to you: "If you had all the money in the world, what would you build?" Whether you're in the Health ministry or Education or whether you are in Transportation, you get one answer. When you say, "What can we reasonably pay and afford as taxpayers?" you get an answer that is tighter in terms of criteria from each ministry and from each organization.

We have publicly stated that what is guiding us on this is our debt-to-GDP ratio. It's what the credit rating agencies have said that's what they're watching for because what that ratio is, is really a measure of how affordable our debt is. It's saying we're not going to let the debt grow faster than the economy. That's all that ratio means.

[1030]

That's our commitment. We know what those numbers are. We've been successful in bringing it down each year. It is our intent — as we look forward, first of all, to the three years and then to the ten-year plan that we're asking for — to make sure that the debt remains affordable for British Columbians, because unfortunately, all debt is, is a bill for our kids, so we've got to be very careful.

**J. Kwan:** I fully appreciate the issue around debt and debt to our GDP and so on and the issues related to it. But my question, of course, is that I'm trying to get an understanding from the minister: what kind of guidelines will she use to determine what a project is that, for it to go ahead, would actually be a higher priority than that of others?

If the concept is that the wish list is something where the minister will ask an agency to provide the

minister with a list of everything that the agency wants to do, that would be deemed to be a wish list. Then the necessities within that wish list are: what are the top one or two things that you must have in order for the organization to function? That's one way of getting an understanding of the wish list versus that of a necessity project. That's from the organization's side.

From the minister's and from the government's side, once the government receives this information, what guidelines will the minister be using to evaluate, for the government and for the minister herself, what would be deemed to be priority projects? Is it a hospital? Is it a hospital that will deal with wait-lists? Is it schools — although it's not happening very much — in terms of capital initiatives that are required to address aging buildings that are no longer safe or viable for the community? Or is it, let's say, development of a park in a new area where we need to provide for some new infrastructure for a community?

I don't know what the government will be using to determine priorities in that sense. I'm just trying to get a sense of it, to see if the minister could shed some light on that.

[A. Horning in the chair.]

**Hon. C. Taylor:** Yes, and in fact, you have identified a few of the issues that are before us. The ministries know their needs better than we do at the Ministry of Finance, so it's important for us, first of all, to ask them what they see as their short-term, medium-term and longer-term needs. When you ask the question that way, you'll often find that they themselves, within their ministries, have a notion of what state of readiness various projects are at. There are some projects that they want to do right away. There are other projects they certainly want to do, but they're not ready for them yet, so they would say that might come in the second half of the ten-year plan.

Also, these projects have to link into the policy statements of this government. This government has run on the idea of five great goals, so those are our guiding principles in terms of the projects that will go forward. There are a number of issues that will determine this, but the very first step, which is exactly where we are now, is seeing what the expectations are in the community.

Then we track it to see, also, if there are bulges, because one of the things that the government can do is pace various projects. There are some that we might bring up earlier if, in fact, we feel that we've got room within our spending to do it earlier rather than later. It's mostly, at this point, in analysis, looking at the state of readiness, the state of priority and how they match with government's goals.

**J. Kwan:** What I heard from the minister: some of the things that would be applied in determining priority centre around the state of readiness for a particular project, the policy statements of the government under

the five great goals, and "room within our spending to do it earlier." That's a direct quote from the minister.

[1035]

I'd like the minister to please expand on that. When she says, "room within our spending to do it earlier," does the minister mean contingency dollars, leftover dollars? What exactly does she mean?

**Hon. C. Taylor:** We're talking just about capital now. We're not talking about the budget side of things. In the capital, when you start to overlay what the possible expenditures are going out over ten years, we haven't got the final numbers yet, but it is possible that there will be bulges.

The papers have been talking quite a bit lately about whether there will be a bulge in construction spending related to the Olympics. We want to look at our plan and look at where everyone is expecting to build and the timing. If there is a bulge, for instance, around 2009.... I'm saying quite clearly that I don't know yet because we haven't got all of our information in. But if there were, it might be possible that we could start some of those projects earlier so that the bulge doesn't happen all at one time. We want to be able to manage this in a way that really effectively uses taxpayer dollars and also manages the debt so that it's something we can afford.

**J. Kwan:** When does the minister expect all the information would come in around these infrastructure projects, capital projects?

**Hon. C. Taylor:** Because this is the first time it's being done, I can't give you specific time lines except that I'll tell you what I'm trying to do. We got the first numbers from all of these ministries and agencies by the end of August. Staff are now looking at them and have gone back to all of the agencies asking once again what their strong priorities are and what the sequence of these capital expenditures would ideally be for them. That information is now coming in.

We have been keeping all of Treasury Board informed along the way of what we're seeing and as it's changing. We will continue to do that. It's not just the Minister of Finance who is sitting and looking at this. All of Treasury Board is aware of this.

This is how I'm expecting to approach this. I expect that we will see more certainty in what is expected to be built in the next three years than certainty at the ten-year period. I think that's just logical. We can be sure right now about what projects are necessary and what their costs are more than we can be sure about ten years out.

I would think that by the February budget — that's my deadline — I would like to be able to at least present to British Columbians a pretty clear picture of what that ten-year pattern looks like in general for the debt, but more specifically what the three-year pattern will involve. I think you'll see more detail on the three-year than you'll see going out to the ten-year, but you'll

see what we're looking at in terms of total dollars and our hope to manage that appropriately.

**J. Kwan:** Presumably, Mr. Chair, the minister is also, in her process, as she engages in discussions with the various organizations about their capital project initiatives.... In the budgeting side of things, the anticipation and the stresses of potential cost overruns would be highlighted for each of these agencies and, therefore, would be accounted for when the minister receives its final documents as she evaluates priorities. Am I assuming that correctly?

**Hon. C. Taylor:** You're exactly right. What we are trying to do is to have good numbers. But I think we all know, if we're talking about the cost of a project ten years from now, that it is more difficult to say exactly what those numbers will be compared to a project that's happening this year.

We are trying to encourage all of those who are doing their budgeting to be aware of the situation that you've just described and to make sure that they have contingencies in place as well. Budgeting is a difficult science at the best of times, and I think we all recognize that we're in a period of some pressure on cost prices for sure. We saw that with the convention centre, for instance, on some of their construction prices. So there's a recognition that that is an issue.

**J. Kwan:** Could the minister identify for me, please, what the cost pressures are that she has highlighted for these agencies to pay attention to?

[1040]

**Hon. C. Taylor:** Specifically, what we are seeing at this point.... We're not seeing it across the board, which is also interesting. We're not seeing it in every project, but what we have seen in a couple of projects is the cost of construction materials, particularly concrete, steel and even copper wire. We know copper commodity prices are at a high right now, so we're seeing it with copper wire, as well, in buildings. It's construction materials in particular that we're seeing those pressures on right now.

**J. Kwan:** Are those the only factors?

**Hon. C. Taylor:** I would never make the statement that we know for sure what all the factors are, but it seems to be primarily in construction materials. There may be some stress on labour as well. There is some discussion about how, when you get to very low unemployment, there is some pressure on the skills to make sure that you've got the labour there. So we may see it there as well, but right now it is mostly in construction materials.

**J. Kwan:** I was talking to a developer just last week, and he advised me that it had come to his attention that virtually every major construction project in British Columbia is faced with tremendous cost pressures

and cost overruns — related to materials, absolutely, but also a skilled-labour shortage. Has that issue been highlighted to the minister?

The minister has said that it's a secondary issue after construction materials, although she has also said it has not been a major issue as of yet. Maybe I'm assuming, then, that in the public projects it's not a major issue. Maybe it's just in the private sector where they're running into problems. Could the minister clarify that for me, please?

**Hon. C. Taylor:** As I said before, it's not consistent across the board. We have the Sea to Sky Highway and the Abbotsford hospital that are coming in on budget, on time — no issues. The convention centre did show, in signing a couple of their contracts, that there were unexpected higher prices on construction materials. It's different with each project, but it is enough of a warning for us that we are keeping an eye on it. We're aware that it's a risk in terms of our cost projections.

**J. Kwan:** Does the minister have a list of all the capital projects now underway where it shows cost overruns — or, actually, where they're on time and on budget — and where the problems are? Could the minister make that available? I fully understand that the minister may not have the full, long list here today, but could the minister make that available to the opposition at a later time?

**Hon. C. Taylor:** We track projects that are over \$50 million. We will certainly give that information to you with the detail that you're asking for about their budgets.

**J. Kwan:** I would appreciate that. That would also give me some idea as to where the cost pressures are out there for what regions, for what specific projects. Maybe it's just construction that's related, I guess — for lack of a better word — to buildings, such as the Trade and Convention Centre and to the construction industry in housing, because of the housing boom. Maybe it's not related to highways. I don't know.

I have also met with the mining association people. They tell me that they're very worried about the skills shortage in that sector, as well, so that will have ramifications for the economy over all too.

I certainly would appreciate a list detailing the construction projects that are now underway and where they are at with respect to the budgets. Are they on time, on budget? Or are they facing challenges in that respect? I would appreciate it.

I'd like to now actually move to another area under the core business areas. That is around the public sector bargaining mandate.

[1045]

We've heard the minister in her opening statement where she talked about the value of staff and absolutely needing to remain competitive and so on. I'm particularly interested, though, in understanding, with the public sector side of things and with the many bargaining units that will be up for negotiations next

spring: where exactly are we in terms of that ranking of competitiveness for these various sectors? Are they second across the province? Are they third across the province? Are they first? I just simply don't know. I would appreciate if the minister could provide me with that information.

Again, I fully understand, because there are many different sectors that are out there, that the minister may not have that information at her fingertips today. But I would appreciate it if the minister could get that information to the opposition — where she outlines each sector that is to be negotiated by the government and how it ranks in terms of the wage scale and benefits scale in the other jurisdictions across the country.

**Hon. C. Taylor:** As you've identified, it is a complicated and changing issue, but we think that we're tracking around third. That is our best assessment at this point.

**J. Kwan:** Yes, that's perhaps an average, an overall of the public sector services, but I'm interested in a little bit more detail than that in terms of each of the sectors, respectively, and where it ranks. For example, teachers — relative to other jurisdictions, are they third? Are they second? For example, nurses — are they first? Are they second? Are they third, and so on? If the minister could commit to providing the opposition that information for all the sectors, I would appreciate that very much.

**Hon. C. Taylor:** We are in the process, as you can imagine, of starting to think about this wage mandate going forward. I have committed, at least in broad terms, to put out the wage mandate before Christmas, because I know that some of these organizations would like to start talking early rather than late. As part of that, we are pulling together research and information, and as we pull that together, we will have a clearer idea of the specifics that you're asking for.

**J. Kwan:** When does the minister expect to have that information available?

**Hon. C. Taylor:** We're hoping that we'll have it early in the new year.

**J. Kwan:** I would assume that the minister would for sure have the information by the time negotiations begin and certainly by the time the minister sets her mandate in terms of what that would look like. Without it, it simply wouldn't be prudent to try and move forward with that information. Am I hearing, just to reaffirm, a commitment from the minister that she would provide that information to us as soon as it is available to her?

**Hon. C. Taylor:** I'm not the negotiator — right? What I'm trying to do in terms of wage mandate is to look at the affordability for taxpayers and what the big umbrella is. That's where my concentration is. The em-

ployers who sit at the PSEC table are the ones who, within their own sectors, are pulling together that information. As they work through the negotiations, I'm sure that they will be providing that information to me and to the public as they talk with their unions.

**J. Kwan:** The minister said she sets the mandate, which is within her capacity as the Minister of Finance, and will do it in a way which she deems to be affordable, in a way which she views to be fair and so on. That's great news. Of course, PSEC will do the negotiations. I'm not expecting the minister to do that, nor is my question centred around that.

I would expect, with PSEC and all of her staff under the ministry, where PSEC does report to the minister, that the minister would be able to get access to that information. That would be critical information, I would think, for the minister as she comes to a conclusion on what that mandate would look like and just to provide background information.

All that I'm seeking, though, is for that information to be made available to the public, not through the negotiations process — usually in the negotiations process things get heated, people say all sorts of things, and so on — but rather to get the factual information so that the public knows where our public sector ranks.

[1050]

As negotiations continue, whatever the outcome may be is up to the government, obviously, and the other side that is negotiating and so on. I'm not trying to pre-empt that. All I'm trying to get here is some factual information around our public service sector and where they rank across other jurisdictions in terms of wages and benefits.

**Hon. C. Taylor:** I think the hon. member will be pleased to know that I feel the same way she does: that I think it's important for the community to know these basic facts about wages and benefits and how we sit and where we stand. I'm as eager to get that information as she is.

**J. Kwan:** Does that mean that when the minister gets the information, she will provide it? I want to get this information on record, just so I know the information is forthcoming. That's why I'm asking the question again.

**Hon. C. Taylor:** I will say again that I am hoping I will have that information early in the new year, and when I have that information — hoping early in the new year — I'm certainly happy to share it not only with you but with all British Columbians.

**J. Kwan:** Thank you to the minister for that. I would like to canvass the next area, which talks about the developing fiscal framework for reconciliation with first nations.

In our prebriefing, I asked some brief questions around that to the minister's staff, and I can advise that basically, the minister sets the global budget, if you

will, for the fiscal framework for the reconciliation piece within the ministry. However, how those dollars will be expended and so on and the details around that actually fall within the Ministry of Aboriginal Relations and Reconciliation. It falls with that minister.

That's fine. Those questions will be canvassed there. I'm wondering, though: aside from the New Relationship fund that has been set aside, which was announced in the September update, are there any dollars set aside for treaty negotiations and, hopefully, realization of treaties with aboriginal community groups?

**Hon. C. Taylor:** Yes.

**J. Kwan:** Could the minister please advise how much?

**Hon. C. Taylor:** I'm sure the member realizes that when you get into negotiations, this is a pretty sensitive area. I wouldn't be free to say what the dollar value of that particular mandate is, but there are dollars, and in fact, treaties are moving forward.

**J. Kwan:** Maybe I can probe with the minister around this issue, then, on treaty negotiations. If the minister can't provide a figure on what that mandate might be, could the minister please advise: does the mandate involved include things like resources, for example? And is that calculated into a financial piece as part of the mandate?

**Hon. C. Taylor:** I assume the member is still talking about the treaties part of this — right? Yes, it does include those issues as well.

**J. Kwan:** The minister mentioned that treaties are moving forward. Could the minister please advise how close they are to completion with these treaties, and how many?

[1055]

**Hon. C. Taylor:** I would ask you to ask the minister responsible. He will be able to give you the detailed answer on that.

**J. Kwan:** Maybe I can ask this question. How much has she budgeted, then, for those treaties this year?

**Hon. C. Taylor:** The actual dollars for these negotiations sit within the ministries. We have within our budget a little over \$300,000 to support the consultations and the initiatives. I'm not sure what your question is, but if it's about the dollars for the treaties to go forward, that sits within the ministries.

**J. Kwan:** The figure that the minister identified is for staff support, but what I'm talking about is: how much has the minister budgeted for the Ministry of Aboriginal Relations and Reconciliation for successful completion of treaty negotiations? If there are a number of them that are close to finalizing, then the money

has to be there. I would assume that the money is not going to come from the contingency fund, so that money has been set aside. How much has the minister set aside for those treaties?

**Hon. C. Taylor:** Again, this is a better question for the minister involved, and he'll give you a more detailed answer. When these treaties are negotiated, the federal government usually comes in with dollars and what the province often comes in with — whether it's land, resources, agreements.... You wouldn't see it as a dollar item. It is part of his mandate, and he will be able to talk to you more specifically about how he does that.

**J. Kwan:** The reason why I'm asking the Minister of Finance, of course, is that resources, for example, which are one component within treaty negotiations, would have ramifications for the overall treasury in terms of how much money would then not be put into the provincial treasury should there be successful finalization of treaties. I'm just wondering what sort of work has been done in this process by the minister and the ministry to account for that and to anticipate the changes and the ramifications that would result for the overall provincial treasury. I'm just trying to get a general sense of what kind of figure we are looking at so that British Columbians can have a better sense of what the budget ramifications might be for the provincial treasury over time.

**Hon. C. Taylor:** Once again, because these negotiations involve land and resource-sharing deals, the land would not be budgeted as a financial item. What shape those resource-sharing negotiations take depends on each particular negotiation, so we couldn't budget for them specifically. But it is all taken care of within our revenue forecasts.

**J. Kwan:** Maybe I'll have better luck with the other minister. Perhaps I'll have a go at it at that other ministry's estimates when the opportunity arises.

Let me ask the minister, then, a quick question. I've lost my page now, but I think I remember what I was going to ask, anyway.

[1100]

In the document it references government caucus committees as the ministry providing some support to. Could the minister please advise: how many government caucus committees are there, what support is the ministry providing to those government caucus committees, and what are the government caucus committees?

**Hon. C. Taylor:** Mr. Chair, through you to the member: what page are you referencing so I can be on the same page? What page are you on?

**J. Kwan:** Page 3. It is about the fourth paragraph down, where it reads, "Ministry clients include Treasury Board, cabinet, government caucus committees,

ministries, agencies, boards, commissions, Crown corporations...businesses, investors, financial sector agencies and public sector...."

**Hon. C. Taylor:** There are two government caucus committees: one on natural resources and one on social policy. They are primarily staffed by the policy secretariat, but we are available to give them support because often financial issues are involved, or they need advice or help from that point of view.

Interjection.

**Hon. C. Taylor:** Social policy. That's probably not the full, complete name.

**J. Kwan:** Is the minister expecting that these committees will be producing reports and the like, I guess for government? I don't think they're available to the public. In the past they weren't. We used to call them secret committees for the government, but funded by the Minister of Finance.

**Hon. C. Taylor:** Actually, that would be more appropriate to ask the Premier, since they are run out of the policy secretariat.

**J. Kwan:** Just to be totally clear in terms of where this lies and where the question should go, it should be to the Premier in the Premier's estimates. It was called what — the policy secretariat? Is that the branch which is responsible for the government caucus committees?

**Hon. C. Taylor:** Yes, it's called the policy secretariat — the deputy minister of the policy secretariat in the Office of the Premier.

**J. Kwan:** Is there a side for staff support to the caucus committees from the Ministry of Finance? Are there any other financial impacts for the ministry to support the government caucus committees? And could the minister also provide some estimation as to how many staff resources are being expended for these government caucus committees?

**Hon. C. Taylor:** The answer is no to your first question, and the second is very, very little staff time. It's really just coordinating to make sure that if anything should go to Treasury Board, it goes in the right direction. That's from our point of view.

**J. Kwan:** At this point I'm going to yield the floor to my good colleague the critic for Education to take over some questions, and I'll be back soon. Thanks.

**J. Horgan:** I'm welcoming the opportunity to discuss the issues within the Ministry of Finance with the minister and her very capable and able staff. Some are familiar to me — some in the gallery. I'm very much looking forward to this.

[1105]

I'm going to be touching on the public affairs bureau primarily and some polling. I dabbled in polling for a time. I know the member for West Vancouver-Garibaldi did some dabbling as well, so I'm hopeful that she will enjoy this as much as I will. Before we move off the policy secretariat and staff resources from the Ministry of Finance, could the minister tell me how frequently Finance Ministry staff attend meetings of the policy secretariat?

**Hon. C. Taylor:** Our staff coordinate with the staff from the policy secretariat on a weekly basis probably, just to touch base. But our staff do not attend the meetings.

**J. Horgan:** I will leave that for discussion during the Premier's estimates.

I'd like to then move to the public affairs bureau. I don't know if you have staff available or the deputy minister. I wasn't here for introductions.

Interjection.

**J. Horgan:** Could the minister advise me when Ms. Morris was hired and if it was a competition?

**The Chair:** Minister, for the record, could you introduce the deputy.

**Hon. C. Taylor:** Yes, I'll introduce the deputy again. Deputy Minister Linda Morris is with me today.

We were trying to remember the exact date. It was, I believe, the beginning of September that the deputy started. Because of the nature of this particular job, it was done in a way that the deputy minister responsible canvassed a number of people about candidates and, I believe, spoke to a few people. From my point of view, I put in several names. I believe other people did. I believe there was other consultation that went on. That's the extent of my knowledge.

**J. Horgan:** So it wasn't a competition. It was: "I have a friend who knows a friend who might be qualified for the job." Is that the formulation there?

**Hon. C. Taylor:** The job of deputy minister of public affairs is a very specific job and requires someone that has a lot of experience in the area, that understands communities, that understands communications and that really has a sense of the responsibility of serving the public as well as serving government. There are not very many people, and I would know a lot of them if there were, given my positions both in politics and in communications. There aren't very many people who would be able to do this job.

Rather than go to a broad headhunting... I can't speak for whoever did the search, but I'm saying that if you are asking me, I think it's important to have someone from British Columbia. I think it's important that

we found someone with all the skill sets right here at home.

**J. Horgan:** I certainly agree with the minister that hiring local is important. But I know that in other situations where deputy ministers were hired by this government, that wasn't a consideration. Obviously, in any ministry, qualifications are very important. Perhaps you could outline Ms. Morris's qualifications for the position.

**Hon. C. Taylor:** I could do a much better job of giving you a huge picture of her biog if I had it right in front of me, but I will tell you what I know off the top of my head. That is that Linda Morris, in fact, has been in public relations for as long as I have known her.

Actually, I first met her when I was a chair of the port. Linda Morris at that point was responsible for communications at the port and was responsible for repairing a very difficult situation where the port of Vancouver had always acted as a federal Crown that really didn't have to pay much attention to municipalities or to the communities in which it sat. One of the reasons that I was brought in as chair was because I had spent much time on council working with communities and trying to repair that relationship with the ports. In fact, that happened to be the job that Linda Morris did as head of communications.

[1110]

We had, I believe, nine municipalities around the port. It was our job to start everyone talking to one another — really communicating and solving problems without confrontation, bringing down the temperature and getting everyone working together.

I can't tell you how impressed I was at that time with the job that she did managing, whether it was with the Teamsters or the municipalities or the board or whoever, to get everybody on the same page and actually working together. It was just quite remarkable.

I went on to other things of course. Linda Morris went on to work with the Vancouver Coastal Health Authority and during that time provided a similar function in terms of getting communities aware of what the health authorities were doing, talking in terms of what the issues were, trying to sort out problems, trying to get everybody moving in the same direction.

So her skill set is so clearly and completely what was needed with public affairs that I'm... I just can't tell you how pleased I am that she in fact was the one who was asked to do this and that she agreed to do it. You know, public affairs is crucial to government. You have to have someone who understands the importance of communities, the importance of communication and the importance of having that conversation going. So she comes with the skill sets all in place and has already made a big difference in terms of how we're approaching public affairs.

**J. Horgan:** I thank the minister for that anecdotal report. Perhaps she can provide a résumé of Ms. Mor-

ris's qualifications. And could she give me an indication of her compensation?

**Hon. C. Taylor:** We were just wondering if it was actually on the Web. If it's not on the Web, we will get the bio to you. The compensation is \$180,000.

**J. Horgan:** I assume that's expenses as well.

**Hon. C. Taylor:** No, this is how we list deputy ministers' salaries across the board. This is commensurate with our policy on deputy ministers' salaries.

**J. Horgan:** Does the merit commission have any input into hiring deputy ministers?

**Hon. C. Taylor:** I'm sorry, I don't know the answer to that question — neither do my staff — but I'll find out for you.

**J. Horgan:** I thank the minister for her candour. It is a learning process. This accountability is a funny thing, and we're all grappling with it. We'll make our way through. When you get that information, that would be fine.

I'd like to talk a little bit about the ad campaign. You will recall, hon. Chair, there were a number of questions during question period with respect to advertisements in daily papers across B.C. during the teachers dispute. We asked the minister at that time if she could give us a cost. She said the campaign wasn't complete. My sense is that it's complete now. Could you give us a cost?

**Hon. C. Taylor:** What, in fact, I said was that when public accounts are released the end of June, all of the numbers for all of the campaigns will have been through the Auditor General's stamp of approval, and everything will be out there in the public domain for everyone to see.

**J. Horgan:** Could the minister, with her deputy at her side, advise me what the cost of a full-page ad in the *Vancouver Sun* is — front section?

**Hon. C. Taylor:** I don't know the exact number. We could all find out for sure by phoning the *Sun*, but the deputy's estimation is that it might be around \$25,000. But anyone can find out by phoning the *Vancouver Sun*.

**J. Horgan:** There is a cost of priority placement. I recall in the discussions I had in the Legislature with the Minister of Labour and with the Minister of Finance at the time that the ads were placed the day before. There's a cost to that.

Again, the minister would know and certainly her staff would know that they retain agencies to place these ads. There is a cost to that. I'm surprised that the deputy can't answer that question or the minister can't answer that question.

[1115]

**Hon. C. Taylor:** There are all kinds of issues involved, because when you do advertising on a regular basis, there are different rates that you get, and days — different costs.

I have said repeatedly, and I will keep saying it, that we will put all of those costs out for you in public accounts. They will have been signed off by the Auditor General so that every taxpayer in British Columbia will be able to see exactly what was spent. Then we don't get into trying to guess approximately how much now, and I just think it's an improper way to do business.

**J. Horgan:** I don't disagree with the minister that we would certainly want to await public accounts for a detailed reckoning of the year's expenses. But I do think it is appropriate, when a political campaign is being launched, that there be some expenditure review by the Minister of Finance. It was clearly a political campaign during the month of September and early October. If there were no mechanisms in place for the minister to keep check on the expenditures, that surprises me. I'm wondering if there are other campaigns the minister is aware of that she has no idea what the costs will be.

**Hon. C. Taylor:** All of the public affairs bureau's advertising and their brochures and their education and their communication plans are being conducted under the budget, which I have approved.

**J. Horgan:** I know it's unfair for me to go back a year, but the minister did have a significant cost overrun in that area last year. What confidence can the minister provide for this committee that that won't happen again?

**Hon. C. Taylor:** Well, in fact, there were no cost overruns. There were chargebacks to ministries for some of their specific advertising. What I have said to my department is that we will be on budget.

**J. Horgan:** Does the minister believe that after outlining the qualifications of her newly minted deputy...? I heard her talk about negotiation skills, and I heard her talk about consultation skills and an ability to facilitate compromise, but I didn't hear anything about her ability to manage costs. Is there anything in her expertise that would give me confidence that there won't be a significant cost overrun in advertising this year?

**Hon. C. Taylor:** In fact, she has been running advertising and public affairs budgets for many, many years, and she has also received a master's in business. She has an MBA from Royal Roads.

**J. Horgan:** Royal Roads — very near my constituency. It must be good, although I know there are some in the gallery that didn't think Royal Roads was such a

good idea at the time. But I'll leave that for perhaps a coffee some time rather than this committee.

I'd like to talk a little bit about direct awards from the public affairs bureau. Could the minister outline for the committee how many contracts have been direct-awarded in this fiscal year and how many are anticipated to come in the future?

**Hon. C. Taylor:** We can't, of course, give you the numbers of direct awards for this year. We are looking up what last year's was, so we could give you a count. But it will all be on the record, as was last year's, by the end of June.

**J. Horgan:** I've been waiting anxiously for an open cabinet meeting, but we haven't seen any in my time in this place. I'm wondering if the minister could advise the committee if there are any plans for the public affairs bureau to host an open cabinet meeting anytime soon.

**Hon. C. Taylor:** I don't know yet.

**J. Horgan:** More anticipation. I'm very excited about all the things that await me in the future.

The government did say, though, sometime ago that openness was going to be the hallmark of their mandate. There was talk of monthly open cabinet meetings, and I believe the last one was in January — certainly well before our time. The member from Langara and I were off doing other more important things, and we weren't able to participate. Now here we are, and we don't have the opportunity, so that's regrettable.

[1120]

At the time that we were having open cabinet meetings, there was a company called Western Pro Show Rentals Ltd. that tended to put those adventures on for the public and for cabinet. Could the minister advise this House how many contracts Western Pro Show Rentals Ltd. has with the public affairs bureau?

**Hon. C. Taylor:** At the moment there are two active contracts.

**J. Horgan:** Could the minister share with me the value of those contracts?

**Hon. C. Taylor:** The actual expenditures up to March 31, 2005, for four contracts are \$1,815,954.

**J. Horgan:** Good work if you can get it. My goodness.

What services are being provided for that?

**Hon. C. Taylor:** We'll say we're talking about last year rather than this year's budget, but it was a contract for open cabinet, which you mentioned, for government events, the 2002.... Oh, this is going back. So this is very inclusive, because this one was the 2002 royal visit and also the Premier's small business round table,

which was also in 2002. That's the full list up to March 2005.

**J. Horgan:** If, for example, the Premier was at a media event in Kamloops and was to fly by chartered plane to Kamloops to conduct public business, would he be accompanied by Western Pro Show Rentals to put that event on? Is that one of the services that would be provided?

**Hon. C. Taylor:** It's my understanding that the attempt is there to try and use local suppliers whenever possible, so they try to do that, but Western Pro has been involved as well.

**J. Horgan:** The question specifically was: is the minister aware of Western Pro staff travelling with the Premier on a chartered plane?

**Hon. C. Taylor:** I'm not aware of that.

**J. Horgan:** "Not aware" is a perfectly capable answer. Don't be concerned about that. I just thought I'd throw it out there. I am aware that that did happen. I'll proceed on another track, and we'll just follow that up at another time.

The Pace Group. I'm wondering if the minister could advise me on any direct award contracts to the Pace Group.

[1125]

**Hon. C. Taylor:** Again, I'll have to deal with last year's numbers because that's what we've got. Payments from public affairs bureau for the Pace Group for 2004-2005 totalled \$79,938.21 for project management services rendered in support of Achieve B.C. and forestry revitalization community information tours. They are on the RFQ list — the qualified supplier list.

**J. Horgan:** That was last year — \$79,000. That's in public accounts for last year?

**Hon. C. Taylor:** Yes, it is.

**J. Horgan:** Okay. Could I then ask the minister if she is aware of any work that Pace Group is doing with respect to communications within government this fiscal year?

**Hon. C. Taylor:** I am advised that there is none this year that we are aware of in the public affairs bureau. But I'm sure there's other work in government. You would have to ask other ministers. But by identifying Pace, you do realize, of course, that they worked with NDP governments just as much as with Liberal governments.

**J. Horgan:** I'm not suggesting anything about their capabilities. I'm just concerned about how much money they're getting out of the public treasury. I'm wondering if the minister could advise me if... I

thought one of the functions of PAB was to centralize these activities. Is the minister saying that Western Pro Show Rentals Ltd. and the Pace Group could be receiving communications contracts from other ministries?

**Hon. C. Taylor:** Yes.

**J. Horgan:** Is it possible for the minister to advise me what those might be? Or do I need to go through each ministry and ask that question?

**Hon. C. Taylor:** I'm not aware of whether or not Western Pro has done any other contracts, but you'd have to ask. We believe that Pace has done other contracts, but really, you would have to ask the individual ministers.

**J. Horgan:** So then I can conclude that with respect to communications we've centralized the message, but we haven't centralized the administration. Is that what's happened? I was under the impression that the efficiencies that could be derived from having a centralized communication function were so that we would not be spending money willy-nilly on programs and campaigns all across government. But it sounds to me instead like we've centralized the message, and I'll get to the proliferation of communications officers in the next number of questions. But I'm curious. I thought the whole point was, "Let's keep it all in one place so that we can keep a handle on it and so we can manage costs," but that doesn't seem to be the case.

Are you telling me, then, that government communication expenditures on advertising, promotion, events and the like are not centralized through PAB and are done willy-nilly across government?

**Hon. C. Taylor:** I would say, rather, that it is done thoughtfully across government. It's important because that was the essence of what we discussed when public accounts were released — that these chargebacks, where individual ministries were in fact doing certain programs, were not unusual. I meant it then, and I mean it now.

[1130]

But it's a bigger issue that you've brought up and one that you have probably.... You might be interested in what I'm thinking about on this, so I will proceed. I think it is a question of how you do communications within government. When the deputy minister was hired, I specifically asked her to look at the structure of the public affairs bureau and asked her to assess not only budget needs but also structural issues, and come back to me and talk about how we can best do communications within government.

I was not here in the previous administration, but my understanding is not yours. My understanding was that the public affairs bureau would be a coordinator of all these things, not that everything would be done just in the one bureau. That would be very difficult to accomplish. I tend to be a fan of trying to certainly be a strong coordinator, but let ministries make some of

these decisions themselves. But you do have to coordinate and make sure that you're all working in the same direction in terms of the issues and the five goals, so I see it as a strong coordinator.

**J. Horgan:** I'm always interested in the minister's thoughts. So anytime she wishes to share them with me, I'm happy to listen.

I used to live on the fourth floor where the windows are always closed and the air is very thin, and I know that centralization and coordination is a primary function of a communication shop. But what intrigued me about the government's approach after 2001 was that the mythology was that sound managers would manage better. But we continue to have cost overruns, and we continue to have creeping contract-itis where communications companies, regardless of their political affiliations or their inclinations, continue to receive exorbitant amounts of money for what many would suggest — I know, outside of this place — is not much work. So I want to ask, then, if you could explain to me what services — concrete, tangible services — have been provided by Western Pro Show Rentals Ltd.

**Hon. C. Taylor:** For instance, if you were doing one of the events that Western Pro was hired to do the contract on, they would be doing the sound and would make sure that all of the technical needs were there. They look after that side of it.

[H. Bloy in the chair.]

**J. Horgan:** Were there tapes made? Were there DVDs made? Were there reports issued? Was there an indication from Western Pro Show Rentals Ltd. as to the efficacy of the activity? Was there a media uptake? Was there a public relations benefit from that activity?

Normally in the real world, which I know the minister has lived in most of her life, you get something for your money other than a stage to stand on and a microphone test before the press conference starts. Specifically, can the minister identify or point to tangible reports, recordings, DVDs, any accomplishments from this expenditure?

**Hon. C. Taylor:** When Western Pro was hired for these contracts, they were really to set up the physical place and make sure that the event works. We as politicians take care of the content — for instance, if it's an open cabinet meeting. But they make sure that everything is in place — the audio, visuals — and organize that space. Apparently, we do have an archive of tapes from the open cabinet meetings, if you would like the pleasure of watching them again.

**J. Horgan:** I think we'll have to depart our common bond on that one and just leave that to one side.

[1135]

As much as I'd love to spend a day or so on these issues.... When I was a staffer over there, these were issues that concerned me greatly. I know your other

deputy and I had many discussions about how you could make this work better, and I'm hopeful that the two of them will be working together to find some efficiencies and really produce a product that the public can benefit from.

I would like to now go into the proliferation of communications officers, and I'm wondering if the minister could provide me — not necessarily today, but in the very near future — a complete org chart for the public affairs bureau, including compensation levels and responsibilities.

**Hon. C. Taylor:** I'd be happy to do that.

**J. Horgan:** Could the minister also provide me with résumés for all employees of the public affairs bureau?

**Hon. C. Taylor:** I want to make sure I'm not stepping over any privacy issues. We will ask permission of all these people to give you their résumés. I know that we've certainly got them for all the new ones. We'd have to go back and ask for résumés of the others.

**J. Horgan:** I know those that were there prior to 2001 would have had to do this, so they should have them ready. Maybe they'll even dust them off and update them. Could the minister then tell me who the executive director of government communications division is and what his compensation level is?

**Hon. C. Taylor:** It's Andy Orr, and his salary is \$107,000.

**J. Horgan:** How many issue managers are there in the public affairs bureau?

**Hon. C. Taylor:** We don't have that title in the current organization, but as soon as I get you the org chart, you will be able to see where everyone fits.

**J. Horgan:** Does the executive director report to the deputy minister or to the chief of staff of the Premier?

**Hon. C. Taylor:** To the deputy minister of public affairs.

**J. Horgan:** How frequently does the deputy minister of public affairs meet with the chief of staff to the Premier in an average week?

**Hon. C. Taylor:** No regular meetings, but certainly they sit in the same meetings, as we all do, frequently.

**J. Horgan:** No regularly scheduled meeting between the deputy minister of PAB and the chief of staff of the Premier?

**Hon. C. Taylor:** No. In fact, the deputy minister has just informed me she tends to meet more with the deputy minister of cabinet.

**J. Horgan:** Does the executive director meet regularly with the chief of staff to the Premier?

**Hon. C. Taylor:** I'm informed there are no regular meetings.

**J. Horgan:** There are no scheduled meetings between staff of the public affairs bureau and chief of staff to the Premier?

**Hon. C. Taylor:** I think perhaps you are thinking of the previous structure where, in fact, public affairs did report regularly to this individual. But I'm informed that they do not do that at this point.

**J. Horgan:** Could the minister advise me how many communications officers there are in the public affairs bureau?

[1140]

**Hon. C. Taylor:** I'm really reluctant to give you numbers that are supposed to sound hard when we're not quite certain, because we've got different titles. But I'm informed that it's probably — by what you're looking for — about 108. When you see the org chart and you see how we do the titles, you'll be able to better assess that.

**J. Horgan:** How many press releases were issued by the public affairs bureau last year?

**Hon. C. Taylor:** I'm sorry. I don't have the answer to that, but we will get it for you if it's possible.

**J. Horgan:** Oh, it's possible. Can the minister advise me what the process is for sign-off on a press release? How many individuals have to review a press release on an average day before it's released to the public?

**Hon. C. Taylor:** It really depends completely on the ministry apparently, and that stands to reason. In a complex ministry there would be more people that would have to make sure all the facts are correct.

**J. Horgan:** I'm just thankful it's something less than 108. But I do know from my own experience, when I was doing this business, that a lot of people look at these things. It was often said to me that if you can get 20 people chasing the same tail, you can probably get a press release out in under 48 hours. So I don't know how the new staff person at the top of the pile is doing on that, but I would certainly encourage her to reduce the number of tail-chasers you have, and that will expedite information to the public. It will probably clean up the message somewhat as well so that it's not cluttered with everyone else's piece of the puzzle.

I don't want to leave this place without having something to interest the member for West Vancouver-Garibaldi. I want to know how many contracts there are within the public affairs bureau for public opinion surveys.

**Hon. C. Taylor:** One moment, please.

I want to make sure I'm as accurate as I can be. Apparently, there are none at the moment.

**J. Horgan:** Can the minister advise me if the public affairs bureau coordinates public opinion surveys across government?

**Hon. C. Taylor:** No, we don't.

**J. Horgan:** So, then, this key communications tool, gauging the public's view on issues of importance, public policy issues, is not done by the public affairs bureau; it's done separately, by ministry, as issues arise?

**Hon. C. Taylor:** I would say that's pretty accurate. It doesn't mean we're not sometimes involved, but it is not.... Apparently, in the past there used to be a very strong direction that public affairs coordinated all those polls. That's not the situation currently. So from time to time, as you say, as matters arise, we may or may not be involved, but at this particular moment, we're not doing any polling.

[1145]

**J. Horgan:** So in the month of October, to your knowledge, there were no public opinion surveys done by the government of British Columbia?

**Hon. C. Taylor:** This may explain a few things. There was no polling done through public affairs that I'm aware of.

**J. Horgan:** It's unfortunate — and I know you've been sitting here for a long time going through this process — that we arrive at the Ministry of Finance at this late hour when other ministries have gone by, assuming that when we got to the public affairs bureau, which they had done in the past, they had coordinated these activities.... We've lost a month of questioning on an important issue of how the Crown spends money monitoring how the public feels about public policy. So that's unfortunate, and I'm surprised and disappointed by that, but that's the way it goes. I guess February will be here soon, and we'll start afresh, and we'll be the wiser as a result.

Can the minister, then.... If there's no public opinion function, no oversight within public affairs and no oversight for advertising, what are the core functions of the public affairs bureau?

**Hon. C. Taylor:** I think that you're going off in a direction that is not what I'm trying to say. There is a coordinating function, for sure, with public affairs — a strong coordinating function. Ministries have the opportunity from time to time, or wish from time to time, to do a specific advertising initiative — and the West Nile virus would be a good example. They come, and public affairs helps them with it and gives them direction. Some we initiate and we start. So it's more of a

mixed model than either all in or all out. It's much more of a mixed model.

The way that.... I would like to see it move in that direction even more strongly to make sure that we do have that coordination. We've got skill sets in public affairs that can help these ministries when they decide to do some of these programs. But rather than everything coming inside PAB — which is a centralized model that I don't think works so well — this is more of a centralized coordination. We get involved with their ads when they ask us to get involved, and we help, and sometimes we initiate them.

You look at a program like ActNow, for instance, where we're thinking about smoking and how we can help our young kids, especially young women, not to smoke, and that will be a coordinated effort between the Ministry of Health and public affairs — just as an example.

**J. Horgan:** The mixed model that the minister suggests, in my humble opinion, reduces accountability. It's that mixed model that puts members of executive council in the awkward position that the minister found herself last summer. The ability for the Minister

of Finance to ensure that there is accountability on expenditures with respect to public information, with respect to political propaganda, with respect to public opinion surveys, is lost if, in this process where we're trying to seek accountability.... I know that is at the minister's core. She wants to be as open and accessible as possible. I certainly respect that. But the model that she has just described makes that extremely difficult.

I came here today expecting to have an enjoyable time for an hour or so, asking questions about my old friends and how they're doing. I discovered that, well, they're doing the same thing, but "I can't tell you exactly what that is because it's not my responsibility and not my mandate." I don't mean any disrespect when I say that, but there was an expectation on our side that there was some level of centralized accountability on these important expenditures.

So with that, and noting the time, I ask that the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:50 a.m.



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