



Second Session, 38th Parliament

OFFICIAL REPORT OF
DEBATES OF THE
LEGISLATIVE ASSEMBLY
(HANSARD)

Tuesday, May 2, 2006
Afternoon Sitting
Volume 10, Number 6

THE HONOURABLE BILL BARISOFF, SPEAKER

ISSN 0709-1281

PROVINCE OF BRITISH COLUMBIA
(Entered Confederation July 20, 1871)

LIEUTENANT-GOVERNOR
Her Honour the Honourable Iona V. Campagnolo, CM, OBC

SECOND SESSION, 38TH PARLIAMENT

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Honourable Bill Barisoff

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TUESDAY, MAY 2, 2006

The House met at 2:03 p.m.

Introductions by Members

C. Puchmayr: It is an honour today to introduce some women from my constituency who are here today to lobby the government and the opposition on some very important issues that are affecting women and children in my community: Judi Filion, Lorri Watt, Lorraine Logan, Leah Paxon, Remi Adejumo and Cherene Groundwater. Please make them feel welcome.

Hon. J. van Dongen: I ask the House today to please join me in welcoming Dr. Butch Kamena, from the department of political science at Western Washington University, and a bright group of fourth-year political science students. Dr. Kamena teaches a Canadian government class at Western Washington U., which has just celebrated Canada Week from April 24 to 29 with a full range of events. I applaud such initiatives because they do provide opportunities to improve understanding and cooperation between our two countries. I would ask the House to please join me in welcoming the students and Dr. Kamena from Washington State.

[1405]

D. Thorne: I have the honour today to introduce three groups of women that are here in Victoria to lobby their MLAs on issues of importance to them. I'll introduce them one at a time. There are about 120 women in total.

The first group of women is the B.C. Federation of Labour women's lobby. They're here to lobby around women's economic equality. I have the Coalition of Child Care Advocates of British Columbia here to talk to their MLAs about child care issues. I have the B.C. Coalition of Women's Centres, who are here to talk about women's voices in government and in their communities. That's 120 women from across British Columbia. I would ask the House to please make them very, very welcome.

M. Polak: This morning along with my colleagues the member for Vancouver-Burrard and the member for Surrey-White Rock, I had the privilege of meeting with members from the Hamed Nastoh Anti-Bullying Coalition. It's my good fortune to have four of them as constituents in my riding.

I'd like to introduce them to the House today: Mr. Todd Hauptman, who is a youth advocate; Marilyn Lawrie, director of Teen Titans; Judi Vankevich, also known as "the Manners Lady," director of the Canadian Project for Manners and Civility; and her daughter Lexi Vankevich, a grade eight student from Langley Fundamental Middle School and president of the Manners Club Kids. Would the House please make them welcome.

R. Chouhan: It gives me great honour to introduce some of the wonderful women that we have met this morning from the Burnaby area, those who live there or work there. They are Joey Warnock, Tamara Coombes, Marge Owen, Marie Stewart, Elizabeth Tucker, Anna Lopez, Shannon Field and Karen Dickson. Please join me to welcome them.

L. Mayencourt: In addition to the guests that the member for Langley has mentioned today, we also have the mother of Hamed Nastoh. Nasima Nastoh has been a tireless advocate for anti-bullying campaigns in schools across British Columbia. She has spent the last six years dedicating her life to it. I hope the House will make her feel welcome.

I'd also like to introduce Debra Chisholm. Debra Chisholm is an education advocate who has done an awful lot of work around issues of bullying, harassment and intimidation as well. They're here to support the Safe Schools Act, and I would ask that the House please make them feel very, very welcome.

M. Sather: Joining us today in the House is Heather Lee. Heather is a longtime activist in Maple Ridge and a stalwart member of the Canadian Union of Public Employees. Will the House please join me in making her welcome.

D. Routley: With us in the House are a few people. I'd like to make a couple of introductions. First, Catherine Dale. The B.C. Coalition of Women's Centres' Debra Critchley, Denise Derrell and Michelle Dodds. Also with us from the Lu'ma Native Housing Society are Linda Lavalee and Marcel Swain, and from the aboriginal homelessness steering committee, Patrick Stewart. Will the House please make them welcome.

D. Hayer: It gives me great pleasure to introduce 50 grade five students visiting from Pacific Academy in my riding of Surrey-Tynehead. Joining them are teachers Mr. Rick Bath and Mrs. Nancy Bakken as well as many parent volunteers who have taken time out of their busy schedules to accompany the students. Would the House please make them very welcome.

K. Conroy: It gives me a great deal of pleasure to recognize a couple of women from the Coalition of Child Care Advocates of B.C. — their spokesperson, Sharon Gregson, who has been a longtime advocate for child care; and Susan Harney and her granddaughter Michaela. It's really great to see them here in the House.

S. Fraser: It gives me great pleasure to introduce a friend, Carol Bunch. She's a great advocate and a community activist. Please help me make her feel very welcome here today.

[1410]

C. Trevena: I hope the House will make one of my constituents very welcome. Lesley Gibson runs the

Campbell River Women's Centre and listens to women and works with women in Campbell River and around the area. She is here with the women's centre lobby today. I hope the House will make her very welcome.

H. Bains: In the House today are a number of sisters from the Steelworkers — a good union I had the opportunity to meet with today — and other sisters from Machinists. My good friend Angie Shera is leading the troops in lobbying for a very good cause. Another woman in there, a good friend of mine, is Jessie Uppal — the very reason I'm in this House today. She was my campaign manager. Will the House please welcome them.

Tributes

WAYNE STRELIOFF

R. Fleming: Today we say thank you and goodbye to a face that is very familiar to members of the assembly. Mr. Wayne Strelloff, Auditor General for British Columbia for the past six years, is serving the last day of his term.

Mr. Strelloff has served this House and our province with dedication and a strong commitment to public sector accountability. As he moves on to other endeavours, I would like to ask all members of the House to thank Mr. Strelloff for his commendable service as B.C.'s Auditor General and offer him our best wishes for the future.

J. Yap: As my colleague from Victoria-Hillside mentioned, today is the last day for the Auditor General, Mr. Wayne Strelloff. I, too, would like to say, on behalf of government members, that it has been a pleasure to have worked with him.

As we all know — members of the Public Accounts Committee and the Finance and Government Services Committee — Mr. Strelloff has been a strong advocate for continuous improvement in government accountability. On behalf of all of us, I want to wish Mr. Strelloff all the best and every success in the future.

Introductions by Members

N. Simons: In the House today joining us is Vicki Dobbyn with the Sunshine Coast Community Services Society. I would just ask that the House make her feel welcome.

C. Evans: Somewhere in the galleries up above us is a young woman, lately from Nelson, Michelle Mungall. At 23 years old, Michelle Mungall announced that she was going to run for city councillor in the city of Nelson. I was naively not of the belief that a 23-year-old person would do well in an election. She came second from the top of the polls after canvassing everybody in the town, served three great years as a city councillor and is now in Victoria to get a master's degree in political science. I want members to make her welcome up-

stairs. The next time we welcome her, I hope she's walking through the door to get sworn in as an MLA in this chamber.

Interjections.

Mr. Speaker: Member.

S. Hammell: Betty Stevens, a member of UFCW and the heart behind the annual UFCW International Women's Day event — which I attended many of — is here in the House. She is a wonderful woman, very caring, and I'm very proud to say I'm a friend of hers. Would the House please make her welcome.

[1415]

L. Mayencourt: I have three other guests in the gallery today, and I would like the House to please make them feel welcome. Leo Ferry is the father of Zoe Ferry, who is also here with him. Leo has been involved in our parent advisory committees, first at Roberts Annex and later at Lord Roberts Elementary. They're joined by Sarada Bhagavatula. Would the House please make them all feel welcome.

D. Routley: I rise once again, because I notice another constituent in our gallery. Mary Dolan is the coordinator of Growing Together Child and Parent Society in Duncan. She's a tireless advocate for child care — lives and breathes the issue — and proves it every day on the ground.

S. Simpson: I just want to add my voice in welcoming Sharon Gregson here. She is a leader in the child care movement and certainly has been a good friend to me and has always been a source of great advice around issues related to children for the benefit and welfare of children. I would note that Sharon is also a Vancouver school trustee in the city of Vancouver. I would encourage people to make her welcome.

Mr. Speaker: I'm sure everybody was introduced, but if you weren't, welcome.

Introduction and First Reading of Bills

HUMAN RIGHTS CODE
AMENDMENT ACT, 2006

R. Chouhan presented a bill intituled Human Rights Code Amendment Act, 2006.

R. Chouhan: I move that the bill, of which notice has been given in my name on the order paper, be read a first time now.

Motion approved.

R. Chouhan: I'm pleased to introduce the Human Rights Code Amendment Act, 2006. In 2002, among

various other budget and system cuts, this government passed legislation abolishing our Human Rights Commission. The commission had performed various functions, including human rights research, education, monitoring, investigation and dispute resolution. The results have been dramatic.

British Columbia currently stands as the only province in Canada without a commission. Our human rights system does not accord with international norms and principles, and it flouts our international legal obligations. Human rights education, research and monitoring are no longer carried out effectively in this province and are clearly not priorities for the current government.

Victims of human rights abuses are isolated and powerless without the assistance of the commission, and matters of systemic discrimination and harassment are not being addressed. The recent allegations of systemic discrimination and harassment in the Richmond fire service highlight these unacceptable deficiencies in our current human rights system.

This bill will restore the B.C. Human Rights Commission. The new and improved commission will rebuild a human rights culture in this province through research, education and outreach. It will revive the public purpose of our human rights legislation by carrying out public interest, investigation and litigation. It will respond to the needs and concerns of British Columbians by providing information and assistance regarding human rights disputes.

Our human rights will not protect themselves. Our commitment to diversity and human dignity must be nourished to be fulfilled. Equality and freedom from discrimination cannot be achieved without active public participation. British Columbia needs a human rights commission.

I therefore move that this bill, Human Rights Code Amendment Act, 2006, be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill M205, Human Rights Code Amendment Act, 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Statements (Standing Order 25B)

MENTAL ILLNESS

C. Wyse: May 1 to 7 has been declared Mental Health Week. Untreated mental illness extracts a heavy toll on both the individual and the family around that person. Government has the responsibility to provide the support to both the individual and the family. The family often serves not only as the primary caregiver but as the only caregiver. Without that support, the mentally ill frequently fail to live a normal life. Without that support, both society and the mentally ill suffer an unnecessary loss.

[1420]

Besides the personal price paid by the mentally ill, besides the need for expanded support for the mentally ill, there is an aspect of mental illness that is often overlooked — the effect mental illness has on business. Stress, depression and other mental illness have the following consequences for business in Canada. Some 35 million work days are lost each year due to mental health conditions. Up to 40 percent of disability insurance claims are attributed to mental health issues. In any given year, 20 percent to 25 percent of Canadian employees suffer from some sort of mental illness. Annual productivity loss resulting from mental health problems is estimated at \$35 billion.

To be successful in today's economy, business needs to raise awareness of mental illness, reduce the causes of mental illness in the workplace and deal better with mental illness in the workplace. It is equally important that the effect of mental illness upon both the individual and society be recognized and that the effects of these illnesses be reduced. It affects both genders, all families and every nationality.

As mental illness ignores political party lines, I call upon this Legislature to use our collective influence to reduce the stigma attached to mental illness and to jointly seek methods to improve the lot of the mentally ill. To do any less is our failure.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

J. Yap: The Canadian Federation of Independent Business, or CFIB, recently celebrated its 35th anniversary. CFIB prides itself on being an independent, non-partisan big voice for small business in Canada. With over 100,000 members nationwide ranging from small to medium-sized business in all sectors, CFIB helps businesses to prosper by lobbying for them at the local, provincial and federal levels of government.

CFIB examines confidence in the Canadian business sector on a quarterly basis, and the most recent findings show that B.C. is leading the way. Ted Mallett, the federation's chief economist, says that business in B.C., along with Alberta, continues to be the most optimistic in the country.

Confidence in B.C.'s business sector is directly related to the policies of this government, and CFIB chose the occasion of their 35th anniversary to recognize this great achievement. On April 18, with members from both sides of this House present, CFIB president Catherine Swift presented to the Premier, on behalf of the province of B.C., their first-ever award of policy excellence in recognition of our government's achievements in improving regulatory accountability.

B.C. is the first province in Canada to measure and report the regulatory burden by ministry, showing a commitment to promoting regulatory accountability. CFIB recognizes this accountability as critical to fostering the ongoing prosperity of the small and medium-sized business community in B.C.

The policies of this government promote confidence in the business sector of the province and support our great goal to create more jobs per capita than anywhere else in Canada. We can and should be proud that B.C. is again leading the way in the country, and it's great this leadership is recognized by an organization as distinguished as the Canadian Federation of Independent Business.

HOMELESSNESS IN B.C.

D. Routley: Apologies to the members because this is adapted to a new topic. Since I came to this House, I've been astonished by many things, but particularly in my critic role in housing and homelessness, I've been astonished by what I've seen on the sidewalks, in the doorways and in the shelters of this province.

It is true we have a burgeoning economy. We have housing starts that are helping support employment, and we have raw materials that are in demand. But we also have thousands upon thousands of people being left out of that equation. We have tens of thousands of British Columbians living below the poverty line. We have thousands upon thousands of British Columbians living on the streets. We see increases every year that double that number. We see aboriginal representation in that number grossly disproportionate to their representation in our provincial population — 3 percent of our population in the province and yet over 30-percent representation in the homeless counts in our urban centres. This, I think every member in this House would agree, is unacceptable.

[1425]

Against the widening gap between those who have and have not, a group called Lu'ma struggles with the challenge of urban aboriginal homelessness. They struggle to support the homeless. They support over 800 transitional housing units for aboriginal peoples. They recognize that there is no culturally sensitive or appropriate shelter for aboriginal people in this province, and they're fighting to change that.

I am proud to know them and work alongside them to address the issues of those who don't have, because nobody on this side of the House is going to deny that there are a lot of houses being built in B.C. with the low interest rates. No one here is going to deny that there are a lot of people working in mines, but I don't think anyone with a conscience could deny that there are tens of thousands of British Columbians left out.

B.C. RAIL INVESTMENT PARTNERSHIP

J. Rustad: When our government committed to creating the B.C. Rail investment partnership, we did so with the goal of reinvigorating B.C.'s rail industry and creating jobs and economic opportunities for the people of the central interior of B.C. Some of the benefits of this initiative are obvious. Some \$500 million in taxpayer debt was retired. Funding was committed to establish the Northern Development Initiative Trust and towards improving the Port of Prince Rupert and

the Prince George Airport. A new wheel shop in Prince George and a new district rail office, and the addition of 600 more railcars.

Now, almost three years later, there are still more opportunities being created as a result of this investment. The spark from this partnership has seen the Port of Prince Rupert already engineering phase two of expansion. This will see a huge increase in the rail traffic and container shipments, generating many new jobs in the rail industry, which have already surpassed employment levels of the old BCR operation.

In addition, the potential growth of the Prince George Airport is phenomenal. Once again, this initiative was a direct benefit from the CN-BCR partnership.

As a major rail intersection, Prince George is poised to become an important link in the development of Prince Rupert as part of our Asia-Pacific gateway strategy. It's an ideal location for an inland port facility, which would create hundreds of new direct jobs and thousands of spinoff jobs across the central interior.

The B.C. Rail investment partnership was a catalyst for this new spirit of optimism and growth being felt across northern B.C. Without the revitalized rail industry and the investment the partnership created, we would not be so well-positioned to seize these opportunities. There were naysayers afraid of change who wanted to keep the status quo, but the bold vision of our government is paying dividends for the people of northern B.C. now and for the future.

KARST CAVES

S. Fraser: In my constituency of Alberni-Qualicum there is great concern about the protection of our water supplies for drinking water, for the environment and for fisheries values. I've attended a number of events and rallies around that protection, and I've been learning things that I didn't know before.

I have met up with a group that has been involved in some of these community events. They are the Central Island Caving Club. On Saturday I had the opportunity to have an adventure, if you would, and enter a cave that has not been entered before by very many people — a new system above Sproat Lake. I and a number of other people had an opportunity to get a tour of this new cave system. They found new bugs — scientists are still trying to figure out if they're unique in the world — and very rare fossils.

But the implications of caves are a lot bigger. Karst topography is sensitive limestone areas that have seams where water will dissolve and form cave systems, and actually provide groundwater in areas where you would least expect it, often travelling great distances — miles, and in some places of the world, hundreds of miles.

We as legislators are often ignorant of that sort of system when it comes to making land use decisions. I'm raising this issue in the hopes of educating all of us, which I have just been, on how important karst systems are and how mindful we must be in protecting them when we're dealing with land use decisions that

involve the surface. We are often unaware of what is happening below that surface.

[1430]

The vulnerability of these karst systems is also very important, and we do not understand them at all. We must make sure that we are very mindful of this for the future.

FUTURE OF STEELHEAD STOCKS

R. Sultan: *Oncorhynchus mykiss* is the provocative Latin name for steelhead fish, a strong and wild provincial icon. This weekend MLAs gathered with biologists and officials to form the steelhead futures caucus. Fuelled by wine and good intentions, we filled an evening with fishing stories from our youth and schemes for habitat restoration.

Steelhead multiply in the fast and cold rivers of our north, but in the south their future is threatened by temperature change in the ocean and stream destruction ashore. Unlike salmon, steelhead commute many times to the sea, grow to great size and spawn wherever they find clean gravel in fast rivers from the Capilano to the Coquihalla.

My friend and steelhead expert Al Lill has said that wild stocks cannot recover unless freshwater productivity is increased to compensate for reduction in marine survival. This involves repairing streams from the ravages of logging done as practised in the bad old days, nutrient enrichment and spawning bed development — not cheap.

This week the Premier and our Environment Minister tripled this government's investment in the living rivers trust fund, totalling \$21 million for protecting and preserving rivers, watersheds and fish habitat for future generations.

To learn where this money goes, biologist Craig Wightman will lead our group on a snorkel survey down some fast river this summer — pure ecstasy. Roderick Haig-Brown once wrote: "It is something more than a sport. It is an intimate exploration of a part of the world hidden from the eyes and minds of ordinary people. It is a way of thinking and doing, a way of reviving the mind and body, that men have been following with growing intensity for hundreds of years."

Oral Questions

EMERGENCY SERVICES AT MOUNT SAINT JOSEPH HOSPITAL

C. James: Last week the Minister of Health accused doctors of being alarmist when they said there was a crisis in ERs. By the weekend, as we all know, the ER crisis had become a PR crisis for the Liberals.

British Columbians don't care about the Liberals' PR crisis. They, in fact, care about the bed crisis. Doctors and health care professionals have been raising these concerns for years. All they got on the weekend was a band-aid fix.

My question is to the Minister of Health. How long will patients have to wait before the B.C. Liberals wake up to the crisis that they created in our emergency rooms?

Hon. G. Abbott: Just so the record is clear, I have never suggested that doctors are alarmist in this province. I did clarify the record with respect to a particular aspect of some of the issues we've been discussing, but I've never made that suggestion.

In fact, I had an excellent meeting yesterday with the B.C. Medical Association and with the emergency services committee of the B.C. Medical Association, which is comprised of several emergency department doctors. They are committed to working with our government. They are committed to working with nurses and the B.C. Nurses Union. They're committed to working with the paramedics across this province. They're committed to working with the health care unions. Everyone has stepped up to the plate and said they want to be a part of the solution, with the exception of the members opposite.

Mr. Speaker: The Leader of the Opposition has a supplemental.

C. James: As one of the doctors said yesterday, the first step in fixing the problem is acknowledging that there is a problem. We continue to see the minister in this government completely ignoring the obvious problem. They cut too many beds and did not keep their promise to build the 5,000 long-term care beds.

[1435]

We heard this Health Minister actually challenge health workers to think outside the box. Well, I'd like to ask the minister to think outside his message box and actually acknowledge the problem — to admit that it was a mistake to close one in five acute care beds, actually admit that it was a mistake to shut down long-term care beds across this province, and actually admit that it was a mistake to download the pressures to the ERs.

To the Health Minister: when will you fix the real problem and replace the beds that you cut?

Hon. G. Abbott: The Leader of the Opposition, as is fairly typical of her and a number of her colleagues, actually confuses the record of this government with the record of her own government back between 1991 and 2001. I know they don't like to hear this, but I think it's important we note that the number of acute care beds in this province was reduced from over 11,000 in 1993 down to 8,000 in 2001. That's a 23-percent reduction in the number of acute care beds in this province. We have cut nowhere near that number of acute care beds.

Mr. Speaker: The Leader of the Opposition has a further supplemental.

C. James: I think that was actually a record, Mr. Speaker. It took a whole four minutes before the minis-

ter blamed us for the problem instead of acknowledging their problem.

While the Health Minister is busy trying to fix the problems that he created in the hospitals, yesterday we learned that Mount Saint Joseph Hospital in Vancouver is going to lose 23 percent of their ER doctors at the end of the month. Doctors say that this will mean unsafe and unworkable conditions. In fact, one doctor actually said that she may leave the province rather than continue working here under the Liberal government. This is what happens when you care more about the headlines than you do about patient care.

My question to the Health Minister: why should anyone trust anything this minister has to say about health care, when he's been caught cutting ER doctors in one of the few hospitals that actually hasn't been in the headlines in British Columbia?

Hon. G. Abbott: I think it's most unfortunate that the Leader of the Opposition continues to mislead the public around the facts in these matters. I think it's very important to note, when we look at Mount Saint Joseph in particular, that this is an important and valuable facility for Providence Health, for Vancouver Coastal and for the province. It's important to note that we've recognized that.

Back in the fiscal year 2003-2004, the budget for physician services was \$686,000. Today in the current-year budget it is \$1.075 million. That is for Mount Saint Joseph only. The Leader of the Opposition is wrong. That is not the case.

I want her to know, as well, that all of the health authorities, in the current year's budget, received a lift of 4.2 percent in operational dollars — that's \$280 million — for those health authorities to provide even better care to all British Columbians.

D. Cubberley: The minister likes to lecture us about bed cuts in the '90s and blame the current emergency room crisis on things that happened in the '90s. He is very, very fresh in his knowledge of those facts.

Let me remind him of his era in government. In their first term of office, this B.C. Liberal government shut down five hospitals. They closed 1,300 acute care beds, they closed emergency departments, and they shut down 54 long-term care facilities.

[1440]

What I would really like the minister to do is tell us why that has no relationship to the current crisis and overcrowding of the hospital emergency rooms in British Columbia.

Hon. G. Abbott: What doesn't make me feel better is knowing that during the years 1996 to 2001, when I was an opposition MLA for Shuswap, two of the three hospitals in my constituency were closed by that former NDP government. So they can get all sanctimonious as they like. The fact of the matter is that this government is making appropriate investments to move us forward. Unlike that government, which added 1,400 residential care beds throughout their entire ten years,

we are already now incrementally at 1,500 additional beds.

Beyond that, we have invested hundreds of millions of dollars in remediating and upgrading residential care and assisted-living beds in this province, units in this province. Now 4,200 of those units have been completed in addition to the 1,500 incremental new beds. That investment, which was long overdue, will have a profound impact on the better operation of our hospitals and our emergency rooms.

Mr. Speaker: Member for Saanich South has a supplemental.

D. Cubberley: So you cut one in five beds in the acute care system in the province, and that had no impact on the current emergency room crisis.

Interjection.

Mr. Speaker: Continue.

D. Cubberley: In 2003 and 2004 this government was warned time and again about bed shortages and the impact on hospital emergency rooms — by doctors. Ignoring those warnings, you cut even deeper. We're all waiting for the government to acknowledge and own up to the fact that there just aren't enough beds in the acute care sector in our hospitals to handle the patients arriving at the emergency room door.

It should be obvious we're not going to make any progress in fixing this problem by taking resources away from the emergency rooms that work and putting band-aids on the emergency rooms that don't. Will the minister agree to back off on the plan to downsize the emergency room at Mount Saint Joseph?

Hon. G. Abbott: Again, let's get this discussion right. We recognize that acute care beds have been reduced around the world — nationally, internationally, provincially. The members opposite say: "Well, I guess the over 3,000 acute care beds that we closed during our tenure in office.... Apparently that was a good thing, but then it became a very bad thing when the other government came in, in 2001."

The fact of the matter is that acute care bed reductions stem to more out-patient surgeries being done today — far more than ever before. Cataract surgery that would take several days of hospital stay a decade ago is now done as an out-patient surgery in our hospitals. We have seen some acute care bed closures. It's a small fraction of what they closed during the 1990s.

J. Kwan: Mount Saint Joseph Hospital, a small hospital, was rated as having some of the best ER response rates in this province in terms of hospitals in the lower mainland. But because of that, they're being penalized. They're seeing a reduction in ER physicians in that hospital. That's what's happened with this government, and you know what? We've seen that movie played out before. This government shut down the 24-hour ER

emergency services at UBC, and VGH took a hit and had more patients going to their emergency rooms.

By reducing Mount Saint Joseph's capacity, this government is putting more pressure in other hospitals. Can the minister explain to this House how it is that a reduction of services at Mount Saint Joseph Hospital would actually help the region's bed shortages and overcrowded ERs?

[1445]

Hon. G. Abbott: I think the member's question shows a remarkable disrespect to the Vancouver Coastal Health Authority and in particular to Providence Health Care, which has provided exceptional services to the citizens they serve for over 100 years now. The fact of the matter is that Providence Health Care and Vancouver Coastal are always looking at patient patterns within their area.

As I noted, the physician services budget for Mount Saint Joseph has moved from \$686,000 in 2003-2004 to \$1.075 million today. Now, we know that there are always challenges in the emergency departments, and I think that, quite rightly, Providence Health Care and Vancouver Coastal Health Authority have to look at the pressures. They have to look at the demand in different facilities and make appropriate decisions around that \$1.075 million. But believe me, each and every day Providence Health Care and Vancouver Coastal health care get up and work hard to try to provide the best service to the citizens they serve.

Mr. Speaker: The member for Vancouver-Mount Pleasant has a supplemental.

J. Kwan: What is clear is this minister's showing of his disrespect to patients and doctors in British Columbia. The challenge for our health care system is this minister's inability to acknowledge that they have failed to promise to commit and to provide for the 5,000 long-term care beds this government was going to ensure were in place for B.C. That is the challenge in our health care system.

Moreover, this minister to date refused to acknowledge the problems we have in our system. We have Mount Saint Joseph Hospital, which is actually operating well in its ER services. And what does this minister do? He decides that they must cut their ER services. So I want to ask the minister this because....

Mount Saint Joseph is not just a hospital that provides an efficient ER. It also provides a vital service for the diverse communities in B.C. and, more particularly, for people for whom English is a second language. They provide a diverse health care range of services for those individuals. By reducing the service now, this government is reducing access to care for people who speak English as a second language. Where are these patients supposed to turn to — other overcrowded B.C. ERs? Is that where they're supposed to turn to for help?

Hon. G. Abbott: Again, there has been no cut here. We have seen the budget number move from \$686,000

to \$1.075 million, a 56-percent increase in the budget for physician services at Mount Saint Joseph.

The member seems to nurse the misapprehension that I set the staffing levels in emergency rooms at hospitals around the province. I do not. I look forward to the 100 years-plus of exceptional experience that has been provided by the Providence Health Care organization, by Vancouver Coastal Health. I think they do an exceptional job of managing their resources. They are moving very thoughtfully towards providing the best of patient care to the people they serve in Vancouver Coastal and in the Providence service area.

M. Farnworth: Well, actually, it's this minister who sets the budget for the health authorities. It's this minister who gives the health authorities the budget that they need to provide the services. Right now, those services are being challenged. Dr. Hugley at Mount Saint Joseph said she can't work in a place where she can't guarantee patient safety and is going to the United States as a result. Is she fearmongering, minister?

[1450]

Hon. G. Abbott: We do set the budget for the health authorities. I'm glad we see that recognition from the hon. member, as a former Health Minister. We do set the budget.

The budget we've set sees a 4.2-percent increase, an increase of \$280 million operationally for the health authorities. That budget sees a lift for emergency room doctors across this province, from \$22 million back in '03-04 to \$45 million today. That budget sees a 56-percent increase for physician services at Mount Saint Joseph, in comparison to a 21-percent increase in the amount of patients that make their way through Mount Saint Joseph Hospital.

We are in fact making very judicious investments. We have seen the budget for the Ministry of Health grow from \$8.3 billion when we took office to \$12 billion today. We have made a huge investment both on the operational side and on the capital side, and each and every day 120,000 people across this system work tirelessly to serve British Columbians.

Mr. Speaker: The member for Port Coquitlam-Burke Mountain has a supplemental.

M. Farnworth: Every time this minister is challenged on the issues around physicians and health care professionals and the conditions they're working in and their ability to provide services, this minister resorts to throwing numbers about how much money is being put out there. It's not just about the money, hon. minister. The question has been raised by physicians....

Interjections.

M. Farnworth: Oh, once again we see a case of *caucus interruptus* on the other side.

My question is again to the minister. Physicians are complaining about working conditions. A physician is saying that she has trouble and will not work in a place where she cannot guarantee patient safety. Again, to the minister: is she fearmongering?

Hon. G. Abbott: If anyone is fearmongering, it is the member opposite. That's entirely....

What I have seen over the past few weeks is nothing but goodwill from health care professionals across the province as they seek to work with us, to work with other health care professionals in providing even better service to British Columbians. Everyone is onside to provide that better service.

I'll just give you a couple of examples of that. This is from Melanie Leckovic, who is the regional co-chair of BCNU: "There's no quick fix, as we all know, but we're hoping that by having some input from staff that will actually work in the departments, they can implement some short-term changes that can make a difference for patients and staff."

From Dr. Haggard out at Royal Columbian: "I can tell you that I'm encouraged that the government is meeting about this and that they're trying to do something about this." Again, when I met with BCMA yesterday.... Everyone is onside to help build a better health system. Why don't these members of the opposition get onside as well?

FUNDING FOR KOOTENAY HOSPITALS

K. Conroy: I'd like to ask the Minister of Health about a shocking — actually, rather glaring — omission from his weekend announcement. I looked at the list of hospitals receiving extra funding, and I couldn't find a single one from the Kootenays — despite the heavy cuts we have sustained in our area.

Can the Minister of Health explain why his last-minute, short-term political fix ignores Kootenay hospitals, like Nelson and Trail, that are struggling with overcapacity every day?

Hon. G. Abbott: I'm surprised that the member would characterize this initiative in this way. I think it's surprising because the B.C. Nurses Union — and the member herself can look in the newspaper this morning and see the comments from the president of the B.C. Nurses Union — the B.C. Medical Association, the paramedics from across this province and the hospital unions from across this province all want to sit down and work on better health care for British Columbians. Yet the member chooses to characterize that initiative in this way.

[1455]

I do want to, though, point out that what we learn from this initial process, this initial working with some of the largest and busiest emergency rooms in the province.... All of that will be translated, hopefully, not only to a constructive model that will be put in place in large hospitals, medium-sized hospitals and small hospitals across the province, but it will also help to build

best practices around emergency rooms. Every British Columbian will benefit from the work that is being done.

APPOINTMENT OF BILL JONES TO AGRICULTURAL LAND COMMISSION

B. Ralston: Yesterday the Minister of Agriculture and Lands said he sees nothing with appointing Liberal party insiders to what he himself has described as an independent, arm's-length agency.

The Agricultural Land Commission Act clearly states that commissioners must "faithfully, honestly and impartially perform their duties...." At a public information meeting held by the Agricultural Land Commission in Richmond on April 25 — just last week — Bill Jones publicly expressed his opinion on the removal of the Garden City lands from the ALR. This was two days after — after — the Minister of Agriculture and Lands signed the order appointing Bill Jones to the commission.

My question to the Minister of Agriculture and Lands is this. Does he actually believe these actions are a clear demonstration of impartiality?

Hon. P. Bell: The member is quite right. Last week I did appoint Bill Jones to the south coast panel of the Agricultural Land Commission. As the member points out, it has come to my attention that Mr. Jones made a representation to a meeting held by the Agricultural Land Commission. Those comments were made after I signed the order but prior to the time Mr. Jones was aware of his appointment.

Keeping in mind that the Agricultural Land Commission is a quasi-judicial body, and we need to ensure that it is being seen as an impartial body.... Mr. Jones certainly didn't do anything inappropriate, but at the same time we recognize the need to see panellists in a neutral manner. I have spoken with Mr. Jones today, and he and I have decided that his appointment should be rescinded.

APPOINTMENTS TO AGRICULTURAL LAND COMMISSION

M. Karagianis: Well, we appreciate the minister's recent revelation very much. Thank you very much for that.

Let me just remind the members that the Agricultural Land Commission's purpose is to preserve agricultural land. It seems to me that this government's approach to the ALR is to prioritize the needs of big developers, their friends, insiders and donors above those of ordinary British Columbians.

My question to the Minister of Agriculture and Lands is still: why is the government appointing Liberal cronies to this supposedly independent, arm's-length ALC?

Hon. P. Bell: Clearly, the opposition is running out of questions. We canvassed this clearly yesterday.

The supposition that more land is coming out of the agricultural land reserve today than at any other time during history is simply false. It is absolutely inaccurate. If you look at the history — and you can pick any five-year period of the Agricultural Land Commission since 1973 — what you will find is that land is coming out at historical lows through the agricultural land reserve.

We're proud of the work that's going on. I covered those numbers off for the opposition yesterday. If they'd like me to, I'd be happy to do that again today.

[1500]

WEED CONTROL ON E&N RAIL LINE

S. Fraser: I've got lots of questions.

The province is proceeding with the plans to introduce spraying poisonous substances to control the weeds along the E&N corridor, and that was despite full opposition from the public. At the recent Association of Vancouver Island and Coastal Communities meeting, the community spoke again, and they said: "Absolutely not." They passed a resolution urging the Minister of Environment to finally listen to the public and stop the spray plan.

Now, to the Minister of Environment. This is everyone. This is every community, every municipality, every individual group and NGO. We already know first nations were not consulted. Will the minister now use his authority under section 8 of the Integrated Pest Management Act and kill this permit?

Hon. B. Penner: My understanding is — and we've canvassed this in estimates and other places, I think, including here — that last fall E&N went out and engaged in public consultation. They heard back from the public. They dropped one of the more controversial components that they were thinking about using. They put forward a proposal to use some alternative treatment methods, including steam, I believe, to try and see if that works in containing the damage that weeds can do in attacking the integrity of the railbed.

My understanding is that as of today, there are no operational plans to go forward with spraying. I stand to be corrected. I haven't heard anything lately. But it's important to know that maintaining the integrity of the railbed is important. What happens when the railbed gets undermined by roots and other things is that derailments can happen. As we've seen in British Columbia, bad things happen when trains go off the tracks, and I'm sure the member opposite wouldn't want to see that happen.

Mr. Speaker: Member for Alberni-Qualicum has a supplemental.

S. Fraser: Yes, I do. The length of trains might have something to do with that too. The permit that was okayed by this ministry and Agriculture and Lands includes the use of Garlon 4. It includes the use of Roundup. This is through people's back yards.

Now, the people of Vancouver Island have spoken time and again. They have spoken officially this time. Again, to the minister. This is basic stuff. This is the people asking you to protect their drinking water, their environment and their back yard. Will the minister represent the people? I don't know who you're representing in this decision. Will he represent the people and use his authority under section 8 and kill this permit?

Hon. B. Penner: I think the member knows this, because we did discuss this last fall, and I think we talked about it earlier this year in the House. I'll repeat the message to the member. As a local representative, he could show some leadership and explain this to people that he talks to.

Anything that would be proposed to be used would have to be approved first by Health Canada. Health Canada has responsibility for making sure that any substance that's used is not dangerous to human health. So that's one of the first criteria. But beyond all of that, I'm not aware of any active plans that the E&N Railway currently has to use herbicides along their railbeds.

It's important to know that throughout British Columbia there are many rail lines, and throughout British Columbia maintenance is done to make sure that the railbeds are maintained and the integrity is protected. If the integrity of the railbed is undermined, bad things happen. Trains go off the tracks, and we'd rather have those trains stay on the tracks.

[End of question period.]

Point of Order

M. Farnworth: Hon. Speaker, I'm actually just rising on a point of order. I know that during question period the Minister of Health made reference to the Leader of the Opposition being misleading. I know that he didn't intend to make that remark, and I would ask him to withdraw it.

Hon. G. Abbott: I withdraw.

Tabling Documents

Hon. J. Les: I have the pleasure this afternoon of tabling the 2005 annual report of the Insurance Corp. of British Columbia.

Reports from Committees

A. Horning: I have the honour to present the report of the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills.

I move that the report be read and received.

[1505]

Motion approved.

Law Clerk:

April 26, 2006:

Your Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills begs leave to report as follows: one, that the preamble to Bill Pr401 intitled Patricia Community Club (Corporate Restoration) Act, 2006, has been proved, and the committee recommends that the bill proceed to second reading; two, that the preamble to Bill Pr402 intitled Christ For The Nations Bible College Act has been proved, and the committee recommends that the bill proceed to second reading.

All of which is respectfully submitted,
A. Horning, Chairman.

A. Horning: I ask leave of the House to permit the moving of a motion to adopt the report.

Leave granted.

A. Horning: I move the report be adopted.

Motion approved.

Bills Pr401 and Pr402 ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Orders of the Day

Hon. M. de Jong: For the information of members, I call Committee of Supply in this chamber on the continued estimates of the Ministry of Forests and, in Section A, continued debate on the Ministry of Economic Development.

Committee of Supply

ESTIMATES: MINISTRY OF FORESTS
AND RANGE AND MINISTER
RESPONSIBLE FOR HOUSING
(continued)

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

The committee met at 3:10 p.m.

On Vote 32: ministry operations, \$473,203,000 (continued).

B. Simpson: When we closed, the minister was talking about the fact that he wasn't comfortable with the Competition Council documents being the basis for a conversation about the bigger issues within the forest industry. I actually have much in agreement with the minister's comments about the industry and the state of the industry — in particular, the minister's comments around the fact that we need to begin to look at the non-corporate side of the industry.

In fact, I had a meeting both with the Council of Forest Industries and with Coast Forest Products in

which I had to say to them quite bluntly that in all my years in living in a forestry town, working in the forest industry and working in community economic development, I've never seen as much growing animus about the control that corporations have over our forest industry and the concern that that's generating in all areas of the province. I concur with the minister's concerns around that.

The issue, then, is: how do we grow that? How do we grow the value-added? How do we grow the non-timber side and the non-corporate side of this industry? With that in mind, the minister said he wasn't willing to use the Competition Council process, but he admitted we needed the conversation.

Does the minister have some ideas, or is there anything in the service plan to begin to engage the people of the province, particularly in resource towns, in that broader conversation of: where are we going in British Columbia with respect to the forest industry, and what are some of the alternative visions that are out there for how we can maximize jobs and maximize return to the communities? Have any plans been made for that kind of an endeavour to be undertaken as soon as possible?

Hon. R. Coleman: This ministry is pretty engaged in communities, with its offices all around the province, its district managers, its regional managers. We have a value-added strategy that we've put together with regards to one area of the ministry. We sit down with the members from the Union of British Columbia Municipalities.

I meet with municipalities pretty regularly. Every time I go through a community, I usually sit down with the council. I've dealt with them on issues in and around everything from woodlots to community forests.

In addition to that, we have a number of trade organizations that the member is aware of. We have the Interior Truck Loggers Association. We have different organizations at the coast: Coast Forest Products Association, Council of Forest Industries. We also have, of course, organized labour, who are also partners in the forest industry and in communities.

There's a lot of dialogue that takes place. We work through that as we go. We also, obviously, have the ministry service plan, which is public, out there for people to comment on and have feedback into.

What I said before the break was that I didn't think this report should be the only report that built a foundation for having any discussion around it. I didn't discount the report — and I don't think the member meant that I did — as another tool for us to be able to enter into dialogue with regards to....

[1515]

I encourage people to think outside the box — whether it be the competition report or the value-added strategy or other things that we do in this ministry. There are some great minds out there with regard to what can happen in forestry, and we work pretty well together. We also have the professional organizations, like the professional foresters, the engineers, the

geoscientists. All of those people, with my professional folks, do a pretty good dialogue on forestry on a pretty regular basis and identify the issues for us. We work through those issues, and frankly, a part of that process is even these debates. That whole dialogue about forestry is an ongoing thing and probably always will be as long as it's the main resource in British Columbia.

B. Simpson: The minister speaks about all of the groups involved — the industry groups, UBCM, MOFR offices, etc. — but that's the whole point: it's fractured. It's all over the place. Everybody has a piece of it, but nobody has the whole.

If you look at the Ministry of Forests and Range offices, they are dealing with significant legislative change. They're dealing with the FSPs that are coming in now and the transition to the Forest and Range Practices Act. You look at the industry groups; they're mired in softwood. They've got issues with respect to their own operations and their own membership. The ABCFP is having to deal with professional reliance and the implications on that.

Everybody has a piece. It's only the minister's office that has the responsibility for the whole. If the minister recalls when CIBC World Markets did the presentation to the Minister of Forests last fall.... Again, as I indicated in my opening remarks, they said that if the Canadian forest industry, as they were speaking to, was going to come out of this crisis that we're in, we needed completely different thinking to the level of what they called the Manhattan Project. Of course, we know what that ended in, and we don't want to be blowing anything up, but it was that kind of creative, out-of-the-box, holistic, comprehensive thinking.

What I'm asking from the minister's office is: is there the possibility for the minister to show leadership in this area, of what it will look like going forward — particularly since, as the minister indicated, we may have a softwood deal on the table that has implications for what it looks like in the future? Is there an opportunity for us to convene a forestry summit that is more holistic in its look — non-timber resources, biomass, value-added as well as the traditional industry that we have — and then ask the question: are we on the right path?

Right now we're on a path of cost control, of driving down the social rents, of driving down the return to the province. We've made an assumption in this province that we are to get less from our forests to the public, and yet we seem to have forgotten that they are public forests after all.

[1520]

My question to the minister is: is there an opportunity here for the minister to show that more comprehensive leadership and convene a forestry summit, with all of these groups coming together, so that we can have a fundamental, meaningful debate and conversation around what options there are for us for the next ten, 20 years for this industry for maximum realization of value from the land base, maximum employment and maximum return to communities?

Hon. R. Coleman: I believe that the minister's office and the ministry itself are doing exactly as the member describes. I believe that we coordinate that information, that we drive an agenda, that we do it both by service plan and by funding things like A Wealth of Opportunities, which is a value-focused symposium for the Forest Products Associations of Canada — and the B.C. Forum on Forest Economics and Policy.

We've done symposiums twice now with first nations. We support initiatives in non-timber forest products where we actually support symposiums with regard to that. We have community forests and value-added things that are going on and feeding into us as well.

We have a project underway with regards to bio-energy. We are working with the Coast Forest Products Association and those associations with regards to the coast. We have invested over a couple million dollars with regards to forest research at UBC and also put money into Forintek to look for other products and uses of B.C. products, and all that gets coordinated within the ministry by the deputy minister and the ADM through to the minister.

I think that the suggestion of the symposium by the member may be something that may have some value, I think, as we go through the next number of months. As we finish down the softwood lumber agreement, I would think, and then, maybe as we move into the fall, there may be some value. We certainly are looking at some additional things with some of the other issues in the forest sector this fall.

There's no one thing that you can do that actually is the answer to the member's question. As a matter of fact, we're also participating in a symposium in Calgary, Alberta, with regards to mountain pine beetle to educate the people in Alberta with our experts and people — offered up our scientists — with regard to how it is affecting the Rockies, etc.

I think there are a lot of things that we do that we do and coordinate. I don't think it's uncoordinated. I think there's actually a pretty good working relationship with the various groups out there in the field. My experience has been that in the offices that I've visited, both at the district and the regional office level, our people have a pretty good handle on what's going on with the land base. They also have a pretty good handle on what is possible out there and have some vision.

I think that if there's one thing we're gifted with in British Columbia, it's our very professional Forest Service. They see the big picture, work with all these organizations and make recommendations to the minister with regard to maybe putting on some symposiums and participating in those and on working with all the professional groups.

I think that a lot of the work that's been done in the last years — before I got here and in the last year, in particular, that I've seen since I became the minister — leads us down to a value-added strategy, which we said we would do. It's led us down to some other strategies, which we said we would do. I think they've

got a pretty good, cohesive, coordinated operation and have a pretty good understanding of the field.

B. Simpson: I guess what I'm suggesting is that all of the pieces need to somehow be brought together. I hear that the minister thinks that those pieces are being coordinated. There's a difference between coordinating and....

Again, my background is in organizational effectiveness. It's called the whole-systems approach, where you bring the whole system into the room and you ask it the pertinent questions, instead of going around and asking the system's parts what needs to be done to fix it, because what you get is the perspective from those parts. You don't get the more holistic perspective that helps you to put together a more comprehensive, coordinated strategy.

It's a division of roles as to who hears what — because, as the opposition critic, I hear more from the people who are dissatisfied with what's happening or not happening. I recognize that my flavour of the industry is tainted, if you will, with where I spend most of my time, but the corollary is also true. As the minister, as the senior politician for the file, that filter is also strong in your government's agenda, the policies that you're driving forward, and so on. The filter there is that it needs to be working.

[1525]

Therefore, my recommendation is a whole-systems approach, where you bring all the parts into the room and you ask them. There are people at Royal Roads and other places who can do that very, very effectively, if the minister's so inclined. I think we've canvassed that point, so let me ask my next question to try and close off the Competition Council reports.

With respect to the Competition Council reports themselves, will there be an official, formal response to these reports? Will the ministry, rather than taking a whole bunch of tax on this, and as the minister has already indicated, a B.C. Timber Sales review possibly...? Because these are public reports, will there be somewhere where the public can get a public response from the ministry on what it intends to do and then a report card on what it has done over some sort of time frame?

Hon. R. Coleman: The member referred to me as a senior member of government. I'd rather not be a senior quite yet. If we could maybe think of a mature, longstanding, "been here a little bit longer than he should have been" member, perhaps. I don't know, but senior....

Interjection.

Hon. R. Coleman: Seasoned is good. A seasoned veteran would be very good.

It is our intention to write back, and we will be open about that response to the Competition Council. I'll just caution the member that these are advisory reports. They're not anything that binds the ministry to

do anything. Of course, we've said that we'll do the B.C. Timber Sales review that is in there, as we discussed yesterday, and some of those things. We will be advising of those things that we will be taking action on and those things that we would be taking under advisement in that response to the Competition Council.

I guess that in this case it probably goes to the Competition Council, who would then send it down to the sub-subcommittee.

B. Simpson: I understand that these are advisory reports, but they're in the public domain now, so I think that if the conversation continues in the public domain, it may accelerate the discussion.

With that, there's one last point in the Competition Council's report. The minister at the Council of Forest Industries was pre-emptive of this in some way in the comments around municipal taxes. As the minister is aware, because he saw it in the room, the "dining out" phrase got some backs up and caused a little bit of concern.

The Competition Council actually submitted a pre-budget recommendation around municipal taxes to the Finance Minister, and I was able to get a copy of that. They released this portion in advance to the Finance Minister prior to the budget. They're very strong in their document around the issue of the social rent reduction, and in particular, the industrial tax rate being reduced. I can tell you, because we've got the regional municipality meetings going on all around the province, it is the buzz on the floor. It has created considerable consternation and concern.

What is the intent at this juncture of a response or action on that particular aspect of the Competition Council's report?

[1530]

Hon. R. Coleman: The remark got the result exactly as it was intended to get, and that was to have people think about how they did their industrial taxes and the services that they get as a result of those, how it could have an affect on long-term sustainability for industries that are particularly large industries in communities that will have an impact on whether they stay, given the international competition.

It wasn't something saying: "You've got to change how you do business." That portion of the report, of course, was also shared with the Ministry of Community Services, which will look at and work through UBCM on some of those questions and issues. The member may have noticed in the federal budget today they actually put in what looks to be some community adjustment money for labour market adjustments — that sort of stuff — for the forest sector, which comes from these discussions as well.

I think the representations that have been made in Ottawa by groups like the Coast Forest Products Association have made a number of people alive to a number of issues that affect us. I think it is, as much as anything, important that communities who have a base of

industrial taxes — as an aging plant comes up for refit or investment or to change components and what have you, that could cost \$200 million, \$300 million, \$400 million, even \$500 million — keep in mind the base of the tax they're getting and how they would tax that industry in the future as they try and modernize and make those investments to be able to be a sustainable industry in the community.

I think there is a healthy discussion that has to take place in and around this in many communities. I know that in many communities across the province there are. I also know that the decisions will be made by corporations with regards to adding capital and where they put it with regards to their long-term business plans relative to these types of issues.

I think it's healthy that we actually say it. It's healthy that we engage in the conversation. I think it's healthy that the Minister of Community Services, through UBCM, will be having those discussions and will be talking to.... We've seen the difference already — not the difference in the comments — but we have seen in some communities in B.C. where.... For instance, we're going to be reopening the Port Alice mill on Friday. The tax regime in Port Alice that this will reopen on is virtually almost 100-percent different than what it was when it used to operate as far as its contribution to the tax base — because the community wanted the sustainability.

There have been other concessions made in communities like Prince Rupert, and we know that Sun Wave still hasn't been done, and who knows if they ever will get it done with the Chinese government? But those types of things are at play. I mean, the Competition Council put in their report. I know that I was probably the softer speaker that day with regards to that topic. I understand that former Premier of the province Dan Miller spoke at the meeting, and I understand he was a bit more provocative and somewhat more blunt than I was.

So as we go through this, I think it is a healthy discussion to start to do it. I don't think it hurts to have that discussion, because there are some major industrial complexes — particularly probably in the pulp and paper sector — that have to make some investment decisions over the next few years. Whether they make those investments in British Columbia or somewhere else, I think part of the competitive and investment side of that will be driven by whether they're going to have an incremental huge increase on the taxes they pay within the community by making the investment and that sort of thing.

So I think it's important. I think it's an important topic, I think it's an important discussion, and I look forward to actually having discussions with mayors and councillors at UBCM and those as I go through their communities in the ensuing months once we get out of this wonderful place that we're in.

B. Simpson: It certainly was a way to stimulate discussion, and the co-chair of the Competition Council did add to that flavour in the afternoon — talking

about leaky lifeboats and everybody having to bail together. The issue here, of course, is that at the same time municipalities are being asked to look at giving up some of their industrial property tax rates, in the interior they're also, as the minister has already indicated, having to deal with substantive infrastructure loading as a result of the mountain pine beetle impact.

[1535]

They're looking at job losses as a result of the corporate concentration, the mill efficiencies that are being gained and the job losses around there and on the coast as a result of mill shutdowns. Again, it's all of a wrap.

In particular, in the Competition Council's report, and I referenced it this morning already, there's an irony that we shouldn't prop up non-viable assets. The Competition Council report explicitly targets pulp mills as needing this industrial property tax rate break in order to keep them in the communities.

One aspect of it is the role the province plays in industrial property taxes. There's an error, as I'm being briefed, in the Competition Council's report on how that industrial property tax rate is seen, because the school tax is in that rate. So with respect to reducing the industrial property tax rate, what portion of that industrial property tax is collected for provincial purposes?

Hon. R. Coleman: What I would suggest is that that's really not a question for this minister. There's a minister of revenue and provincial revenue and a Minister of Community Services who would deal with that on a different level than I am. That goes to things like B.C. Assessment Authority and that sort of stuff. Believe me, I don't have any expertise in that area.

I would recommend that the member might want to pose that in writing to those two ministers for input, because I think both of their estimates are complete. I know that the report has been shared with them. My understanding is that they would be having conversations in and around the topics in the competition report. So that would be my recommendation to the member.

B. Simpson: I take the minister's point and will follow up. The issue here is it's part of the forestry discussion. I would hope — and what I'll ask for — that we would get clarity around whether or not the discussion is being put in the right context with the figures the way the Competition Council is putting them.

What I'm being told is that the province has actually rolled into the industrial property tax rate.... It is collecting about one-third, and two-thirds are going to the local government. There is a bit of an offset there that's not clear in the Competition Council's report, which the municipalities are being blamed for, if you will, when in actual fact the tax is just simply not positioned correctly by the Competition Council. So in the deliberations with the Competition Council, one of the things that I would hope for would be some clarity around that so we're having the right discussion about those social rents.

Moving on then from the Competition Council's report, I'd like to spend some time looking at coastal forestry issues and to lead off with a question to the minister with respect to the impact of the softwood lumber deal, if indeed we close that deal off. We've had lots of conversation in the last two sessions about the state of the coastal forest industry. The reality is that the coastal forest industry was not as impacted by softwood as the interior bigger dimension lumber, bigger volume industries were.

What's the minister's sense as to what potential benefit signing off on this particular softwood deal, if in fact we do sign off on it, will have on the coast? What kinds of impacts does the minister expect to happen there with respect to all of the issues we've talked about: capital investment, mill closures — all of those things?

[1540]

Hon. R. Coleman: There are a number of things, actually. First of all, for the first time in the history of softwood something happened in this deal that the coast had asked for a long time ago. That was to have a separate region for the coast versus the interior of B.C., like we have a separate province in Alberta or Ontario or Quebec. That was significant because in future discussions, then, as they look at exits as you come through the negotiations of an agreement, the coast can actually be looked at differently. They really wanted that, frankly.

In addition to that, one-third of the wood from the U.S. is U.S.-bound. If you talked to the coastal operators back in the days of the last softwood agreement or, as we called it, a sort of countervailing.... I forget how they couched the deal. They actually did a quota disproportionately — because the coast was very much shipping to Japan — that left them out and, basically, didn't recognize them and left them out of the opportunity in the marketplace. It really virtually froze the U.S. access to market by the coast.

The coast has had some increased shipments into the U.S. over the last few years, which helps them with their market-share decision, as they go forward. They will select either "a" or "b." In addition to that, the high-value cap, because of the value of some of the products coming off the coast, was very important and nuanced to this particular deal for the coast as well.

In my discussions with the coast organizations and with industry on the coast with regards to softwood, there are a lot bigger discussions they have to deal with as we go forward. One of them in particular is.... The labour contract on the coast comes up in 2007. There's certainly an issue around whether there's the ability to move some folks to early retirement by having some transition funding through EI or through the relationship with the federal government. It appears.... Of course, you have to see what it meant today in Ottawa, but certainly, there seems to be some recognition of that. If that's the case, then some of those dollars are targeted for that. That will help with some of the restructuring stuff on the coast.

The other stuff that the coast faces, as the member knows, is that we're going to see what EBM does under the new land use plan on the central coast. We have the issues with the negotiations that are ongoing with the Haida First Nation and the people in the Charlottes. It has way more difficulties than just access to a market. This may give it some of the stability going forward, but I think those other recognitions are equally as important as the actual structure of the deal for them.

When we came down to the discussions at the end, these companies were saying: "Are we interested or not?" It was really from the coast guys saying: "Okay. This is a piece for us, but this a piece of a really big puzzle." So I've outlined those types of things to the member — other things that are very much near and dear to the hearts of the coast industry to look at.

There are some others as well. I have undertaken with them that we will certainly convene the group on the coast industry companies and engage in a dialogue as to what the coast strategy will be going forward once we know all of the nuances of this.

B. Simpson: I noted that in the document that I was given for the April 27 terms of the deal. With respect to that, the minister's mentioned a group, now, the coast recovery group. Does that group exist already?

[1545]

Hon. R. Coleman: Yes, the group does exist. The group is doing work now. The deputy minister is actually part of that group, as are a number of companies and organizations on the coast.

B. Simpson: How does the coast recovery group fit in with the minister's plan? Is that the group, then, that would lead that coastal strategizing process?

Hon. R. Coleman: The group gives advice in to the minister and in to the deputy minister. Some of the things we've already talked about, like X, Y and U and those issues, were recommendations that came out of the coast recovery group.

We were asked to reinvigorate this group back in January. We agreed to do that. We felt that they needed to play a sort of clearinghouse. They are reviewing everything similar to what we've discussed already — like the pulp report, like the solid wood report, other recommendations that come from other groups and input — so that they can look at the coast holistically and come in with some recommendations moving forward.

B. Simpson: Who's on this group then? Is there a list that's available? Are their proceedings public? Who sits on this coast recovery group?

Hon. R. Coleman: We have a terms of reference that includes the membership. We'll get a copy for the member. We don't have it here.

B. Simpson: Are communities represented on this group?

Hon. R. Coleman: Not at this stage, but it's not unanticipated that that may expand as we move forward with the initial tranche of work. We'll work through that as we go forward with discussions as I, as minister, get a chance to spend time on the coast with some of the local communities in the near future — when we get out of this place.

B. Simpson: Are workers currently on the coast recovery group?

Hon. R. Coleman: At this stage just the truck loggers are, but that's the only group that would be, other than companies and advisory groups like, you know, trade groups and stuff like that. It is not unanticipated that this group will expand as they go through their first initial phase of work, and we'll be looking at that as we go through over the next few months.

B. Simpson: I don't believe that even the truck loggers themselves would represent themselves as a workers group. They see themselves as the smaller companies on the coast, on the logging operations side, and that's who they represent.

[1550]

The coast recovery group, as it's currently structured, does not have communities on it and does not have workers on it. I'm hearing the minister say that it has the potential to expand. I would certainly hope that it would expand.

I just want, for clarification.... Will the coast recovery group then be the group that will morph into this coast strategy group, based on the implications of softwood for the coast, the Competition Council's report for the coast? The minister referenced a group coming together to address these issues. Will this be the group that will morph into that, or will another group be formed to address what the minister indicated he saw as an outcome of having the softwood agreement?

Hon. R. Coleman: This is the beginning. I don't not have a vision of it expanding. I should tell the member, though, that no community or community groups like regional districts or labour groups have asked to be on it yet. They haven't made a request of us yet, but that's not surprising. It's fairly early in the process. But what I see this as.... You could probably call it the nucleus of the start of the discussion. It will expand out from there to communities and to labour. It will then get to where we have something that would come back as some input to the minister.

What I said at the beginning of this is that I wanted to know what was short term — what had to be done now. I wanted it to be a fairly tight situation as far as getting feedback not just from this group but also from the ministry. There are some short-term things you can do, some mid-term things you can do and some long-term things you can do. As the member knows, the mid-term and long-term are the toughest. Somebody will always tell you: "If you give me free wood and no

costs, I can make magic with your money." So it's the structural side and all of those things that have to be taken into account as I go forward.

I don't want the member to think for a second that the people who won't be driving the agenda on the land base — at the end of the day, given the advice given — will be anybody but the ministry and government. Things that have to be decided or changes, made have to be made in conjunction with cabinet or caucus — caucuses but more cabinet — or committees, and in some cases are made within the ministry. The ministry has good people in the field that can process these types of discussions and recommendations and move them forward.

We've already seen some decent work from these folks. I expect more. I'm not holding out that I wouldn't.... I'm not going to say I wouldn't add anybody to it, because I don't think that's a bad thing, but I do think you have to start somewhere, and then you can grow from there with regards to this. I think our objective would be to do just that.

B. Simpson: I have to say the minister's comment, "If you give me free wood and no costs, I can make money," sounds like the Competition Council's report. I'm not sure how much money we paid to get that report, but that sums it up quite well in my estimation.

It's an interesting comment, because we've just had a discussion about the fact that we understand clearly what the corporations would like to see happen. If I understand, basically, this coast recovery group is made up of corporate interests and ministry interests, which some would argue are also corporate interests in another form. In fact, the Competition Council report says that the ministry needs to be even more oriented towards business and the economic drivers in the forest sector.

Were people invited to sit on the coast recovery group by the minister or by the deputy minister or senior staff?

[1555]

Hon. R. Coleman: Not invited as such. I think it was a coming together of the different organizations and industry. Frankly, in the first stage of this thing, I don't know that some of the groups the member may envision would want to be at the table, would want to be in this when we're talking about some fairly technical things with regards to things like log dumps, stumpages, calculations and stuff like that that are affecting how people operate on the land base from a corporate perspective, to see if we could sort of get some stability, initially, for them.

I don't disagree with the member on some of the comments he makes on the competition report side. That's why it's not driving the entire agenda with regards to discussions that will take place.

We envision that this will grow as we go past the first stage of the early changes that we feel will be necessary. It will grow out towards communities and other groups that will want to participate. We're happy

to have that happen, actually, but in the initial stages it was really, "What can you do today in the short term?" and: "What is doable in the short term?"

You also have to make sure when you're doing these things that if somebody says, "Well, if you just did this with X fibre, this would be great," you have to look and see how much of that fibre is actually coming out at a certain price and how it affects the fiscal plan. Then you have to walk away with that idea and see if you can get it past your Treasury Board, or whatever the case may be, when you're doing certain things.

It's a pretty dynamic process at the moment, but it will grow. At the end of the day, I think, regionally on the coast, there will be input from people who actually are affected differently. You have the central coast, for instance, that has very little manufacturing. Their biggest thing is: "Can we get to a deal where you have a log dump to employ some people to log dump on the central coast?" You have the people in the Charlottes who would like to see some certainty around what's happening with the whole negotiations in and around that land base up there. Then you have some folks on the central part of the Island who think they'd like to move to second growth and exit old growth and some folks who think, "If you exit old growth, we'd like to have some of the old growth," and: "What can we do with that on niche markets?"

There is a lot more work to be done. You know, it's pretty early stages. I think that, if anything, we recognize that the work needs to be started. We have some input now. We will expand it as we go through the next number of months on the coast to basically implement what we see coming out of softwood, what we see coming out of some of the other issues that are facing our industry on the coast. Hopefully, in a few years we get to the point where we actually see some capital investment coming back.

It's a big challenge, actually. As the member knows, if you've toured at all on the coast, there are some huge challenges there we need to address. One thing I've said to industry and to labour when I've met with them is that government can't fix this. Government can do some structural things to set a platform to do some business within, but in actual fact, the dollar, the markets, what products you're going to develop and what products you're going to develop in the future.... All of those things will have an impact on the success of any strategy we do.

It won't be, by itself, one thing or one group that will be able to find the long-term solutions here. It's going to be very much a team effort. We will welcome, as we grow this thing, to have other groups come in and be participants with regards to the future of the coast.

B. Simpson: I have been on the coast. I spent the second week of the break in Queen Charlottes, Haida Gwaii, and visited all of the communities there. I visited with Cascadia Forest Products and with Teal Jones and had community meetings. I've been up in Nanaimo last week at a protest that shut Front Street

down. In Port Alberni we know that already there have been two times they've shut the main road down.

This Thursday there's going to be another major protest in that area. I'm hearing that we're going to see similar things in Port McNeill, Campbell River and so on. I would suggest that it's a sign of frustration that all we seem to be doing is asking the corporations what their thoughts are and not engaging communities and workers.

[1600]

What the minister suggests is "technical" has implications. Every one of those decisions has implications for how it looks for workers, for how it looks for communities, for what the implications are on the downstream impacts of those decisions.

I would suggest that the sooner the community voices and workers' voices are heard on this, the better. It may actually negate some of the angst out there that's driving people to the street. I can tell you. My experience now is that the coast is going to come to the street. That's the level of frustration.

At the Truck Loggers, one of the mayors who was on the panel.... I've never heard a mayor in a Truck Loggers talk about the fact that he feels so shut out of the process. The deputy minister was on that panel.

You know, in terms of "this is new," we can go back to the 1990s — in '97 and the Kobe earthquake. In '98 the Japanese housing market collapsed. Those are the structural underpinnings of what we're experiencing now. That was attempted to be fixed by very large groups that had socioeconomic impact analysis, all kinds of heated debates around LRMP tables and whatnot.

Now people feel that they're completely shut out of all of the decision-making that's going on. They don't have a voice, so they'll take to the street. I would hope that that thing is expanded sooner rather than later, if we want to stop a lot of grief on the coast, and that we have a constructive and more deliberate dialogue about what can be done.

On a technical point, though, a critical question on the coast is second-growth strategy. Will this coast recovery group be doing the work around the second-growth strategy, and what is the status of that strategy at present?

Hon. R. Coleman: Yes, they're doing technical work on what is possible and how quickly and how fast and how it would be done.

B. Simpson: When might we see that work?

Hon. R. Coleman: These guys are brilliant. They....

Interjection.

Hon. R. Coleman: Yeah, it is a good thing.

I'm advised that we may have some work done earlier, but it will be completed by the end of the year.

B. Simpson: The minister also mentioned before, and I forgot to ask.... He has mentioned a couple of

times that a value-added strategy is being developed. Who is developing that strategy? How is it being developed, and when might we see that?

[1605]

Hon. R. Coleman: We've been working on this for some time, but it's actually coming through in draft now pretty quick. We're working with B.C. Wood and Forintek on an implementation strategy. Our expectation is that it will all be ready to roll by the end of September.

B. Simpson: I just didn't want to lose that thought. I'll come back to value-added shortly.

With respect to the coast, then, one decision we're awaiting is a decision of the competition bureau in Ottawa on the Western Forest Products purchase of Cascadia. As far as I know, that decision is pending and imminent. If it has been made already, I'm not aware of it simply because I've had my head buried in estimates preparation. If it has been made already, then I stand to be corrected.

What I understand is that the competition bureau will rule that Western Forest Products can purchase Cascadia and will not be ruling on the proportion that it has of the land base, which my numbers indicate will be 44 percent of the allowable cut on the coast and self-sufficient in logs. Is the minister of the same understanding about the state of the competition bureau's decision and about Western Forest Products having ultimately 44 percent of the annual allowable cut when it finishes the purchase of Cascadia?

Hon. R. Coleman: You're in the ballpark. We think it's around 42 percent, but that depends on what happens through the other processes. The competition bureau is a federal organization, and I'm not prepared to comment on what they could or could not be thinking at this stage. I don't even know if they've reported out to the commissioner yet. It's a federal process. It's not in my jurisdiction and not in my purview to know, so that's something we'll just have to wait for to happen.

B. Simpson: Did the ministry make any representation in the competition bureau's process for making a decision with respect to Cascadia? In particular, did they make a presentation around the degree of control that Western Forest Products would have over the land base on the coast?

Hon. R. Coleman: We did not make representation. We collaborated on data and information for them and provided them with information.

B. Simpson: Does the ministry have the right of representation at the competition bureau?

[1610]

Hon. R. Coleman: We don't have any particular standing in the federal process. We're just one more organization they could ask for information from and

collaborate with — which we did. We provided information to them, but we don't have any standing as a ministry or government. They are independent. I think they're quasi-judicial, actually, as a body. So they operate as they operate.

B. Simpson: I'm very familiar with the competition bureau because of purchases by the company I work for and, of course, in the interior with the Canfor purchase of Slocan and Tolko of Riverside and West Fraser of Wildwood. I know that there is an opportunity in the process for people to make representations as well.

Let me get to the heart of the matter. According to the forest revitalization strategy of 2003 — this is the Liberal government's own document:

...nearly all of the province's logging rights were awarded decades ago — about 75 percent of the harvest from provincial lands is allocated to major companies. This makes it difficult for new operators to get involved in the sector, no matter how innovative or efficient they may be. Without their ideas and fresh creativity, B.C. has not always been able to realize the fullest benefit from valuable public timber. Sometimes, for example, timber has continued to be manufactured into simple, lower-value products instead of into new, potentially more valuable ones. This has resulted in many lost opportunities for a strong, diverse forest sector and related benefits for workers, communities and the public.

That is the Liberal government's own rhetoric on why they made the changes to the Forest Act that they did, why they introduced FRPA and why they engaged in the Forestry Revitalization Act and took back 20 percent. Now we have a situation on the coast the likes of which we've never seen before, with one company having 44 percent of the allowable annual cut, being self-sufficient in logs — so there is the major player on the coast that does not have to buy out of a log market — and a company that has indicated that they intend to close manufacturing facilities around the coast.

Given the intent of the Forestry Revitalization Act, is the minister at all nervous or concerned that because of changes to the Forest Act we have one company on the coast that has in their control 44 percent of the allowable annual cut, is self-sufficient in logs and takes that amount out of the log market and, in fact, I would argue, will be able to convert at will to whole-log exports by coming to this government for orders-in-council for oversupply?

Interjection.

The Chair: Order.

Hon. R. Coleman: Yeah, I was concerned. That's why we did a thorough review in the ministry. My officials did the work that was necessary to do to look at this thing. The competition bureau will do what the competition bureau does.

We have to look at it from a number of aspects. First of all, we have to look at the deal, I guess. We have to remember it's been a long time since anybody offered to invest hundreds of millions of dollars in our

coast, and part of the deal also includes some significant investment on the coast. We are doing our due diligence, and the competition bureau will do their due diligence and make the decisions and move forward.

B. Simpson: Well, there is investment, and there's recycling dollars. In this deal, one could easily suggest that what we've got is recycling dollars because of the structure of the deal.

[1615]

I want to stay more on point here with respect to the intent of the revitalization strategy versus the outcome. In 2003 Weyerhaeuser, Interfor and TimberWest did a tour of the coast, saying: "We need all kinds of cost reductions in order to get \$1.5 billion in investment in the coast." Weyerhaeuser no longer exists. TimberWest has told its shareholders that it is only interested now in jacking up the return to their investors.

K. Krueger: Weyerhaeuser no longer exists?

B. Simpson: On the coast.

The Chair: Member.

B. Simpson: Weyerhaeuser no longer exists on the coast. TimberWest has indicated that it's getting out of manufacturing and has its only remaining mill up for sale. TimberWest has also indicated to its shareholders that it is interested in land development and increasing the cut level on private lands. Interfor, as we know, is divesting itself of British Columbia holdings and purchasing down in the United States.

What we have got is the reverse of the intention of the revitalization strategy, and we've got a reverse of the promise of those three companies as they went around the coast. So now the coast is faced with a situation where the only player of significance in the game has 44 percent of the cut and has the ability to shut down mills that it figures are not cost-effective or efficient and further drive the return on employment down. They've announced that that's what they intend to do.

My question to the minister is: if Interfor, as a hypothetical situation, wanted to divest itself of its public holdings on the coast, is there anything to prevent Western Forest Products from purchasing those public holdings?

Hon. R. Coleman: The minister of the day would have to review whatever transaction was taking place to ensure not to unduly restrict competition of standing timber markets, log markets or chip markets on any deal.

Western announced a \$12 million investment in Cowichan Bay and added another shift Monday, I believe it was. I don't know the last time somebody actually added a shift on the coast. We have a new player on the north Island which is a, I hope.... I wish them the most success when they do their grand opening. I

actually will say that when I do their grand opening on Friday, because I think it's good to see a company that's prepared to put \$80 million into something to invest.

We have to remind ourselves of the context that a lot of things have happened over the last number of years. I think the 2001 Pearse report made it pretty clear that we were going to see some loss of mills, on our coast in particular. There is no.... I'm not going to stand here as a minister and try and tell the member that everything's rosy. I think that there are some concerns going forward, but I do believe.... I think our second-growth study — which is in process, and it will go area by area and mixture by mixture — could lead us to aid through some new mills on the coast, because we will know the fibre supply with regards to that.

[1620]

We're just going to work through this. We can have the discussion around the criticisms as each piece comes along, but we're going to work through it, because I'm probably one of the world's biggest optimists, who actually tries to see the glass half-full all the time.

I think there are solutions. I don't think they're going to be easy. I've said that all along. I want to challenge people to think as we go through it. There may be some adjustments in commercial activities that take place. We'll deal with them as the law prescribes us to do, as will the competition bureau, and we will move through this.

I do believe there are glimmers at this point in time, in some areas of the coast, and certainly, some of the stability that's anticipated to come out of Thursday's agreement with the United States will help some of that. But they're glimmers, and we'd like it to be a pretty bright light by the time we're through here. If the member recalls the coast industry in Oregon and Washington, its correction a number of years ago, how tough it was and how long it took, I would like to see that shortened in British Columbia and be more successful than they were in their adjustments.

B. Simpson: My question was very explicit. If Western Forest Products wanted to purchase more public tenures, TFLs or renewable forest licences, does the minister have legal authority to prevent that from occurring?

Hon. R. Coleman: On anything, we have the power to issue a notification to proceed or to not, but let's stop that part of this discussion there. I am not going to speculate on what a company in the future may buy or may think they want to buy in the context of what's happening on the ground today. That could fetter a future minister's decision-making process.

Any time that a deal comes along within the commercial enterprise of forestry — let's deal with the commercial enterprise of forestry — it's a snapshot at the time that makes the decision about those things. It wouldn't be correct for me to enter into a speculative discussion with the member opposite about what could

be or might happen somewhere in the future, because that would be unfair to future commercial enterprises.

B. Simpson: This government made substantive changes to the Forest Act — substantive changes with respect to what rights the minister had over tenure and tenure allocations. The minister previously had the ability to look at a tree farm licence that had a pertinence clause to it when the mill closed to see if the licensee should still continue to have that tree farm licence. The minister had the right of automatically taking 5 percent back in licensing transfers. We did not have the ability to partition licences for sale.

There have been substantive Forest Act changes. All I'm asking.... I'm not asking for the minister to do it hypothetically with respect to anything.

Let me ask the question differently. Does the minister, under the Forest Act today, have the right to prevent a private company from purchasing a forest licence, tree farm licence or long-term forest licence of some kind in this province? What is the nature of the minister's oversight under the Forest Act after the changes that were made by this Liberal government?

[1625]

Hon. R. Coleman: If somebody wants to purchase a forest licence, they have to get from the minister a notice to proceed, which he can give or not give. The minister's decision on notice to proceed is measured by whether the transaction would unduly restrict competition in standing timber, log markets or chip markets.

B. Simpson: That's the answer that I was looking for. In that case, then, Western Forest Products owning 44 percent of the allowable cut is being done under the minister's approval and belief that it does not restrict those factors that the minister has indicated. Is that the case?

Hon. R. Coleman: My staff did some work and made some recommendations to me. The recommendation was that this deal did not unduly restrict competition in standing timber, log markets or chip markets.

B. Simpson: When Western Forest Products announced the purchase of Cascadia, they were explicit in their announcement that more mills would close. At that time, did the minister engage Western Forest Products in understanding what Western Forest Products' plans were for mill closures and which communities would be impacted, with a view towards working with the Minister of Community Services on transition strategies?

Hon. R. Coleman: They have no specific plans that I'm aware of at this time with regards to that. In working with the companies, as we do with all companies when possible closures come up, that's when we would engage with Community Services. We haven't had an indication from them of who, what, when and where — or even if. I think that the people on the Western side are fairly optimistic that things could be better in

the future for the coastal forest sector, and I guess that's why the investment's being made.

B. Simpson: I'll move on to another topic. At the Truck Loggers Association, the minister stood up and made a significant announcement and in that announcement made a list of changes that were going to be put in place immediately.

I e-mailed my staff on my BlackBerry immediately and said, "Get the press release as soon as it comes out," because I'm not aware of any time this government's made a good-news announcement that it hasn't been followed up by a press release. We have yet to see the press release from that announcement. We couldn't get it. It wasn't there. That's what we were told.

[1630]

I asked around about that. One of the things I found was that there might be an oops there, in that Treasury Board was not approached on these announcements. I was told they were costed at about \$100 million. The minister ended up getting approval after the fact for about \$15 million of those announcements.

The minister made a number of announcements at that time. If that's the case, what was the change in the announcements? What can be implemented this year? What can't be implemented from the list, at that time, of five or six items that he indicated would be taken care of?

Hon. R. Coleman: It's not unusual for this minister not to do a press release. Actually, it's a ministry that just gets on with its business.

What already has been done is that more weigh scaling was put in place in the coast; variable offset for old growth has been implemented; X, Y and U pulp are being properly priced; and the review of the MPS equations on the coast with variable pricing is being done. Those were the commitments that were made at the time. We are working through some other issues, which I promised in my comments to the truck loggers that we would do. Basically, this is a work-in-progress, but to date that's what we've accomplished out of that.

B. Simpson: With respect to the changes in the log grades, one of the things that the minister stated at the time was that waste billing, cruise grades and the log grades would all result in more waste being left behind on the ground. That's what I have in my notes. If the minister didn't say that, then I didn't take the notes down properly.

I'm aware that this issue has been raised, however, with the minister, at least at the senior staff level — about the fact that we are going to end up, as a result of these changes, leaving more waste out on the land base. To the minister: is that a concern as a result of the take-or-pay program and the reduction in the X-, Y- and U-grade stumpage on the coast?

Hon. R. Coleman: As the member knows, waste is always a concern. We believe the opposite: with the X

and U pulp properly priced, we're hoping for increased utilization. That was one of the reasons we looked at the change: we'd see increased utilization of the pulp log.

It's certainly not anticipated that we would see an increase in waste as a result of our changes. Our whole drive, obviously, is to decrease any waste in the forests — given the reality of forests — from the standpoint that there will always be a certain amount of waste left for biodiversity reasons, to help with reforestation and that sort of stuff. The whole objective was to get those pulp logs properly priced so that we'd actually get some utilization of them.

[1635]

B. Simpson: If I understand the minister correctly, is he suggesting that waste was not raised as an issue with ministry staff around changes to the grades, the waste allowance and the take-or-pay program on the coast?

Hon. R. Coleman: To the member: waste is always part of the discussion. We consulted with pulp companies, truck loggers and industry. They supported the change and thought it would have a more positive impact on the reduction of waste. That was part of our consultation as we came through this process.

There's always an issue in some quarters with regard to waste, but we'd like to see as much utilization as possible, and that's what's driving our objectives. Of course, we will monitor it to make sure that our objectives are getting there through ongoing monitoring, because that's how we see if there's any improvement. If we don't, then we have to look at what else we have to do.

B. Simpson: With respect to the waste that's out there, one of the concerns being raised with me is, again, our positioning in the marketplace if somebody starts taking some pictures of these, puts them on websites and mounts a campaign against it. There's a campaign that we attempted to avoid with the Forest Practices Code with all of its warts.

The other aspect of this is that I'm being told by industry folks that we haven't had good burn windows for a significant time in certain areas on the coast, so we have a compounding effect where we have very large slash piles that have been sitting for quite some time. Again, with respect to these burn windows, will there be any adjustments to the burn windows to allow for some of this waste to be burned? Is there a concern on the part of the ministry about a public backlash against the amount of waste that's being left out on the ground?

[S. Hawkins in the chair.]

Hon. R. Coleman: To the member: first of all, I'm not going to let the comment go with regard to our operation on the coast and with regard to anything that indicates that we don't practice high quality, profes-

sional forestry in British Columbia. I wouldn't want that to be on the public record from this Legislature for anybody to use in some kind of campaign against this province — when we're one of the best, if not the best, in the world at forest practices in this province.

[1640]

On the issues that the member brings up, we're always prepared to look at the windows. When we look at the windows, we look at them in terms of the public safety aspects. The member is right. There have been some periods where the piles have been built up, with the windows being too short because of weather or risk. As that adapts, we allow for that to be adjusted. We take into account our best biodiversity and reforestation practices, and as we look at our utilization in addition to that, we look at our policies to make sure that they are reflective of the utilization we want to accomplish.

That is why we looked at the X and the U for the pricing, because industry felt that would be beneficial. We also thought that this lower-value wood.... If the price was in the marketplace where it was really priced for use, it would get the utilization.

It's a combination of things. We monitor it very closely, ongoing, by region and area and district. We do that down to even the cutblock levels. If we determine that there is a particular operation that seems to be leaving excessive waste, we have the ability to make them go into what they call a re-log to do that. We have the ability to make them do that and to put the power on them, and they pay the cost.

We do have tools that we will use if necessary, if we think some of these practices are outside of what we think they should be. There are things that we do. Frankly, it's been a concern that.... Initially, when I became the minister, I didn't understand it until we started to look at what the pricing of the pulp logs were and their utilization and where we could get those logs to go for someone to be interested in using them. All of those things we address and try and work through as we go through this.

B. Simpson: I would echo the minister's concerns about the positioning of our forest stewardship, but I can tell you that out on the land base, and I know the ministry must be aware of it, there are concerns about whether or not we're losing ground on forest stewardship in this province.

With respect to the burning and fire and so on, I want to canvass that tomorrow under the topic of forest health. Let me move to another area of concern on the coast, and that's the removal of private lands from tree farm licences. How many of the coastal tree farm licences have now had their private lands removed?

Hon. R. Coleman: We started to walk around the discussion of what and who may be, and I said that if we don't have that information here in the accurate form, what we'll do is we will undertake to get the information to the member by tree farm licence as to what has happened. If, in any of these instances, and

we know there have been some, we don't have that information here, we will get it for the member.

B. Simpson: This is something that I would like, if at all possible, on the public record, because it is a significant issue on the coast, as I'm sure the minister is well aware. So if that's possible for when we reconvene tomorrow, then that would be important.

My understanding, and I'm looking at a letter dated April 12, is that on tree farm licence 44 the removal of the private lands is currently in dispute. Just so that I'm clear, is that correct — that the removal of private lands from TFL 44 is currently in dispute?

[1645]

Hon. R. Coleman: The matter may be before the courts, which I wouldn't comment on. I will advise the member at this point in time that I will not be answering specific operational questions with regards to TFL 44. If he has any questions, he can arrange — and we will offer up — a separate briefing with regards to those questions by the deputy minister.

B. Simpson: Let me see, then, if I can get to the question that I want to get to with respect to private lands with reference to TFL 39 and TFL 46. Are those available for discussion at this point?

Hon. R. Coleman: On TFL 46 we're fine, but we still don't have the detail that the member's looking for. It would probably be best for us to bring it and give it to him in the House tomorrow or get it to him, because even if we get into the individual discussion with regards to private lands and those, we don't have the technical information which the member asked us to have by tomorrow. We think we can accomplish that by tomorrow.

B. Simpson: Fair enough. I'll table that discussion.

Just one comment with respect to the situation in Port Alberni that involves TFL 44 and involves private lands and so on. The minister committed in the House under questioning that he would make efforts to be in Port Alberni over the Easter break. The member sitting beside me and I were up there last week, and we were asked the question: where's the minister? We're both heading up there again this week. We'd like to be able to answer that question. Does the minister have it on his calendar to visit Port Alberni anytime in the near future?

Hon. R. Coleman: I guess you can answer the question to them as a result of what happened on Thursday of last week. As of the time that we raised for the spring break, I have been engaged in the softwood lumber file. I travelled to Washington during that period of time. Also, I was engaged almost daily, which basically trumped the ability to make all those types of trips during that period of time.

I did make the commitment that I would get up to that area, which I will do after the break. I've asked my staff to look at where that fits in, in the next 30 to 60

days. Obviously, it depends on a number of factors, which is some scheduling that is sometimes outside our purview. I apologize that I didn't get up there in the break. I think that the file I had to work on was pretty important for Canada and for the U.S. and for British Columbia. I was tied up on softwood, frankly.

[1650]

I probably could get still get tied up on softwood at different periods of time, but the intense side of the negotiations and that sort of stuff are finished, I guess, so we'll get up there. The commitment's there, and that commitment will be followed through on.

B. Simpson: Let's move on, then, to another favourite topic on the coast: log exports. I had hoped to deal with this in relation to private land removal — so we may have to deal with it just now, and come back to it — because they are connected.

How many OICs currently exist on the coast for exemptions from the provincial supply test?

Hon. R. Coleman: There are two particular OICs on the north coast and the central coast which I think the member is aware of and which are supported in those communities in those areas for obvious reasons: for the lack of manufacturing, etc. The surplus test is applied in the Vancouver log market on others. We will get you the list of any other OICs, which evidently can be a fluid list. We will get you those — probably even in the same package you'll get tomorrow morning. That's where that sits.

B. Simpson: When we canvassed log exports in question period — again, the member sitting beside me and I did this together — we asked the minister at that time if there was any intention of increasing log exports on the coast. We were told that that was not the intent, that we were not going to increase log exports and so on. Yet at the end of the Great Bear discussions and all the hoopla, we find out that on the central coast there's an OIC for a lift of 35 percent.

With that in mind and because of time constraints and other topics, I won't pursue that, but are there other OICs currently in the works for whole-log exports on the coast?

Hon. R. Coleman: There are no other ones at this time, hon. member, and at the time the answer was given in the Legislature, there hadn't been an approval of an OIC, so you wouldn't be able to say there was, either.

You should recognize, though, with the central coast one, that was a specific request from a number of first nations up the coast and was supported by the first nations and communities throughout that area with regards to that OIC. It was after meeting with those groups that we allowed for that period of time to have them establish some things they thought they needed to establish.

They thought they could create some employment for some of their first nations communities by estab-

lishing a log dump in one of the communities. There has been a real problem with logs off the central coast; particularly, getting to any marketplace and having buyers. That was why that one was done. I remember, actually, a very pointed and somewhat emotional presentation made to me by some of the first nations on the central coast with regards to that decision, asking for it.

[1655]

B. Simpson: In terms of process again, was it possible for the minister to give an OIC just for the first nations? My understanding of this OIC is that it covers all licensees in that region. From a technical perspective, would it have been possible for the OIC for this 35 per cent lift to be given to only the operating areas and licences under the first nations' control?

Hon. R. Coleman: It was possible. It wouldn't have been fair, and it wasn't the request.

B. Simpson: The request from first nations covered the other operating areas? They asked for the entire region, and they asked for the other operators to also be covered under the OIC? Is that what the minister is saying?

Hon. R. Coleman: Yes, they asked for the north coast OIC to be extended southward. That's what they asked for. So that covered all licensees in that area.

B. Simpson: With respect to log exports from the coast and the generalized fear on the coast that what we're doing is converting away from manufacturing to being land developers and log exporters, and going back to the discussion we had around Western Forest Products, Western Forest Products now has within their control the capacity to shut mills down strategically to create a log oversupply situation. Is there anything to prevent, then, Western Forest Products, as the major licensee on the coast, from creating regional log oversupplies and coming to the minister and asking for an OIC because there's a de facto insufficient manufacturing in that area, and they just convert it to log exports?

Hon. R. Coleman: They can ask, but there's a whole different dynamic between.... If the member is familiar with the north coast and central coast versus Vancouver Island and down the rest of the coast, there are lots of companies that buy logs on the open market for their manufacturing facilities. It would be pretty unlikely that you would be able to create that situation with regards to the rest of that area, because quite frankly, there are markets for those logs, I'm told, and there are lots of manufacturers who have a thirst for the product. When you talk about log exports, the majority of log exports on the coast don't come off Crown lands, as the member is aware. They come off private lands.

B. Simpson: Since the minister brought up federal log exports, it's my understanding that there will be a

court challenge against the federal test for log exports. My understanding is it will be this month. Will the ministry be seeking intervener status in that court challenge against the federal supply test?

[1700]

Hon. R. Coleman: It's a federal court case, and it's the federal government. We're aware of the position that the federal government is taking in the court case. We support that. They're defending it against the parties that have, I guess, launched the suit. Some of our folks may actually be involved in being called with regards to the case, but that hasn't been definitively decided in all cases yet.

We certainly have an interest in it in the fact that when I've talked to the industry minister, I didn't want anybody to start thinking about vacating their position on the case — that they stand their ground and defend the position of Canada, and that's what they're doing.

B. Simpson: With respect to how much logs are exported, it's very difficult to figure that out. Maybe it's just my lack of research capabilities, but we used to track this. I even have access to the PricewaterhouseCoopers reports of the industry. They don't track log exports.

Is there any place that one can find out exactly, year over year, whole log exports from public lands and whole log exports from private lands as a documented, verifiable volume?

Hon. R. Coleman: We do everything. We track that. We're happy to provide those figures to the member tomorrow.

B. Simpson: Where can the public get access to those figures?

Hon. R. Coleman: Evidently they can just call the ministry, and we'll provide the information.

B. Simpson: With respect to the cut on the coast, one of the issues, of course, is that we state whole log exports as a proportion of the entire provincial cut. That's not really a valid number, because they really ought to be stated as a proportion of saw logs out of the regions that they come from, in particular, since most of them are exported from the coast.

Three quick questions if we've got the data. What was the volume of cut total for the coast last year? What volume of that was saw logs? What was the volume of public land log exports?

Hon. R. Coleman: Just so we're clear, I'm going to ask the member to restate. Is that public land cut, public and private land cut measured against the annual allowable cut? If we get specific as to what the member is looking for, we can probably accumulate those statistics for him. It's just a matter of getting specific.

B. Simpson: The specific figures I need is the actual volume cut from public lands on the coast — I would

prefer a three-year window, if possible, up to 2005. So the volume of actual cut on coast, the volume of that that is saw log — the saw log volume minus waste minus pulp and all of the other stuff, the volume of saw log — and then the volume of public exports. Those are the three figures we need.

[1705]

The reason for those three figures, quite bluntly, is that's the percentage of raw log exports. That percentage figure is the figure that we need to be tracking, because that's the economic impact in terms of the conversion of our saw log bases on public lands into the market as whole logs. So if I could have those three figures, that would be very helpful.

Is the minister standing? No. Okay.

With that, then, I'll leave that and get that information, and then I can wrap up the private land and log export connection tomorrow. I have a couple of questions to canvass around the revitalization trust, and then I would like to turn over the floor to the member for Alberni-Qualicum to canvass first nations and forest and range agreements.

On the revitalization trust, we heard when we were up in Queen Charlottes some concerns that the revitalization trust was morphing into something else, that it was given some other responsibilities over and above what was the original intent of simply rolling out the funds with respect to the Bill 13 contractors and others who were going to lose their livelihood as a result of the Forestry Revitalization Act. Is the revitalization trust being changed or turned into something other than what its original intent was?

Hon. R. Coleman: The terms of reference for the revitalization trust have not changed at all.

B. Simpson: Is Mr. van Soren, the trustee, given responsibility by the ministry or government for some other trust funds that people might be confusing with the revitalization trust? Because we had quite a dialogue in the Queen Charlottes around this, and it was very confusing for us and for the people we were talking to.

Hon. R. Coleman: The confusion may be that he used to be the trustee that was responsible for a central coast or coastal trust — I think it was central coast — that was put together. That may be the confusion, but the terms of reference for the revitalization trust have not changed.

B. Simpson: Thank you for the clarification. We will get word back to the folks we were talking to about that to clarify.

What is the minister's understanding of the status of the dispute around Cascadia with respect to the payout from the trust and the contractors? I believe it was taking Cascadia to court around their payout? Has that been settled? Is it going to court? What's the status of the Cascadia situation?

Hon. R. Coleman: This is another operational issue that the member will receive a separate briefing from the deputy minister on.

B. Simpson: Then let's move on to other general concerns around the trust. We've had concerns expressed, and we've expressed it in question period in this House, around issues with respect to the revitalization trust around people that have lost their jobs as a result of the revitalization strategy but don't qualify for compensation around the licensees and others not taking advantage of the trust, because the licensee or operator or corporation has to access the trust on behalf of their contractors.

[1710]

Is the ministry going to do a review of the revitalization trust to look at the impacts of the clawback after the fact? Because this was a presumptive trust, this was something that presumed certain things would happen and certain people would need to be compensated. Now that we're beginning to see the impacts, is the ministry going to do a review and ensure that fair compensation was given to all of the various categories of people who were impacted by this 20-percent clawback?

Hon. R. Coleman: About 555 impacted workers and 63 contractors have been paid out about \$45.3 million to date from the trust. The board developed draft forest worker mitigation guidelines and contractor mitigation guidelines. A quarterly report is given to the deputy minister by the trustee of the trust.

If the member has a specific appeal on behalf of a specific individual or group, he might want to canvass that directly with my deputy or with the ministry. If it's a category of workers that are outside what the original trust was, that would be a different discussion.

B. Simpson: The minister, I believe, has been made aware. For example, the Franklin River crew is going to lose their cut as a result of the potential of part of the whole restructuring of the coast driven by Forest ministry policy decisions. They come out of potentially private land operations that are being released from a TFL.

We have manufacturing job losses, as one commenter indicated, as a result of the transition to new licensees. A number of licences have been issued to first nations that will take some time before they bring that log back into the marketplace again. As a result, manufacturing jobs have been lost.

I think the minister is well aware that there are a number of different categories of people who have been impacted as a result of forest policy changes, the Forestry Revitalization Act changes and the clawback, that do not fit within the confines of the trust definition. According to the Auditor General, there is a dispute between the Auditor General's office and the ministry about how these trust accounts should be accounted for. The Auditor General states explicitly: "We think the financial results of this account should be

consolidated within the government's summary financial statements" — and this is the important part — "because the account is not able to make key strategic and operating decisions independent of government."

So my question to the minister is: if the government still is able to direct key strategic and operating criteria to the trust, will the government engage in a comprehensive review of all of the impacts — manufacturing impacts, non-Bill 13 contractors, non-union contractors — that have lost their jobs as a result, directly, of Liberal policy changes and the 20-percent clawback on the land base?

[1715]

As I'm sure the deputy minister and senior staff are aware, there are a lot of people who feel that they got the shaft. Only a small portion of the people who were impacted are getting compensation, so I think it is only fair that that be opened up for investigation and fair compensation to all of the other people who've been impacted by these changes. My question to the minister is: will that be taken under consideration and that review done?

Hon. R. Coleman: We're not going to change the terms of reference. We actually don't have, I don't think, even the authority to do so. In addition to that, the member may wish us to have a fund that says that every time a market changes or the dollar goes up or down or we cut fewer trees in a particular year or a particular market for a mill's finished product goes away, we should be doing something. But that's not what this trust was for, and we're not going to change the terms of reference. We're operating within the terms of reference of the B.C. Forestry Revitalization Trust and will continue to do so.

B. Simpson: I wasn't asking the minister for hand-outs for everybody as a result of market conditions. I was asking the minister if he would consider looking at the impact that his government's policy changes had on workers on the coast. I think that's a fair comment.

I think it is fair, due diligence on the part of the government to make sure that their policy changes have not negatively impacted people that.... They're compensating one group because they thought that group would be impacted. A whole bunch of other people have been impacted, but what the minister is saying today is: "We're not going to look at that." I just don't think that's fair, and it's not due diligence.

I want to turn over to the member for Alberni-Qualicum. For the minister's edification and for staff resources for tomorrow, because we have tomorrow afternoon continuing on forestry, I'd like to finish up the private land-TFL issue — I will constrain myself away from TFL 44 — and log exports. I would like to finish that up. I would like to canvass some interior issues that should be fairly discrete, then a little bit on worker safety and then finish up, in the bulk of the time, on forest health, looking at climate change, mountain pine beetle, fire and so on.

This is a big ministry. We're trying to cram it into a very short period of time, but hopefully, we can canvass those items tomorrow. At that, I'll turn over to my colleague.

S. Fraser: Hello to the minister and his staff, and thank you for being here today.

Early last year the government announced the New Relationship and produced the New Relationship document, so I'll just use that as a bit of a background for where I will begin today.

A quote from the New Relationship document: "We agree to establish processes and institutions for shared decision-making about the land...." Also in the goals: that we have to "restore, revitalize and strengthen first nations and their communities and families to eliminate the gap in standards of living with other British Columbians...." Further: "To achieve these strategic goals, we recognize that we must achieve first nations economic self-sufficiency and make first nations a strong economic partner in the province and the country...."

[1720]

Just a few quotes from the New Relationship document. With that in mind, the New Relationship document is interesting in that it specifically refers to forest and range agreements. My first question to the minister is: in what capacity were first nations consulted with in creating the terms of the forest and range agreements?

Hon. R. Coleman: Just so we're clear who has responsibilities in this government, the responsibility to the New Relationship document across government is the Minister of Aboriginal Relations and Reconciliation. The Ministry of Forests is one of the participants in the relationship with first nations, but not the exclusive participant. So included in the whole New Relationship is everything from education to children's health, health care, issues in and around mental health and education and outcomes with regards to that, which we're working with the first nations to improve on.

There are a number of goals that are set within that to accomplish certain things. Over the last couple of years we've been signing forest and range agreements with first nations. Today I think it's somewhere in excess of 15 million in actual dollars — it may be higher than that; I'll get the approximate numbers here in a second — plus a certain amount of fibre that we managed to do forest and range agreements on.

Forest and range agreements were actually changed to be called forest and range opportunities as we came through the New Relationship discussion with first nations. They asked that we change them to FROs versus FRAs. They asked us to look at some of the language. I'll get you the number in a second. Basically, today there are 104 agreements in place out of approximately 170-odd that could be done. We signed our 100th agreement earlier this year in January or February.

The language was then changed as we came through that through extensive discussions with the first nations as part of a New Relationship. That language was agreed to. There has been some discussion about whether one particular portion of the first nations leadership organization that supports it may want some other changes. That discussion is ongoing. But I can tell the member this: that while that's going on at the leadership level, there are a lot of first nations that are coming to us and saying: "We want to participate."

There are two issues that tie together here. One is a New Relationship, which is a spirit of cooperation to say: let's do some things differently. In some cases, like forest and range opportunities, it could be as simple as sitting down and discussing some language that they would think would be less prescriptive from a Crown perspective for a first nations group to accept. We're open to that, and that's why we changed the language in the new agreements.

However, at the same time as we have the leadership council, we do have individual bands and individual leadership saying: "I want to do a deal." In that environment we do forest and range opportunities with folks. We have changed the language in conjunction with the first nations leadership.

[1725]

There are actually more still being worked on, and they will go out as they come along. Certainly, if anything, 104 forest and range opportunities signed with the province in the period of time we've been doing it is really good news.

It's a success with regards to a lot of first nations relationships. There are some that still don't want them. We'll take the choice, and we've made it very clear that this is an economic opportunity. It doesn't preclude their ability to negotiate within treaty or any of the other things that the Minister of Aboriginal Relations and Reconciliation is doing. It really is an economic opportunity that's being provided. I hope that helps the member sort of understand the context around it.

I must say that as a minister it's been very rewarding to have been to the number of communities I've been to where we've signed FROs and participated in some pretty neat ceremonies with regards to forest and range opportunities. I look forward to doing more.

S. Fraser: Can I get for clarification: are any of the new arrangements that are being signed...? Are they all now FROs? The forest and range agreements are no longer applicable? Or are they all forest and range opportunities? If I get some clarification on that, please.

Hon. R. Coleman: What we will do is as the FRAs that were signed, which were called forest and range agreements in the beginning.... We now call them all FROs, forest and range opportunities. As they come up for renewal, their language will change, and so will their title. But they are documents that were already in place before the change.

Today we have 111 first nations who have signed forestry agreements with the province. Seven of the ones that have been recently concluded are forest and range opportunity agreements versus forest and range agreements. That's because we already had the legal documents in place prior to the change of language for the other folks. Then what we'll do is that when they come up for renewal, we'll go to the new language. That's the undertaking we've taken.

S. Fraser: I have a document from 2006 — early, though; January 19 — which is no longer up to date. It's on the forest and range agreements with first nations. I'm wondering. Is it possible to get an updated version — not at this moment — but is there a more recent document available that I might be able to get through the minister?

Hon. R. Coleman: We'd be happy to, but I think what we'll do first is check the website. We do put these up on the website, so that information may already be available. We'll check that and advise the member. If it's not up to date there, then we'll update you.

S. Fraser: I appreciate that. I have had some challenges trying to get.... Not all information seems to be up to date on the website. If that's up to date, I apologize. I meant that with no disrespect.

I'll go back a step. The New Relationship document does have a specific reference, as I mentioned before, to the forest and range agreements. So under action plans — it's section IV(7), "Appoint a joint working group to review forest and range agreements and make recommendations to the parties on options for amending those agreements, in order to make them consistent with the vision and principles above" — above meaning previously in the document. Can the minister advise on the status of that review group?

[1730]

Hon. R. Coleman: Maybe the member didn't understand me in my sort of summary earlier. That working group is where FROs came from. That working group is the group that actually worked on the language with the ministry and our staff with both ministries on the change of language that became the FRO. The FRA was in place before. So that working group, in the spirit of the New Relationship, did meet, did go over their language, did make the appropriate changes and did agree to those changes.

Subsequent to that, there was one group within the leadership group where their membership felt there might be other, future changes that they wanted to discuss. That dialogue, I believe, is still ongoing. But the changes that were made to the FROs were made by that working group in the spirit of that New Relationship.

S. Fraser: Can the minister apprise us as to who was on that working group? How many people were on it, and who might they be?

Hon. R. Coleman: The working group was the Ministry of Aboriginal Relations and Reconciliation, the Attorney General's Ministry and the Ministry of Forests — I just looked at these two guys and said, "One of you must have been on there, because you're on everything else," and I was absolutely right about that — and representation from the first nations leadership.

S. Fraser: First nations leadership. Was that the leadership council? Is that correct?

Hon. R. Coleman: Initially, it included the members of the First Nations Summit and the Union of British Columbia Indian Chiefs. Later on, as it went forward, it included the leadership of the First Nations Leadership Council, which is what the New Relationship works with for a lot of things.

S. Fraser: The head count formula is somewhat controversial, as far as the FRA FROs are concerned, with first nations and with non-first nations that I have spoken with. When was that negotiated? Did this committee negotiate that? Was that a formula that was put in with the creation of the FRAs?

[1735]

Hon. R. Coleman: A couple of things. The forest and range agreement program was developed three years ago, so it was way in advance of the New Relationship. Agreements have continued to be signed. I haven't actually had a first nation that signed a forest and range opportunity or a forest and range agreement bring up a problem to me as minister with what the member described at any of the meetings I've had as we've signed them. We've done ceremonies and what have you.

They felt, as they came through the process, that the language for the new FRO and perhaps that calculation maybe needed to be dealt with in the future. That's a different piece of work that they think they'll do, but it hasn't been done to date.

S. Fraser: I know with the leadership council, one of the three organizations involved is the Union of B.C. Indian Chiefs. As the minister is aware, they have stated in a letter — which I've received a copy of, of course — about having significant problems with the formula as laid out in the FROs. Is that something that's to be dealt with? Is that something that's part of the negotiation? Is that something that's up for negotiation?

Hon. R. Coleman: As part of the New Relationship, we respect the work that's being done by the leadership council and the management committee to revisit things like revenue-sharing across the various sectors of the economy. It's a complex task that they're undertaking, and I actually look forward to receiving their recommendations on a better approach.

In the interim and until this work concludes, we're confident that our current per-capita method for

revenue-sharing offers the most equitable, transparent and defensible method available. It is important to continue to flow these benefits in FROs to first nations who want to sign them and want to participate, which they can use to improve the quality of life of their people.

Having said that, we know there'll be more work, and that's a very important aspect of the entire New Relationship. We recognize that it has the ability to change in time, that it has the ability to not be entrenched in such a way that we get to old ways where we litigate and do things in courts, rather than sit down and work as a group and have that very candid and open discussion as to how we can deal with it.

The situation of the one group that wrote me, as the member knows, is that they had some difficulties with it, but they're working through that internally through their own group and as part of the First Nations leadership summit. We look forward to that coming to a positive conclusion.

We know there's always going to be.... When you have a number of different groups involved in a leadership council and in an organization, there will be times, internal to either side, that there's going to have to be some more work done on some collaboration. This appears to be one of those cases. We welcome it. We're prepared to work with them. We've actually made that clear — as a network is being led by the Minister of Aboriginal Relations and Reconciliation, who will do that, taking into account all the rest of it with the first nations leadership.

I can tell the member that it actually seems to be working pretty well. Anytime there's a new relationship that is trying to make a change to old modes of doing business, there has to be a lot of goodwill on both sides. I have found — dealing with the First Nations Leadership Council, the members on the board and the individual first nations — that there really is a new relationship building out there. It will take a long time to complete and may never be completed, but it will always be something that can continue to be live to having that cooperation and understanding, which really is important to successful long-term relationships with first nations.

[1740]

B. Simpson: With respect to tomorrow's discussion, I would like to be able to have on the public record a discussion about TFL 44 and a discussion about the Cascadia situation with respect to the revitalization trust. I would ask the minister to find a mechanism for us to be able to do that as we re-engage in debate tomorrow.

S. Fraser: To the minister: it was just, almost to the day, a year ago that Madam Justice Dillon and the Supreme Court issued reasons on the *Huu-ay-aht* case and found in favour of the *Huu-ay-ahts'* position. The Crown appealed that judgment. The minister just brought up the issue of litigation.

I know the Crown withdrew their appeal just over a month ago now. Does that leave the B.C. Supreme

Court judgment as the valid law? In my interpretation — and I'm not a lawyer — I believe it does. If I could get some guidance here....

Hon. R. Coleman: None of us are lawyers here. What I'm going to ask the member to do is put that request in writing to the Attorney General, and I will speak to the Attorney General. That would be the appropriate body to answer that particular question. It certainly is out of the realm of expertise for us with regard to court challenges in court cases.

I'm gifted with some really talented people who can actually do a terrific job on behalf of British Columbians on the land base in B.C. It's not my expectation that they're also actually involved in the courts in B.C., or that they would participate, as the Attorney General's office would deal with it.

At the same time, I think that doing that notification to the Huu-ay-aht that we abandoned our appeal has certainly kept within the spirit of the New Relationship. I think that was one of those signs coming as a result of the New Relationship. Other than that, to actually comment on the technical side or the court side of things would be.... I'm just not in that league.

S. Fraser: Thank you to the minister for that, and I appreciate your caution here. I'm not trying to get any individual read on legal positions here. But the B.C. Supreme Court basically has declared that the FRA program was contrary to the provincial constitutional duties. Since the appeal on that issue was withdrawn.... If we could use that as a baseline, I'm just looking for some information here.

Is the ministry preparing a new program that would meet the province's duty to provide economic accommodation to first nations that is responsive to the needs and the New Relationship, I suppose, too? Or is that to be handled through the current FRO program? If I could get some help on this.

Hon. R. Coleman: Let me try and clarify this for the member. This is a briefing, a note with regards to this.

Abandoning the appeal doesn't affect the province's ability to continue to negotiate forest and range agreements or FROs with first nations, known by either name. Madam Justice Dillon did not decide that the FRA program was somehow unlawful, but rather recognized that it was a business decision of the first nation to choose whether or not to enter into an FRA. Madam Justice Dillon's decision does not change the FRA-FRO program or the per-capita approach, and the province can continue to offer FRAs. Likewise, first nations are free to make a business decision and enter into these agreements and accept accommodations offered if they choose.

I hope that clarifies it for the member.

[1745]

S. Fraser: We were talking about the website previously, as far as the information on any new agreements that might be there. On the website currently, unless it got changed in the last day or two, the pre-existing strategic policy document is still as is — pre-court de-

cision and pre-drop of appeal. So is that strategic policy document still germane, considering the Huu-ay-aht case, or has it just not been changed yet on the website?

Hon. R. Coleman: To the member: we revise from time to time. The policy is actually okay. It's not germane to the Huu-ay-aht case, I'm told.

S. Fraser: With the court ruling on the Huu-ay-aht decision and the withdrawal of the appeal, there were several statements made by the Crown.

(a) A declaration that the Crown's duty to consult in good faith and to endeavour to seek workable economic accommodations applied to the exercise of discretion under the Forestry Revitalization Act and in section 47.3 of the Forest Act, i.e. takeback volumes in the process by which it is reallocated to first nations.

(b) A declaration that, in the specific application of the forest and range agreement program under those statutes, the law has a duty to endeavour in good faith to reach accommodation agreements that are responsive to the degree of infringement — in this case, of the Huu-ay-aht First Nation, although presumably this has further-reaching implications — of aboriginal rights and title represented by forestry operations in HFN traditional territory.

(c) A declaration that application of a population-based formula does not — I repeat, does not — constitute good-faith consultation and accommodation.

(d) A declaration that application of a population-based formula does not fulfil the administrative obligations to provide accommodation to first nations.

With this in mind, are we still going to be sticking with the strategic document? Is it still applicable, considering the nature and the spirit and intent of the decision of the court?

Hon. R. Coleman: In the interim, it's fine. The Huu-ay-aht is a decision within a larger envelope. As the New Relationship evolves, there may be changes in policy on the website. In the meantime, because these are agreements that people can take or not take on an economic basis, there is some position that allows us to continue to do what we're doing, which we've been doing. We've been having groups sign them. We don't force agreement on anybody.

In the interim, we're fine. But in the spirit of the New Relationship, if the First Nations Leadership Council identifies some concerns with some things that we need to work on in and around language, we're going to do that. We're trying to be as flexible and as able to work with.... Keeping in mind, of course, that we always have our position, which we have to protect as well. That's pretty well standard, I guess, in any relationship.

[1750]

Madam Chair, noting the time, I move the committee rise, report progress and seek leave to sit again.

Motion approved.

The committee rose at 5:50 p.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. G. Abbott moved adjournment of the House.

Motion approved.

Mr. Speaker: The House stands adjourned until two o'clock tomorrow afternoon.

The House adjourned at 5:51 p.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF ECONOMIC
DEVELOPMENT AND MINISTER
RESPONSIBLE FOR THE ASIA-PACIFIC
INITIATIVE AND THE OLYMPICS
(*continued*)

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

The committee met at 3:11 p.m.

On Vote 23: ministry operations, \$309,328,000 (*continued*).

H. Bains: I would like, if we could move along, to move into the area of the security fund. It was identified by the IOC chairman at one point that the security budget was not sufficient for the games. My question to the minister is: what data did the government use in rejecting that warning and the warning of the Auditor General and in coming up with its own position on this, that the \$175 million is a sufficient amount?

Hon. C. Hansen: Firstly, nobody here is aware of any comment that the IOC chair may have said with regard to the budget not being adequate. That's certainly news to us. If the member has that quote, I'd be interested in seeing it, because I've never heard that.

Secondly, the budget of \$175 million that was put in place in the bid book was actually put together in the months following September 11, 2001. Obviously, there was a lot of anxiety worldwide at that time about what the security cost of the Olympics might be. We saw that in the 2002 Olympic Games in Salt Lake City; certainly,

there was an enormous amount of money spent on security because of where we were in the post-9/11 era at that time.

One of the learnings that we have from Torino is that our budget is probably adequate for security costs. The RCMP has done a lot of work on this particular area, and they have indicated to us recently that they anticipate that the \$175 million will be adequate.

H. Bains: The comments made were to a question from a BCTV reporter. I believe it was back in 2002 when the question was asked about whether the \$175 million security budget put together was sufficient. It was replayed recently when we were talking about cost overruns, and that's what the president's comments were, that they believed it wasn't sufficient and that it was brought to VANOC's attention. I'm not quoting the president, but they were words to that effect that were mentioned at that particular time.

I'm sure you've read the Auditor General's comments on this, along with the contingency fund. They also make mention of something, that the security budget may go over. These are the two comments I'm referring to.

[1515]

My question, again, is: if the minister is saying that no one warned them that \$175 million will not be sufficient or may not be sufficient, then perhaps the minister can make that clear.

Hon. C. Hansen: I think the most important source of that kind of information is the Canadian experts on the subject, and that's the RCMP. The RCMP themselves, I think, have a better understanding as to what is required and what it would cost than any of the individuals or bodies that the member has referenced. As I said earlier, the RCMP have indicated to us recently that they expect that the \$175 million will be adequate.

H. Bains: Can the minister explain what kind of security we would be able to receive with the \$175 million? What will that cover? Is it to cover only the Olympic sites, in and around Olympic sites, or are there other security measures that might need our attention? Are they also covered by the \$175 million?

Hon. C. Hansen: That security budget would include all of the Olympic venues. It would include the two Olympic villages. It would include the movement of all of the athletes and officials to ensure that they are safe right from the time they land at the airport or arrive in British Columbia until the time they would be leaving the province.

H. Bains: Is there anyone else involved in any other type of security who would be outside the circle that you may have put together? If there is, who is it, and what would that security be?

Hon. C. Hansen: The municipal police forces, or the RCMP, that actually serve in various municipalities....

They have their own ongoing responsibilities to provide policing in those communities. They would do it during a Grey Cup game. They will do it during a Stanley Cup playoff series. This will obviously be an event in the city, which will be part and parcel of their regular operations.

So what we're talking about with the security budget would be those items that would be over and above what would be normal policing costs in these communities, given that we have special events taking place on an ongoing basis.

H. Bains: Will those communities who are using their own police forces to provide this incremental security, as you may call it, be receiving funding for this extra cost that they will be incurring from this \$175 million?

Hon. C. Hansen: We do not anticipate that there would be any incremental costs over and above what a police force or municipality would normally be providing throughout the year with regard to their regular policing responsibilities, with the exception of the actual Olympic venues themselves. That's where the \$175 million fund would provide for those incremental policing challenges.

[1520]

H. Bains: So the major activities, as you see them, will take place in Vancouver, parts of Richmond, the Vancouver-Whistler corridor. There are a number of municipalities involved in that, so there will be extra policing required.

I think we are not talking about just a Stanley Cup final or the Grey Cup. I think this is a larger event, and it probably will require a lot of intensive security, more resources and more manpower. My question is: are we leaving, for example, Vancouver and Richmond on their own, and they have to come up with their own budget to pay for all this? Or are they getting any assistance from the provincial government through this ministry or from this security budget?

Hon. C. Hansen: Just to take an example, if you look at Richmond, Richmond will have one venue with the speed skating oval, and all of the security costs that pertain to that venue will be funded by the \$175 million. The RCMP, which ably serves the citizens of Richmond, will be there to provide ongoing policing duties during that period of time for parts of the city that don't pertain to the Olympic venues. But when it comes to the Olympics, those will be covered. The same is true of Vancouver and Whistler and any other communities where an Olympic venue may be located.

H. Bains: If I hear that, then that means there won't be very much extra cost to Vancouver city or to Richmond, because it comes within the realm of security that will be provided through this \$175 million.

There will be a crowd control issue — in Vancouver, for example — around and in the venues. Sky-

Train, for example, would have extra personnel required. So anything that there may be incremental.... For example, in Vancouver they may require higher security and have to pay for extra police forces or obtain more resources. Is there any provision for them to receive any help from the provincial government or from this fund?

Hon. C. Hansen: The member referenced crowd control at the venues. That is covered under the \$175 million.

There have been lots of discussions taking place between the RCMP and the local police forces, between the RCMP that are working on the Olympic security file and other divisions within the RCMP that are responsible for municipal policing. There's been a lot of work done already, and they have not come to us and said that they anticipate there would be extraordinary policing costs over and above what a municipal police force would face during the year.

H. Bains: What would other areas, such as...? There might be a potential threat coming from the water side, from the air. Has that been looked at, and is that also part of this \$175 million? Would that be in addition to that?

[1525]

Hon. C. Hansen: The RCMP would obviously be looking at all aspects and all threat levels. What we are budgeting for is what we anticipate to be a normal security level that would be required for an Olympic Games to be held in 2010, which is obviously not the same kind of threat levels that we would have looked at 15 or 20 years ago.

I think it's probably fair to say that it's not quite the anxious levels that Salt Lake City was facing, because of the timing of their particular games. I know that the RCMP is looking at all elements of it. For what they anticipate to be a security level that they would have to respond to, they feel that the budget is appropriate.

H. Bains: All of that security, whether it's in or around the venues, as we talked about earlier.... When we talk about water, air or a threat made that may be of that sort, it will all be covered in the \$175 million. We will not be asking the federal government, for example — because it may be their jurisdiction, through the Armed Forces or whatever other agency they may have — to protect us around the venues and around the games that are being played and where the athletes are being staged.

Hon. C. Hansen: If there was some kind of an extraordinary thing happening in the world security environment at that point, we would fully expect that the federal government would live up to their obligations, and the Canadian Armed Forces would live up to their obligations, as I have every expectation that they would. We're well served by the RCMP and our Armed Forces with regard to those kinds of large-scale interna-

tional threats. What the budget would be providing for is what would be anticipated to be a normal — if that's the right word: normal — level of security for Olympic Games that are taking place in the 21st century.

H. Bains: As we said earlier, a contingent of our Olympic officials went and learned from Torino's experience, and they looked at Salt Lake. Circumstances may be different, but my understanding is that the Salt Lake budget was much, much higher than the \$175 million that we are putting together. My understanding is that the Torino security budget, at the end of the day, was also much higher, even higher than the Salt Lake games was. Have we learned the budget that Torino actually had to incur, as far as security is concerned, for their games?

Hon. C. Hansen: The RCMP were on the ground in Torino during the 2006 Olympic Games, and it's basically from that experience that they feel very confident that they can assess the need adequately. I don't think that organizing for the Olympics is a race to see who can have the most security. We want to have appropriate security to match whatever threat and risks are involved. I think the RCMP do a first-class job at those kinds of assessments and making sure that we have an appropriate level of security for the 2010 games.

H. Bains: Did they find out what the security budget was for Torino and what they actually ended up spending?

Hon. C. Hansen: I don't know what that number is. To directly answer the member's question — did they find out what the budget was in Torino? — I'm sure the answer is yes. As to what that budget was, I don't have that at my fingertips. But one of the assessments of the RCMP is that Torino spent much more on their security costs than was necessary.

[1530]

H. Bains: Can I ask some questions on the Own the Podium program that is put in place? First of all, can you explain how that is related to the 2010 Olympics?

Hon. C. Hansen: This is not our file. This file rests with the Minister of Tourism, Sport and the Arts, but I will be pleased to try to answer the member's questions to the best of my ability.

The Own the Podium program was developed in.... Our contribution to it was in '04-05, and the province put \$10 million into it; \$5 million was aimed to assist Canadian athletes in preparation for the Summer Olympic and Paralympic Games, and \$5 million was put in to assist athletes for the Winter Games.

It's not specific to the 2010 games at all. It was actually in place. There was a lot of good TV coverage coming out of Torino as to how wonderful the Own the Podium program had been in assisting our Canadian athletes in Italy this past February.

H. Bains: The total amount of funding from this ministry or from the \$600 million that's been set aside is \$10 million. Is there any extra funding that Own the Podium received from the Ministry of Economic Development or from the \$600 million?

Hon. C. Hansen: The \$10 million that went to the Own the Podium program is not part of the \$600 million, nor should it be, because it is there to fund Olympic athletes generally for all of the Olympic Games.

Interestingly, I know there's a proposal that's come forward from the Canadian Olympic Committee to ask the federal government to put a significant amount of money into that as we move forward, so the Own the Podium program has been a big success.

Just because we're dealing with an identical number, there is \$10 million in the \$600 million envelope, and that is for the sport development program that is put on through Legacies Now. The money that has flowed out of the \$600 million is \$3.5 million, \$3.5 million and this year will be \$3 million to Legacies Now for the sport development program. That is a separate and distinct program from the Own the Podium program.

H. Bains: So the \$10 million is outside of the \$600 million envelope as we talked about earlier, and it is coming from the Ministry of Economic Development — is it?

Hon. C. Hansen: The \$10 million that went to the Own the Podium program was done in '04-05. At that time the ministry was the Ministry of Small Business and Economic Development, and at the time it included a mandate for sport programs in the province. That mandate has now been moved over to the new Ministry of Tourism, Sport and the Arts, so that file, or following any relationship between the provincial government and the Own the Podium program, would, in fact, be channelled through the Ministry of Tourism, Sport and the Arts.

[1535]

H. Bains: To keep my mind clear on where those numbers are.... Last Monday we talked about the budget for our secretariat, and we came to about \$25 million that was their operating expenses and then \$6 million for Canada village that was also outside of the \$600 million envelope. This \$10 million, although it provides different programs, is also outside of the \$600 million envelope. Is that correct?

Hon. C. Hansen: That's correct, because all of the items that the member lists have nothing to do with the staging of the Olympic Games; therefore, it would be incorrect to include them in the \$600 million.

H. Bains: The number that I read, I think, was \$110 million for Own the Podium. It's not part of your ministry or part of the Olympic program, as I understand the minister as saying, but it comes under the Ministry

of Tourism, Sport and the Arts. That \$110 million comes from that ministry, then, or where do they get that funding?

Hon. C. Hansen: I do not have details in terms of the size of the Own the Podium fund at this stage or where all of the sources would be. I know the federal government has already contributed a significant amount of money to Own the Podium. We have contributed from the province \$10 million, as I mentioned, in '04-05.

At the time that that was done, I know the Premier put out a challenge to other provinces that they should match that contribution so there would be contributions from other provinces, as well, coming into the fund. I don't know off the top of my head whether any other provinces have anted up budget for that, but I would certainly encourage them to do so, because I think it's an excellent program to support Canadian athletes.

H. Bains: Maybe if I could ask the minister and, hopefully, we could get some information — if the Olympic secretariat could have some of that information. For the Own the Podium program, is any of that portion managed, monitored or administered through the secretariat office?

Hon. C. Hansen: No, not in any way, shape or form. I, quite frankly, have as much access to that information as the member does. If he would like to get more information on the Own the Podium program, it's probably on a website, but it's not administered in any way through the provincial government.

H. Bains: There are some other programs put together. You know, we talked about Live Sites, Own the Podium. What we haven't talked about is the Spirit of B.C. What is that program, what does it come under, who administers it and who do they the report to?

Hon. C. Hansen: It's my understanding that that program is administered by Legacies Now. They are a non-government entity, but they do relate to government through the Ministry of Tourism, Sport and the Arts.

H. Bains: On the past Monday, also, some statements were made that Legacies Now received funding from other ministries of this government. The minister didn't have that information as to where that funding comes from and how much that funding is. Does the secretariat have any information? Does that office have any information about what goes on in Legacies Now, as far as the funding is concerned?

Hon. C. Hansen: I can tell the member that we do provide in our budget in this year \$3 million for the sport development fund, Legacies Now, but that's the only involvement that we have with Legacies Now.

[1540]

H. Bains: That comes from the \$10 million that comes from the \$600 million envelope. My understanding is that one of the directors — correct me if I'm wrong — the deputy minister either in the Ministry of Economic Development or the Premier's office, Mr. Dobell, sits as a director of Legacies Now. At the same time he also sits on the VANOC committee?

Hon. C. Hansen: Actually, I was not aware of that until I was just informed by staff that that is correct. But Legacies Now is an independent, not-for-profit society — or an independent, not-for-profit corporation, I guess. I'm not sure whether it's actually under the Society Act or the corporations act, but it is totally independent of government. I'm sure they recruit able people to be on their board of directors, but as such, if there is anybody on the board that has another contractual relationship with government, they're not there representing government; they are there in their own independent right.

H. Bains: Can the minister explain, then, what the purpose was of creating Legacies Now and who created it? What was the need for this, if they are not-for-profit? And if they have something to do with the Olympics, isn't anybody having any communication with Legacies Now to see what is going on and how they are actually helping us to stage these Olympic Games?

Hon. C. Hansen: Legacies Now really does not play any role in the staging of the Olympic Games. They are actively working with committees around the province to encourage sports activities, physical fitness, amateur athletics, culture — to get communities more engaged with celebrating sports, arts and culture in various communities around the province. In that respect, I can tell the member they're not involved directly with staging the Olympic Games.

H. Bains: At this stage my colleague the member for Delta North would have a few questions.

G. Gentner: I just have a very few quick questions relative to the Pavilion Corp., PavCo. I know it's not in the jurisdiction of the ministry; however, my interest is of course with B.C. Place Stadium. It will be the host of, hopefully, a wonderful games, and there are some costs involved in major improvements. Could the minister explain to me: what is the commitment from his ministry and VANOC towards the improvements at B.C. Place for the Olympic openings?

Hon. C. Hansen: B.C. Place is not actually to be used as a venue; it's to be used for the opening and closing ceremonies. As a result, it is not anticipated that B.C. Place Stadium will need a significant capital infusion, by any means. The amount that has been budgeted to prepare B.C. Place Stadium for that purpose is about \$2.5 million.

G. Gentner: Could the minister assure the House that that money is going to be found either through VANOC or his ministry? Or will it be found through the Ministry of Tourism, Sport and the Arts?

Hon. C. Hansen: The \$2.5 million is part of the \$470 million envelope for venues, which is split between the federal government and the provincial government. So of that \$2.5 million, you would find that 50 percent of that would actually come from the provincial government through the Ministry of Economic Development, and the other 50 percent would come from the federal government.

[1545]

G. Gentner: Just one last question — and maybe a supplement, if I have an opportunity — relative to the needed improvements to the roof on B.C. Place Stadium. Will those improvements be undertaken by VANOC, your ministry or the Ministry of Tourism and Sport?

Hon. C. Hansen: That would be a responsibility of PavCo to look at what the need might be and when the need might be.

H. Bains: If I may ask some questions about the procurement policy, Mr. Minister. First of all, my understanding is that part of VANOC's procurement policy is to provide business opportunities to businesses in East Vancouver.

My question is: does VANOC's definition of East Vancouver include the downtown east side? I should ask: what is the definition of East Vancouver when we talk about that in the procurement policy?

Hon. C. Hansen: I quite frankly don't have information at my fingertips about how VANOC, as an organization, is addressing that particular commitment. I can't give you an answer as to how VANOC might define what geographical term would be used to define East Vancouver.

H. Bains: Whose responsibility is it, then, in order for us to make sure that the policies that are set aside or established by VANOC, as we talked about, are socially, environmentally and economically responsible and sustainable and provide potential benefits to all regions of this province and to all sectors of this province? If that's the goal of our Olympic staging, then who is actually responsible for making sure from the government's side on behalf of our public that VANOC is actually complying with that intent?

Hon. C. Hansen: It's a collective responsibility. VANOC, as I indicated previously, is a federally chartered not-for-profit corporation. It is a board that we, as the province, have three representatives on. The federal government has three representatives on it. The resort municipality of Whistler has representation, as does the city of Vancouver, as do the four host first nations.

It is basically through that board of directors that they would have responsibility for living up to the obligations they have made.

H. Bains: Is the minister satisfied with the progress being made in those areas to make sure that their procurement policy at least is being adhered to and they're complying with it, with the goals and objectives that are set aside in our stated goals?

Hon. C. Hansen: The procurement policy for VANOC was approved by the board. I have not received any indication to in any way indicate that VANOC is not living up to that policy.

H. Bains: Through the representation that the province has on the VANOC board and on the committee, are we getting regular reports to make sure that — as is the stated policy — East Van will be getting its share of contracts to provide the goods and services pertaining to the Olympics?

[1550]

Hon. C. Hansen: I can't speak to the specific reference that the member has made to procurement in the downtown east side. I can tell you that the entire VANOC office is moving to East Vancouver. In fact, that move is just taking place today. So in terms of procurement in East Vancouver, I can assure the member that it would be fairly significant already to date, but we regularly monitor the activities of VANOC through the participation of a member of the Olympic secretariat who sits in as an ex-officio member on all the Finance Committee meetings.

H. Bains: My understanding is that just up until now a total of 21 contracts have been awarded. My question to the minister would be: how many of them actually are businesses located in East Vancouver?

Hon. C. Hansen: I'll remind the member that VANOC is an independent, federally registered, not-for-profit corporation. The province of British Columbia is one of.... Well, I'm trying to think of exactly how many partners there are to the multiparty agreement.

I don't have that information. I have no reason to ask for that information. If the member wishes to get that kind of information, I'd suggest he write to John Furlong. That's not the kind of oversight that the province is responsible for.

H. Bains: Then perhaps the minister could help us in getting that information by making VANOC subject to freedom of information, which they are not. They provide us the information that they choose to provide, and when they decide not to provide us information, they don't. That's the frustration that the public has, and we have. We're not getting information that we need from them unless they decide to give it to us. I think that's the challenge in that area by suggesting that we should write them and get that information.

I should just maybe ask the minister: how do I go around that issue? Is he prepared to make this subject to freedom of information? Is there another way of getting information from them, if I asked Mr. Furlong for any of that information?

Hon. C. Hansen: VANOC is the one that has to make those decisions. In fact, I don't think the member could tell me of another example of a federally registered, not-for-profit corporation that is subject to our provincial freedom-of-information legislation.

I can tell the member that VANOC is very interested and anxious to be open and transparent about the way that they conduct their affairs. They have recently made a commitment that they will provide quarterly updates on their financial statements, and they will be providing quarterly updates on all their contracts let and on the contracts that are about to be let.

H. Bains: Maybe at this point our member from Vancouver east would like to have a couple of questions, and I will concede the floor to the member.

S. Simpson: I do have just a couple of questions, and they relate somewhat to the questions of the critic.

I had the opportunity to invite some VANOC representatives into Vancouver-Hastings to meet with a number of organizations, including the Business Improvement Association and a number of community interests who are very interested in how the evolution of the Olympics heading to 2010 will affect that community. It's a community that includes Hastings Park, where Olympic facilities are going to be located. Much of the discussion was on issues around what will happen on Hastings Street — sometimes we have challenges on Hastings Street — and how they will be addressed. There were questions around legacies and whether legacies would be provided.

[1555]

Most of those were questions that, quite honestly, VANOC wasn't able to answer. The VANOC representatives weren't able to provide answers.

The question that I have around this is.... VANOC is making public policy decisions, essentially, as an entity. They're determining public policy around legacies. They potentially are determining public policies around a number of areas. Yet they're not accountable, as government is. We're seeing that in our community.

My question to the minister would be: what is the responsibility of government to ensure that legacy projects out of VANOC are fairly distributed around the province, in my community and elsewhere in the communities? What responsibility does the province have to make sure that occurs?

Hon. C. Hansen: First of all, the member talked about legacies around the province. That's where the Olympic Live Sites program comes in. We have \$20 million. I can tell you that communities in every single corner of this province have already received funding from the Live Sites program and are really quite ex-

cited about the kind of Olympic legacies that they will have in their particular communities because of that.

Now, those are for communities outside of the lower mainland and the Sea to Sky corridor. Within the lower mainland, we have legacies that are attached to the particular venues. In the case of the coliseum, just to give one example from the member's riding, we have already completed a refit of seating in the coliseum. That will be one of the legacies that will be there after the Olympic Games.

VANOC itself, to get back to where the member started with his question, is not responsible for the legacies in the province. VANOC is responsible for the staging of the Olympic Games and the Paralympic Games in 2010. When it comes to the legacies, that's really flowing from various levels of government, in some cases the municipalities, but certainly the federal government and the provincial government are putting dollars on the table with regard to Olympic legacies.

S. Simpson: In a number of communities in Vancouver, we are seeing some legacies. We're seeing communities where there are facilities being built that will be converted to community centre use or to a community ice space or such.

In the case of Vancouver-Hastings, we're not sure what the legacy is. In fact, the coliseum has become what is essentially a commercial facility. It has a junior hockey team. It does some concerts. Other than that, there's not much activity that goes on there. There certainly is little or no community activity. It rents out as a commercial facility, essentially. There's some limited community use of the Agrodome, which is the other facility in question.

There's certainly some question in the community about where the legacy is in terms of a legacy for the community. We're not sure what we're seeing there. People in my community, including the business community, aren't sure what they're seeing in terms of that legacy. I'd like a little bit of explanation about how the criteria about what constitutes a community legacy are determined.

[1600]

Hon. C. Hansen: The member made reference to some of the business groups. One of the things that the Olympic secretariat, I think, has done a first-class job at is the establishment of the 2010 Commerce Centre.

They've had workshops around the province with small business organizations, basically walking them through how they can be part of the Olympic procurement process and how they can be involved and benefit from the fact that these games are coming. I've had feedback from small business owners, who tell me that they've just been thrilled with those particular sessions and what's been done there.

I would say that the biggest legacy that's going to come out of the 2010 games is Vancouver's reputation, I think, internationally. You know, if we think back 20 years.... We're celebrating Expo 86 this week — 20 years ago. We look at how Expo 86 put Vancouver on

the world map. Really, it has had a tremendously beneficial impact in the past 20 years. We expect that the Olympic Games, the 2010 games, will have probably an even bigger impact because of the extensive media coverage that flows as a result of the Olympic Games. So I think that's probably the biggest legacy.

To address, specifically, the hard assets, the capital legacies, that will exist.... The member was very dismissive of the Agrodome. The Agrodome is used for a lot of community events. It's used for figure skating, minor hockey. It is really an enormous asset to the community. So I think that retrofit of the Agrodome is going to be an important legacy that will flow from this.

Also, in terms of the some of the ice rinks. Again, looking at those that are specific to East Vancouver — not specific to the member's riding but to East Vancouver generally — there are upgrades at the ice rinks at Trout Lake and Killarney. Those, too, will be legacies that will serve the community well after 2010.

S. Simpson: I can assure the minister that I am pretty aware of the Agrodome and what it is and what it isn't, and I'm pretty aware of how the community feels about it. Certainly, there is use there, but there's a desperate lack of ice, among other things, and the community doesn't see itself getting a lot of benefit out of this at this point.

[R. Cantelon in the chair.]

The minister talked about the situation with the business community. Well, I would tell the minister that the meeting I organized with VANOC representatives came because the business improvement association in the Hastings-Sunrise area came to me frustrated that they couldn't get anybody at VANOC to tell them what the plans were.

They came to me with that frustration. At that point I contacted VANOC. VANOC did send somebody down, and we organized a meeting. Hopefully, that relationship will now improve. That was a bit of a challenge, no doubt, for them.

The question that the business people are asking.... In addition, obviously, to wanting to realize some business opportunity and to understand how they might do that, they're also very interested, as is the community policing centre in the community and others....

When we look at Hastings Street, we fully anticipate that Hastings Street will be well-used as a transportation corridor for people heading up to activities at Hastings Park, as well as potentially heading in and out of town. There is an interest there about who has responsibility, where the decisions will be made about any changes around Hastings Street, what will be done to the look of the street — because certainly, there are areas along Hastings that are challenging — and whether there are any plans around that. Who makes those decisions? Is that a city decision? Is it a VANOC

decision? Is it driven by the province? Who decides what happens there?

Hon. C. Hansen: To address the member's last point, it would be, basically, between VANOC and the city of Vancouver to look at those issues.

I want to go back to something the member said at the outset. That's with regard to his contact with VANOC about business opportunities. I want to be clear that when I talk about the 2010 Commerce Centre and the initiative around procurement and workshops that are being put on for small business organizations in the province, that's not VANOC doing that. That is the Ministry of Economic Development through the Olympic secretariat, which is part and parcel of the Ministry of Economic Development. That's where the 2010 Commerce Centre is.

If the member knows of any business group that would like to have a presentation made by the folks at the 2010 Commerce Centre, I'd be pleased to arrange that.

[1605]

S. Simpson: I will, in fact, get that information. I'd be pleased to get that contact information and make sure it gets into the hands of the business organizations in my community.

I might also suggest to the minister that he contact VANOC and ensure that when they receive communications, they make references that they should be referring people off to those services if they can't deliver them. We should ensure that they, in fact, are telling organizations, like the business improvement association in my community, where they should be going to have those discussions.

It doesn't appear that that was occurring. There's a communications issue here that I'm sure a little bit of communications between the ministry and VANOC might quickly rectify, and maybe there'd be frustrations that wouldn't need to be felt on the part of folks there.

On that note, I'm going to let this go, and I'm going to give the floor back to my friend.

The Chair: The member for Yale-Lillooet. Oh, Surrey-Newton. My apologies.

H. Bains: I wouldn't mind expanding my constituency, but it might not be that far. There are areas around my constituency that I think might be thrilled to join our constituency.

I would ask some questions again. I understand that the Commerce Centre is putting on those seminars for businesses. Also, there's an advertisement advising businesses how to approach and contact, as far as registering their businesses on line. This Commerce Centre comes out of the budget that we talked about earlier for the secretariat: \$2.9 million last year and \$7 million this year. So that is all included in those budgets?

Hon. C. Hansen: That's correct.

H. Bains: Can the minister bring us up to date on Own the Podium? I understand it's something that is established. Can the minister advise us when that was actually started?

Hon. C. Hansen: It was established in '04-05. As I understand it, the Canadian Olympic Committee wrote.... I presume they probably wrote to all Premiers, but our Premier received an inquiry from the Canadian Olympic Committee. The province of British Columbia — with our \$10 million that went in, in '04-05 — was the first contribution received. That was really what launched the Own the Podium program at that time.

H. Bains: Is there a position in the secretariat office with the duty to monitor VANOC'S procurement policies and practices?

Hon. C. Hansen: That would be a responsibility of the Finance Committee and VANOC. As I mentioned earlier, an official of the secretariat actually sits as an ex officio member of the Finance Committee.

H. Bains: If I may ask, is that member in the House today? Mr. Garrad? Is that his duty to monitor the procurement policy?

Hon. C. Hansen: The answer is yes. That person is in the chamber, and it's Annette Antoniak.

H. Bains: I would like to move on to B.C. Bid. My understanding is that the venue construction and the bids to secure those contracts go through B.C. Bid? Is that correct?

Hon. C. Hansen: That is correct. Those bids that come out of VANOC would be posted on B.C. Bid, but they're also posted on our 2010 Commerce Centre website.

The 2010 Commerce Centre website really is much more expansive than just the VANOC procurement. In fact, if you go on there today, you'll probably find bid requests from the 2006 Winter Games in Beijing. We're really trying to make sure that that 2010 Commerce Centre bid site is as wide in scope as it can possibly be.

[1610]

H. Bains: My understanding is that all of those successful companies that have posted their bids through B.C. Bid and whoever was successful.... Their bid is actually posted in dollars and what the bid actually was for the winning candidate. Is that the same for venue construction for VANOC or for the Olympics?

Hon. C. Hansen: I think the member is correct. I must confess that I'm not 100 percent familiar with the B.C. Bid website, but VANOC.... Any entity outside of the provincial government that uses B.C. Bid has to establish their own policy in terms of what kind of information they would post subsequent to the closure of

the bid. There is not a requirement that everybody who uses the B.C. Bid website has to use the same kind of disclosure policy subsequently.

H. Bains: Was the minister aware that B.C. Bid was asked to change their software to accommodate VANOC's request not to list the value of those winning contracts?

My question would be: if all public contracts are listed on B.C. Bid and they're open for public scrutiny and we are putting in \$600 million — and out of that, \$470 million goes towards venue construction — why are they not required to post who the winning party is and what the value of that winning contract is?

Hon. C. Hansen: B.C. Bid actually falls under the responsibility of the Ministry of Labour and Citizens' Services, so I don't have a firsthand knowledge of it. The member asked me the question: was I aware that there was a request? No, I am not aware of that. That would be a question that you would have to direct, I assume, to the Minister of Labour and Citizens' Services.

H. Bains: Would the minister consider this information, as far as winning a contract by a party to be a successful bidder for venue construction...? Is that not public information?

Hon. C. Hansen: What we as a provincial government have responsibility for is the oversight of the \$600 million that we have allocated for the staging of the 2010 games. We monitor that very closely, and we have all of the appropriate accountability mechanisms, including freedom of information, that can be applied to that \$600 million envelope.

H. Bains: If I may ask, I think there's the expectation, and I think the minister and the government officials have stated in the past, that we want to make these games open and transparent. At the same time we are committing \$600 million, as I said; \$470 million goes towards the venue construction. The winning contracts are not available on B.C. Bid as they are for other public contracts. It was specifically changed to accommodate the request from VANOC.

[1615]

My question is: don't we as government have a responsibility to make sure...? That's why I was asking that question, you know. Is there someone who is responsible for the procurement policy of VANOC, and are they living up to our commitment to be transparent and open with the public? If that is the case, how does it match that goal by eliminating the amount listed on the winning contracts?

Hon. C. Hansen: As I mentioned earlier in the discussion, VANOC has made a commitment that they are going to put out a quarterly report on their financial statements and also a quarterly report on their contracts that have been let. When it comes to our respon-

sibility, we have a responsibility for the \$600 million. The federal government has a responsibility for the oversight of their allocation to it, as do other funding bodies.

When it comes to the oversight of the procurement policy, that is done by the Finance Committee, as I mentioned earlier. We are represented on the board of directors of VANOC by three individuals, and we're also represented on the Finance Committee by one of our directors as well as an official from the secretariat who sits in as an ex officio member.

H. Bains: My question is still there. The minister stated that one of the stated policies is that these games will be open and transparent. What have we done, as far as monitoring is concerned and ensuring that we have our representatives actually sitting on behalf of the government on the VANOC board, to make sure that they live up to that statement?

How does it match that goal when we can't even see it on B.C. Bid, which is different from what it used to be for all public contracts that were listed there with their dollar value? For VANOC they are not. How does this minister assure that that policy of being open and transparent is being lived up to by VANOC? It seems to me that they're not, so what has been done to make sure that they do?

Hon. C. Hansen: First of all, let me say I'm delighted that VANOC is using B.C. Bid because B.C. Bid is a great system. It actually allows access to a pretty broad range of bidders, and that's really what we want to see. We want to see as much competition as possible for these various bids that VANOC is putting out there. VANOC has, first of all, made their own commitments to being open and transparent, as the member knows. It's not something that's being dictated to them by the provincial government or any one of the other parties.

VANOC themselves have to, first of all, develop their own procurement policies, and they have to develop their own policies with regard to transparency and what is reported and how it's reported. I know they're doing that. I don't think it would be necessary for us to impose upon VANOC that they have to use the particular reporting system that's driven through B.C. Bid, which we use for provincial government procurement. But they do have to come up with their own accountability, and I know they're doing that. As I mentioned, they will be doing quarterly reports on these subjects.

H. Bains: The contracts are being awarded as time passes, and if they're not posting the dollar amount on B.C. Bid for the successful bidders, then what other program have they put in place to match the statement that the government's goal is to be open and transparent?

That particular area of not posting the successful bidders and the dollar value of the contract doesn't match, in my view, the statement and the stated goal that the minister has. How are they complying with the

stated goals and objectives to be open and transparent? Is there another policy that they have right now?

Hon. C. Hansen: As I mentioned, VANOC has committed to putting out quarterly financial statements and quarterly reports on their contracts. They are finding their own ways to deliver on the commitment that they've made with regard to transparency. As I say, we don't have any expectation that they should adopt our particular systems of transparency any more than they should adopt the federal government's.

[1620]

H. Bains: On to the office building. Can I ask what the total budget for the office building is? Were they in East Vancouver where the office of, I believe, VANOC and everybody else is now located?

Hon. C. Hansen: I could tell the member whatever detail he would like about the office for the Olympic secretariat, which is part and parcel of the Ministry of Economic Development. VANOC, obviously, has their own budget for their office requirements, and as I mentioned, they will be providing quarterly updates on their financial statements.

H. Bains: There are reports that they're not successful in securing a contract with GM Place. Is the minister aware of the difficulties they are finding to secure that contract? My understanding is that the \$5 million that is set aside for that project.... Are they within their means to live within that \$5 million with GM Place?

Hon. C. Hansen: The discussions between VANOC and Orca Bay are ongoing, so there is not yet an agreement in place in terms of the use of GM Place or what the costs would be. Until such time as those negotiations are concluded, I'm not able to give the member any additional information.

H. Bains: The total amount set aside for that project is \$5 million — isn't it?

Hon. C. Hansen: The member is correct. That is the amount that is within the \$470 million venue budget that VANOC had put forward.

H. Bains: In the event, as the negotiations are going.... The reports in the media were that they are having quite a difficult time in securing that contract. If that budget goes over \$5 million, where will that money come from?

Hon. C. Hansen: I think the question is quite speculative, so I wouldn't want to engage in a hypothetical answer to a hypothetical question. Certainly, whatever cost pressures VANOC is facing with regard to their venues get dealt with in the normal course, as they have with their request that's come forward as of last October.

H. Bains: Well, I think that at the end of the day there will be a contract, if we are to use that facility to stage the Olympics. We need that facility, and I think GM has the hammer. They know that VANOC would be required to use that facility. If they decide that the expenses are higher than \$5 million, it's not hypothetical. I think it is a very practical question, because you've got to be prepared in the event that the budget went over, just like the venue construction went over last year, as we were speaking.

Does that money come, then, from the contingency fund, or is there another fund available in order to pay for any extra costs that may be over and above \$5 million?

[1625]

Hon. C. Hansen: I think it is still quite speculative, so I can't give the member a definitive answer. Ultimately, if there were to be additional costs, they wouldn't necessarily be capital-related costs on venues. They may actually be operating costs. It would still be a question as to what part of VANOC's budget any particular costs may be allocated towards. It has the potential of being allocated to the operating side of the budget rather than the capital side.

If they were to face that at some point, then the staff would obviously have to come back to the VANOC board and the VANOC finance committee for access to the additional funds that they might hypothetically require.

H. Bains: Earlier we heard that they could not use the operating budget to pay for the capital projects. This is actually established as one of the capital projects of \$5 million, and it comes out of the \$470 million from the capital budget. If it is a capital project, comes out of the capital budget, then any additional... How could that go into the operating budget, then?

Hon. C. Hansen: This would be a very complex arrangement that would be put in place, because it involves more than just capital. It involves more than physical changes to the building. There are elements of it that could be in capital; there are elements of it that could be in operating. The member is correct. The \$5 million is actually part of the \$470 million, which is considered venue costs when those are considered capital costs.

If there were to be any increased pressures on that \$5 million, it would have to be looked at as to whether or not those would be operating or capital, going forward. As I say, it's a hypothetical situation, so we wouldn't know where the accountants would want to slot that until such time as we've got the details as to what's been negotiated.

H. Bains: I wasn't going to make that statement; the minister did.

Anyway, is the Pacific Coliseum in any way or shape related to this contract that is being negotiated? For example, is a provision put in place, which has

been agreed to or has been talked about, that the Pacific Coliseum will not compete with GM Place during the Olympic times? Did this discussion take place?

Hon. C. Hansen: Both venues that the member refers to are Olympic venues. They would be blocked off for sole use by VANOC during that time frame, so there would be no other commercial use of either of those venues during that time frame. They would be blocked off for the 2010 games.

H. Bains: Is there a provision being talked about with GM Place, Orca Bay, that before the Olympic Games start — before they actually start to use these venues — the Pacific Coliseum, by way of their getting this extra funding, will not compete with GM Place or that GM Place will not be put in a place that would give advantage to the Pacific Coliseum, as far as the competition for business is concerned, before or after the actual time of the games?

Hon. C. Hansen: I think I know what the member is referring to. My knowledge of that particular issue is what I read in the paper, which I'm sure is where he read it, and that is: whatever arrangement that may have been done is between the city of Vancouver and VANOC. It does not involve the province in any way.

I think the other thing to point out is that there's more than enough business for the Coliseum and GM Place in the years leading up to and the years after 2010. I'm sure that both facilities will be utilized to their fullest extent.

H. Bains: At this time I would cede the questioning to the member for...

Interjection.

H. Bains: ...Port Coquitlam–Burke Mountain.
Thank you very much for the cooperation, minister.
[1630]

M. Farnworth: I thank the member for Surrey-Newton for his comments. I'll give you one of my cards. It even has the riding name on it.

I'd like to carry on this debate and focus on other areas of the minister's responsibilities. We've finished with the Olympics, and tomorrow we'll deal with ITA. What I'd like to focus on this afternoon are some of the other areas of ministerial responsibility. Briefly, I'd like to start with an overview of what's changed in terms of this year's service plan budgetary increase over last year — just a brief intro on that.

Hon. C. Hansen: Probably the most significant change in terms of the ministry's service plan is that we faced a budget reduction of about \$135 million from last fiscal to this fiscal. Really, the biggest component of that is the moneys that were in last year's budget for the regional trusts — the establishment of the north

Island coastal trust, the southern interior trust and the additional moneys that went into the Northern Development Initiative Trust. Those were all funded in last year's budget so, therefore, obviously not reflected in this year's budget.

I think some of the other changes that have taken place of significance.... Probably the most significant item is the increase in funding for the ITA of \$13 million a year over the three years of the fiscal plan, for a total of \$39 million.

Also, there are some additional resources that have come into the ministry with regard to the Asia-Pacific Initiative. I'm just trying to see if I can target some of these other ones here, but most of these others are related to some of the re-profiling that....

There were some moneys that had been budgeted for last year. We went through this discussion with regard to some of the Olympic funds that we were not able to flow because the projects weren't ready. Also, there was some funding for the Olympic and Paralympic live sites around the province, where the original intent had been to flow all \$20 million of that in the last fiscal. That was not possible because of the timing of many of these projects.

The responsible thing to do was re-profile that \$20 million budget and spread it across some of the coming years, so that is actually one of the increases we see in the budget for this coming year, to allow for those funds to come out of this and subsequent fiscal years rather than the last one. I think those are probably the main highlights.

M. Farnworth: I thank the minister for the answer.

The area that I'm particularly interested in — we asked a number of questions last fall; I'd like to start — is around Asia-Pacific. The member indicated that there were additional moneys allocated for Asia-Pacific. Can you explain where and what they are for?

[1635]

Hon. C. Hansen: The increased funding with regard to the Asia-Pacific Initiative is going into providing support for the Asia-Pacific Trade Council. They are doing some excellent work, really, and there are some backgrounders and some research being developed for their work.

Also, there is money in this budget to put in place in-market reps, which is a discussion that I know we went through in fair detail last fall. We are looking at putting four in-market reps in the Asia-Pacific region. Then there's also increased funding for support staff, and there's an increase in FTEs to provide for the staff in the ministry to drive these programs.

M. Farnworth: Why don't we start at the beginning and work our way through the moneys and where they're going in terms of the Asia-Pacific Trade Council? Can the minister tell me exactly what type of work it's working on and how far into its work it already is, as well as the makeup of the council?

Hon. C. Hansen: The Asia-Pacific Trade Council has a support budget of about half a million dollars. The secretariat work that is done is actually provided by staff in the ministry, so it is in-house staff who are supporting the work. There is some contract work being done to support particular research for these.

The Asia-Pacific Trade Council itself was appointed last September by the Premier, and we have subsequently established three market advisory groups, as we call them. The first one that was set up was the Hong Kong-China market advisory group. They've been very active over these number of months. The second one is the India market advisory group, and the third one that has been established is the Japan.

There are three more that we anticipate putting in place. Basically, we've been trying to sequence the establishment of these market advisory groups in a way that allows us to get each one up to speed and then move on to establishing the next one. The three more that will be established will be for Korea, for the ASEAN countries and for Taiwan, for a total of six market advisory groups that will be put in place.

The Asia-Pacific Trade Council itself.... When you talk about the makeup of it, I'm not sure if the member wants the names of people that serve on it or the backgrounds, but I can tell the member that there's a good diverse background. We've got people with expertise in technology, forestry — I'm trying to think of all of them off the top of my head now — and transportation. There's a range of expertise that comes around that table. If the member would like more detail or the names of all 12 members, I'd be pleased to share that with him.

M. Farnworth: Yeah, I would like the names and the backgrounds. I guess one of the questions I have is: how are they appointed?

[1640]

Hon. C. Hansen: The Asia-Pacific Trade Council is chaired by Arthur Hara, who is the chairman emeritus of Mitsubishi Canada and former chair of the Asia Pacific Foundation. Actually, when I was working there as a vice-president, he was the chair in the mid-1980s. Arvinder Bubber, who is chair of the Kwantlen College board of governors, is vice-chair. Carol Lee, who is a manufacturer and exporter, is the other vice-chair. The members include Eva Kwok, Jim Shepherd from Canfor, Andrew Saxton, Charles Kim, Norman Stark, Grace Wong, Pitman Potter and Brandt Louie.

I should also mention that there are three people who sit as ex officio members, including my colleague the member for Burnaby North, myself and the Minister for Intergovernmental Relations.

M. Farnworth: The primary purpose of the Asia-Pacific Trade Council is clearly to foster trade and economic development between British Columbia and the various Asia-Pacific nations. Correct?

Hon. C. Hansen: Yes, in a general sense. The trade council really is not specific just to trade, but I think it's

more looking at our relationships with the Asia-Pacific region through a lens of what it is we need to do to ensure stable, long-term trade relationships. There may be elements of it that are cultural. There may be elements of it that are education exchanges. There may be other areas we can reach into that really help to build those long-term stable relationships between jurisdictions and people that really help, in the long term, to enhance our trade opportunities.

M. Farnworth: These people are very much an advisory body. Then we are looking at having, in terms of the actual on-the-ground work that needs to be done.... We would be expecting that would be more hands-on individuals with a day-to-day or a ready grasp of the conditions in each of the countries which we're focusing on. Is that correct, as opposed to a broader picture which the trade council is supposed to be taking?

Hon. C. Hansen: Yes, that's correct.

M. Farnworth: Last time I asked, you mentioned that we were trying to get people on the ground there because we didn't have anybody on the ground. Have we made progress yet? Do we have people on the ground now in Hong Kong, China, India and Japan?

[1645]

Hon. C. Hansen: We are now in the process of putting those individuals in place. We've identified some likely candidates for these positions. There have been some initial discussions with individuals. We've had the assistance of a search firm to help us identify potential candidates for these particular responsibilities. It's our hope that these individuals will be in place working with us by early this fall.

M. Farnworth: That's somewhat different from last fall when the expectation was that they would be in place by this spring. Is there a reason for the delay?

Hon. C. Hansen: I think that's exactly what we're in the process of doing — approving a budget for the ministry so we can actually move forward on this initiative. I did not have money in last year's budget to move forward on this initiative until the start of this fiscal year.

M. Farnworth: Last year the expectation was that we would have them in place this spring, and now we're hearing that the expectation is that they will be in place in the fall. That's an issue that concerns me.

How long has it been since we've had people on the ground in Hong Kong, India and Japan?

Hon. C. Hansen: The last person that the province had a contract with on the ground in Asia was actually based in Taiwan, and that contract was wound up in the fall of 2005.

M. Farnworth: How long has it been since we've had somebody on the ground? They don't necessarily have to be under contract. We at one point did have an office in Japan, and that office has been wound down. How long has it been since we have been without somebody on the ground in Japan?

Hon. C. Hansen: I guess, with the staff that are here with me today.... I don't have an exact date as to when that might have happened, but it's our understanding that the offices in Japan were wrapped up in the late 1990s and the offices — I think that may be true in Hong Kong as well — in the late 1990s. But I don't have a precise date.

M. Farnworth: I think the minister will find that the office in Japan was wrapped up sometime after May of 2001. That would be five years, roughly, that we have not had somebody on the ground in Japan. That causes some concern.

Is the minister aware of how many representatives other provinces have on the ground in these nations — Alberta, for example, or Saskatchewan or Ontario?

[1650]

Hon. C. Hansen: I think it's important, when you say that we've had no one on the ground.... I'll tell you the way I look at it. We have had people on the ground consistently, and they're called the Canadian embassies and the Trade Commissioner Service. They are there to serve British Columbia, as they are to serve any other parts of Canada. I know where the member's intent is, and that's with regard to individuals engaged specifically by the province of British Columbia.

My belief is that we need, as British Columbians, to get the maximum value and benefit out of the work that's done in the embassies and the Trade Commission offices. Quite frankly, I think we do. I think they do a great service, and we want to build on that rather than compete with those efforts.

In terms of other provinces, the only provinces we're aware of that would have provincially engaged individuals on the ground in Asia are Quebec, Alberta and Ontario.

M. Farnworth: Well, I would put it to the minister that yes, the federal government embassies do play an important role for all the provinces in Canada. But if that role was enough, we wouldn't need anybody on the ground, which is part of our provincial program. I think it is important that we have people on the ground there, and it is a concern that we haven't had people on the ground — our own people — for some years.

Quebec, Ontario and Alberta are pretty impressive provinces in terms of being competitors of ours and their focus into markets that traditionally we like to see as our own. We sort of think of Quebec and Ontario as being focused more to the United States, more facing Europe and less facing Asia. We have in this province an approach that that's our back yard and our domain,

and what we're seeing is that those provinces are being more aggressive than we are.

My concern is the fact that our largest trading partners outside the United States are not getting the attention that they need to be getting. We have the Asia-Pacific Trade Council, and it's responsible, as the minister says, for an overall strategy. But it's important that we have those people who are on the ground representing our interests able to build on the federal government's presence, as the minister has stated. It concerns me that that's not taking place as quickly as it should be.

The minister stated this fall for Hong Kong, China, India and Japan. What's the timetable for the other three — Korea, ASEAN and Taiwan?

Hon. C. Hansen: This really comes down to an issue of staff resources in the ministry and their capacity to support the work. The work of the first group established, and that's the China-Hong Kong market advisory group.... They have largely completed their work leading up to a report that they will be providing to the trade council itself.

Once we get through that phase, that will then free up some staff time to allow us to get the next market advisory group off the ground. It's our anticipation that that would be Korea. Then basically, the sequencing after that would be dependent on when we can free up enough staff resources to make sure that those groups are properly supported from the time they are established.

M. Farnworth: The individuals on the ground — is their deployment on the ground conditional on when those advisory councils, like Hong Kong-China or India-Japan, are up and running?

[1655]

Hon. C. Hansen: Just to be sure we're not confusing things here, there are six market advisory groups that will be established, and those are Hong Kong-China, Japan, India, Korea, the ASEAN countries and Taiwan.

Now, the in-market reps that we put in place.... We have not yet determined where those in-market reps will originate from. I want to be careful not to say "where they will be located," because I can tell you where they are going to be located. That's basically on airplanes and working out of suitcases, because they're going to be on the road and mobile. They're going to have to be able to get in and visit key contacts and key companies in a region.

Unlike the previous model that B.C. had and other provinces have today, where we actually have an office where people have to come to the B.C. office, these are going to be B.C. reps that are going to be out and meeting with investors and companies and other strategic individuals. So the answer is that we have not yet determined exactly.... A lot will depend on who we recruit in terms of where their so-called home base might be located.

M. Farnworth: The message I'm getting from the minister is that we're still a work in progress and that

it's proceeding much slower than was initially anticipated. I understand the minister's point about the question of an office versus having in-market representatives. I understand the issue about where they're from as opposed to where they're based.

I think we've had that discussion in a previous estimates debate around the issue of an office and the advantages of an office and a recognition that there are trade-offs. You can actually combine the two to be very effective. But this ministry's strategy is to go with in-market representatives. He's indicated that there are four of them to service 1.2 billion or 1.3 billion people in China, now over a billion people in India, I think 30-some-odd million people in Taiwan and 50-some-odd million people in Korea. It's a huge area for four people.

What's the breakdown of those four market reps? What's their focus area going to be? There must need to be some coordination, so what's the plan?

Hon. C. Hansen: This is where the work and advice of the Asia-Pacific Trade Council has been invaluable to us. Part of the reason why this is taking time is because we want to do it right.

You know, the member talked about how large the populations are of those various countries. Well, let's put that in perspective. British Columbia has a population of about 4.2 million people. I think one of our challenges is that we know we can't be all things to all people in the Asia-Pacific region. We have to pick our areas of focus very carefully, because we do have limited resources. The opportunity is huge, but if we spread our resources too thin, we won't accomplish anything.

Some of the work that the trade council is doing is looking at what areas or what industries should be a focus for us, where our priorities should be, what are the areas that we should try to tackle first because they have the greatest opportunity for us, and what regions within countries and what cities within countries should actually be the target of our initial focus.

We're getting some invaluable work from the Asia-Pacific Trade Council and the market advisory groups, and that is helping to guide us as we're looking to the focus that we wish our in-market reps to take. Part of the recruitment process is to make sure that we identify individuals who can deliver on the kinds of contacts and interaction we need to actually achieve the objectives that are coming forward from the trade council.

M. Farnworth: Have we actually made any offers to individuals that have been accepted?

Hon. C. Hansen: No.

[1700]

M. Farnworth: I want to come back to that in a minute.

The Asia-Pacific Trade Council, in terms of the priorities.... Again, I accept the minister's point that we're a province with 4.2 million people and a very large

market that needs to focus its opportunities. What are the main priority areas to date that have been selected?

Hon. C. Hansen: The one advisory group that is the furthest advanced on this, because it was the first one established, is the Hong Kong–China group. They have identified five areas that they believe we should target initially: firstly, education; secondly, tourism, both in terms of investment in tourism infrastructure in British Columbia and in terms of the consumer interest in tourism coming to British Columbia; and thirdly, around the whole area of natural resources, energy and mines, mineral exploitation. The fourth area is around forestry. That is largely being driven through the Ministry of Forests.

I should probably, just as an aside to this, point out that when we talk about people on the ground who have been there over the last number of years, Forest Innovation Investment, FIL, has had people on the ground in China now for some time — as has Tourism B.C. actually. It's not that there has been nobody under British Columbia auspices during that period of time.

The fifth area is transportation.

M. Farnworth: When is it anticipated that the work of the India group and the Japan group will be completed?

Hon. C. Hansen: We expect that the China group will be reporting to the council sometime around the end of May. The Japan and India market advisory groups are anticipated to have their reports ready for the council sometime around the end of September.

M. Farnworth: The issue around the in-market people. The last time we talked about it, the minister indicated that there were four reps. Sorry; he's indicated today that there are four reps. Has that changed from the last time — the original plan that you have?

Hon. C. Hansen: No.

[1705]

M. Farnworth: The last time we discussed the issue, when we talked about the in-market reps being in Asia, the minister also indicated there were going to be in-market reps in Europe. Are there, and if so, how many?

Hon. C. Hansen: Yes, those four individuals are in place.

M. Farnworth: When did those individuals get in place, where are they based and where do they focus?

Hon. C. Hansen: Those contracts took effect in November of last year. When these individuals do get to hang their hats at some place called home, one of them would be in Odense, Denmark; one would be in Hamburg; one would be in Stuttgart; and one would be in Reading, outside of London.

M. Farnworth: Just so I understand this right, the major economic focus of the ministry is the Asia-Pacific Initiative. That's where the province is focusing, but the first people we've got on the ground are actually the ones in Europe — correct?

Hon. C. Hansen: That is correct, and there are a couple reasons for that. First of all, we know that we had some very specific opportunities that presented in Europe, and we were able to get those in place faster. We primarily wanted to make sure we had them in place in time to leverage some of the opportunities that would come out of 2006 Winter Games in Turin, and I can tell you they were very successful in that regard.

The other part of the explanation is that in Asia it is more complex. We were engaged in a process from the beginning of working with the trade council to help us determine exactly how those positions in Asia should be structured and how they should be focused.

It's true; the member is 100-percent correct in that Asia-Pacific is our primary focus. But we certainly don't want to ignore the rest of the world and the opportunities that are there for British Columbia as we increasingly focus attention on Asia-Pacific.

M. Farnworth: I agree that we don't want to ignore the rest of the world, and I agree that Europe is also an important trading partner for British Columbia. It's important that we have individuals on the ground there, but it's also important that we have people on the ground in Asia. My concern, as I've stated earlier, is that for the last few years this has not been the case.

I know the minister said the federal government. That's fine. I understand, you know, tourism, the council, and forest companies.... But that's not the province. It's not in the way that we have traditionally.... We have had people representing this province, this government, on the ground or in an office. I don't want to get into, you know, office or on the ground. I think that in a number of countries, particularly in the case of Japan, that's a mistake, and we need to ensure that these people are on the ground as quickly as possible. I would hope that the minister would be pushing for the additional resources required to make that. I know we discussed that question last time.

Besides Europe, the United States is our key trading partner. Do we have individuals on the ground there, and if so, where?

[1710]

Hon. C. Hansen: It is our intention to have four in-market reps working in the United States, and it is our hope that those individuals will be in place before the end of the year.

M. Farnworth: Does the ministry have funding for those four places?

Hon. C. Hansen: The answer is yes.

M. Farnworth: I just want to follow up on that. What areas of the United States? Will they be based in the U.S., or will they be based here, travelling to the United States?

Hon. C. Hansen: They will be based in the United States.

M. Farnworth: What will be the particular...? Is there a predetermined focus or a set of priorities which they will be...?

Hon. C. Hansen: They will be primarily focused on two areas. One is the energy and mines sector generally, but also, I think, of growing importance is the technology centre in terms of IT, the life sciences — which B.C. is making a big mark on. Also, the whole area of electronic gaming and digital arts is an area in which we have some great opportunities, both in terms of marketing product but also attracting investment.

M. Farnworth: I just want to clarify one comment there. By electronic gaming, you mean video games, as opposed to gambling?

Hon. C. Hansen: Yes. I'm referring to companies such as Electronic Arts, which is a wonderful B.C.-based success story, and there have certainly been lots of spinoffs from that. I think British Columbia is carving out a reputation of being the world leader in the area of electronic gaming.

M. Farnworth: I just wanted to reconfirm the time frame for the completion of the Taiwan table. I may have missed it, so if the minister could just tell me what the expectation is for the completion of the Taiwan group.

Hon. C. Hansen: We anticipate that the work of all six of the market advisory groups would be completed by the end of the year.

M. Farnworth: While we're on the topic of the Asia-Pacific and trade, I'd like to ask the minister.... We have the Asia-Pacific council, which is advising the minister. We are setting up this process of getting people on the ground. In the meantime, has the minister done any trade missions to the Asia-Pacific since becoming minister?

Hon. C. Hansen: Not to date. I will be taking a trip to Asia, leaving after the House rises, and there are several other delegations that are being worked on that will be led by other members of cabinet throughout the year.

M. Farnworth: Is there a particular focus to your mission, and where it will be going?

[1715]

Hon. C. Hansen: The initial impetus for doing this trip was around the 2008 Olympics. We are planning to do a similar kind of exposé for British Columbia: a pa-

vilion in Beijing at the time of the 2008 games. We've had some good discussions with the Chinese officials in that regard. The first part of the trip will be to cement down some of those understandings and to put in place the agreements that will be necessary.

The trip will also include a visit into Guangzhou — Guangdong being British Columbia's sister province. We had a very successful delegation that came to British Columbia last year from Guangzhou and Hong Kong, last October, and we want to do some follow-up on some of the initiatives that started in British Columbia last fall to make sure that we continue to build those relationships. That is true, as well, in Hong Kong, where I will be going. There will also be a visit into Shanghai and a visit to Tokyo before returning — all of that in two and a half weeks.

M. Farnworth: I know how gruelling the travel schedule is on the Asia missions, having done some of them myself. I know that they are a lot of work. However, in terms of setting up the mission, did the Asia-Pacific Trade Council play a part in advising on when, where and who you should be meeting with?

Hon. C. Hansen: The answer is yes. The trade council members have been very helpful, and that's a bit more of an informal role that the trade council members play. It's not that they deliberate at the course of one of their meetings. This is more the one-on-one contact. They've been very helpful in terms of making suggestions as to where I should go and who I should see. They've also been very helpful in opening some doors and helping to facilitate some key meetings that will take place in these various centres.

M. Farnworth: That was one of the reasons why I asked the question, to make sure that we are getting full value from the council, because I believe that in this type of thing its expertise is useful. I'm happy to see the minister is taking advantage of it in regard to trade missions.

Is the ministry going to be on a regular schedule of trade missions to Asia-Pacific?

Hon. C. Hansen: We are now in the process of mapping out a 24-month time frame for various delegations that would be government-led, and then answering the question of who would be the most appropriate representative of government to lead those various delegations going forward. My hope is that we will constantly have a 24-month plan ahead of us as to where we should be going so that the proper amount of planning can be done, and we can maximize the benefit of those trips.

M. Farnworth: How about other areas outside of China and Hong Kong? Is there any further plan, for example, for India or for Europe?

[1720]

Hon. C. Hansen: The 24-month plan is going to focus on Asia-Pacific. Part of that process that we're

going through now is to look at all of the countries of the Asia-Pacific region and identify which ones would be most strategic for us to focus a delegation on. Again, we do want to utilize the work of the trade council and the advisory groups that we have in determining when and where.

One of the things we're trying to do is to identify some of the significant opportunities or dates in the calendar. Rather than us just unilaterally picking a date for a delegation to go to, say, Korea, let's find out what's actually happening in Korea on that 24-month calendar and then identify what would be the most appropriate timing for a delegation to go there.

Vis-à-vis Europe. I was in Europe in January, and that was a very successful trip. The reason for going was the opening of our British Columbia-Canada Place in Turin, but we had some very successful meetings as part of the World Economic Forum. One of the things I discovered there is that the sessions are interesting, but the hallway conversations and the meetings that take place over a cup of coffee, which were often structured and scheduled meetings — sometimes one on one, or very small groups — were particularly beneficial in meeting with some pretty powerful investors and decision-makers from around the world.

We also, on that trip, had an opportunity to do meetings in London as well as in Zurich and in Feldkirch, Austria. Those were very much aimed at attracting investment and business interest in British Columbia. The in-market reps, incidentally, to get back to that, were absolutely key in setting up those meetings — enormously helpful.

Just as one example, I spoke to the Canada-Swiss chamber of commerce in Zurich at a luncheon speech. It was the in-market reps working with the embassy that actually extended the invitation list. I was told it was the largest turnout they had ever had for one of their lunches. I used every single opportunity I had to shamelessly promote British Columbia in all of those meetings and those speeches.

M. Farnworth: I'm glad to hear that the minister is shamelessly promoting British Columbia. I do note that one of the key aspects, one of the things that does seem to be coming through, is promotion on the basis of the Olympics. I think that's a wise thing to be doing, but I'm also wondering: are there other strategies besides just the Olympics upon which we're focusing on promoting British Columbia, and if so, what are they?

Hon. C. Hansen: The member is right. The examples I've used to date do bring up the Olympics on a regular basis. That is really, I think, what the benefit is of us doing the Olympic Games. I constantly tell people that the benefit of Olympics is not about us putting on a sporting event with a cultural showcase attached to it; the benefit of the Olympics is that we can use that to promote British Columbia and to showcase the province.

I can tell you when we get into.... There's lots of competition for interest by countries around the world

vis-à-vis Asia-Pacific. The one thing that sets us apart from many of those other delegations is the fact that we are about to become an Olympic city.

It is a hook. It's one of those things that we can be proud of, and it does help to open doors. It helps attract interest in British Columbia at this stage.

There have been a lot of other initiatives that have been underway, and I point to the Dream Home China project that has been put on by Forest Innovation Investment — FII. That's been in China.... I think it was probably about two years ago that that was rolled out, and there are more initiatives that FII is working on in China.

[1725]

We know that tourism promotion has had an ongoing presence and continues to do so. There are also some things that are industry-specific, such as the biotech conference that was held in Chicago. I guess it would be about three or four weeks ago now or so. British Columbia had a very strong presence at that conference, and I attended and supported the business community with some of their meetings.

We expect there will be some good spinoffs developing as a result of that. So it's not all about the Olympics, but whenever we can use the Olympics as a way to open doors, we'll do that.

M. Farnworth: The minister mentioned the log house in China. Is that the one that leaked?

Hon. C. Hansen: I'm not sure which log house he's referring to. The Dream Home China project in Shanghai is wood-frame construction. It's not a log house.

[H. Bloy in the chair.]

M. Farnworth: I think if the minister looks into it, he'll find that — I think it was the wood-frame project — there was a leak problem with one of the houses. I won't go into that further today, but I gather it was a bit of an issue over there.

I would like to move on from the Asia-Pacific trade initiative and our overall trade work to an announcement the minister made just recently. That was the creation of the, I guess, Alberta-B.C. economic unit. Could the minister explain a little bit about that, please?

Hon. C. Hansen: This is a very exciting agreement. Quite frankly, I think if it wasn't for the fact that a lot of the media was so absorbed with the softwood lumber deal, this would have attracted a lot of attention — and it's not because it has a smaller impact than softwood lumber. I think it actually is of equal significance, if not even greater, over the long term.

It is an agreement on trade, investment and labour mobility. It basically takes the agreement on internal trade, which was agreed to in 1994 by all provinces and territories, and takes it much further.

The agreement on internal trade listed specific areas that were to be harmonized across Canada. This

new agreement with Alberta actually lists the exceptions, and then everything else that's not explicitly in the agreement as an exception is, in fact, included. There's actually a dispute settlement mechanism that has some teeth, unlike the agreement on internal trade.

Businesses, for example, that are incorporated in one province are automatically registered in the other province as well. They don't need to have a separate registration in the other province. It allows for investment to flow freely from one province to the other. It eliminates subsidies in both jurisdictions that are subsidies aimed at the level of the enterprise of the firm.

It also provides for labour mobility. Today I think we've made some pretty good strides in labour mobility, but this actually takes it one step further, and it means that British Columbians have more opportunity and Albertans have more opportunity.

The Conference Board of Canada did an analysis for us. It is their estimate that this agreement could add \$4.8 billion to the annual real gross domestic product of British Columbia alone and result in the creation of up to 78,000 additional jobs in British Columbia. I'm sure there would be comparable numbers that would be in Alberta, because it is truly one of the win-win scenarios.

M. Farnworth: I would like to explore this a little further, because the minister has raised a number of areas where barriers will be either eliminated. I'm particularly struck by the one regarding investment. Can the minister tell us what the barriers were to begin with between investments in B.C. and Alberta?

[1730]

Hon. C. Hansen: In some cases it would be differing requirements. Well, here's an example. An operator of a charter bus company that's registered in British Columbia would be severely restricted in how they could operate their bus in Alberta. Often that might mean that buses would deadhead back empty instead of being able to pick up passengers in the other jurisdiction. We've seen things such as the business registration, which I identified. The barriers would also mean that in certain professions you would have to go through a separate credentialing process in the other province in order to be able to work.

What we're looking at is how we harmonize those. Some of that will take effect when the agreement comes into effect next April 1. There are other elements of it that are part of a transition section of the agreement, where the arrangements are going to have to be sorted out — perhaps amending regulations or, potentially, legislation in some cases. That would take place over the subsequent two-year transition period.

M. Farnworth: The minister raises labour mobility around, I guess, certification. In education, teachers would be an example that would be covered by this agreement. What sort of consultation has taken place, or took place, with teachers, for example, or the affected professions? Did any take place?

Hon. C. Hansen: There were consultations with all 44 of the regulatory bodies. That would include the College of Teachers as part of that consultation.

If I can anticipate where the member's going — that might be a dangerous thing to do — maybe I can answer his next question. There is no impediment for British Columbia teachers going to Alberta today other than that they have to get registered in Alberta. There is impediment for Alberta teachers coming to British Columbia today. Teachers actually fall into the two-year transition period, where during that period of time we will try to bring some consistency to that so that the standards will be the same in both provinces, meaning that if you're registered in one, you're in fact eligible to engage in that profession in both provinces.

M. Farnworth: Teachers are one group. The minister points out an example where one has, I guess, a benefit in one province as opposed to the other. Are there any other professions where the colleges...? Did the colleges — or the regulatory governing bodies, the professional associations — all agree? Were there problems?

Hon. C. Hansen: I don't have the list of all of the professions that are part of the transition process. My recollection is that there are about 60 professions that are part of the transition period where there's going to have to be some issues sorted out over the coming three years before the transition period expires. One of those would be teachers. Like I say, I think there are about 60 altogether.

M. Farnworth: The minister said some issues need to be sorted out. By that comment, do I take it, then, that not all the professions have agreed to the ability to be registered in one province or another?

Hon. C. Hansen: We're not asking for these professions to agree. Our goal is to break down the barriers so that there is better labour mobility. What we have identified in our discussions with each of these professions or professional bodies is that there are areas where the practice differs.

[1735]

In order to be registered as — I know I probably shouldn't try to pick an example off the top of my head — an insurance broker, there may be, currently, some.... I don't know if that's one of the transition ones or not, but it may be that there are different requirements in Alberta than there are in British Columbia.

Our argument is that if you've got the qualifications to be an insurance broker, why should they be different in two different provinces? Let's try to come up with what makes sense so that we can have the same requirements in both provinces that allow us to get to a point at the end of the transition whereby those differences can be dealt with and we can ensure better labour mobility.

M. Farnworth: I don't disagree. Labour mobility, particularly in our own country, is a great thing. We'll

explore part of that further tomorrow in the ITA. But where I'm focusing right now is the issue around....

Okay, we're making changes that will deal with some of the differences between registration in B.C. and Alberta. The minister has indicated there are issues that need to be worked out with a number of — it sounds like, and if I'm wrong, correct me — professions. The minister has indicated that there has been consultation with the professional bodies themselves around what is taking place, and I guess my concern is: was there support from the professional bodies, or were any of them in particular objecting to what was being proposed by this new grouping?

Hon. C. Hansen: These were the registrars for each of these 44 bodies, and we didn't ask them whether or not they agreed or disagreed, but to the best of my knowledge nobody at that time expressed a profound disagreement with where we're going. There may be concerns, and if there are, I'd certainly like to hear about them, because we would like to be able to address any concerns upfront. I think that the transition period does allow us to work through issues that need to be addressed over the coming three years.

M. Farnworth: I look forward to seeing how that develops and how those particular issues.... I'm sure that issues will crop up, and the question is: how are they resolved? That brings me to my next question on this area. That would be around issues such as regulation and harmonization. Where issues do crop up around regulations we have in this province and regulations in Alberta, what's the mechanism for resolving differences? Regulations evolve to meet different requirements, and B.C. and Alberta are quite different provinces in many respects.

Hon. C. Hansen: I think there may be two elements to the member's question. One is in terms of the transition period as we try to sort through where there are existing differences. That is going to be done through negotiation between the two governments, and there have been officials who have been dedicated to this on the part of Alberta and on the part of British Columbia, and they will continue to work to sort out these areas going forward. Obviously, they have to work with respective ministries around regulations or, potentially, legislation that may have to be amended.

When it comes to the actual operations of the agreement, there is a dispute settlement mechanism built into the agreement. Unlike the IT, this one actually has some teeth. Well, first of all, there is a process for it to be sorted out at the officials' level, at the ministerial level and then, if that still can't resolve it, it goes to a panel where each province appoints a panel member. They mutually agree on a third member.

[1740]

If they can't mutually agree, there's a process by which a third member is selected, and that panel has the right to hear disputes and ultimately assess severe financial penalties.

M. Farnworth: This dispute resolution mechanism. I'll risk the obvious temptation to say: is it comparable to NAFTA dispute resolution? I will ask this question. Is it a binding dispute mechanism? If they make a ruling, is it a binding ruling on the province?

Hon. C. Hansen: The answer is yes. It is binding, and the financial penalties can be up to \$5 million.

M. Farnworth: Would those penalties and the binding apply to the province and the province's ability to legislate in particular areas of its jurisdiction or to pass regulation in its areas of jurisdiction?

Hon. C. Hansen: The agreement itself sets out the obligations of both jurisdictions. For example, one of the things that is explicitly exempted is taxation. No, Alberta does not have to adopt a 7-percent sales tax. We get the right to set our own taxes in our respective provinces.

Basically, what is required is that we cannot bring in measures that are discriminatory in favour of British Columbia-based companies and they can't bring in measures that are discriminatory in favour of Alberta-based companies. Things like provisions that contracts would be let only to companies with resident offices in British Columbia would be prohibited under this agreement, as the reciprocal would. The restrictions put on the respective governments are explicitly set out in the agreement.

M. Farnworth: Would it include environmental regulations that the province puts in place? I can see cases where, for example, industries that have a much larger presence in B.C. as opposed to Alberta — forestry being one.... We may have regulations to deal with our forestry industry here. I can see different regulations for the coast as opposed to the interior, and I can see you have an entirely different forest industry in Alberta. Would it be a possibility that the dispute resolution mechanism could result in our regulations being found to be causing a problem and a resolution being made that would impact on our ability to make those types of resolutions?

Hon. C. Hansen: There's nothing in this agreement that would prevent either jurisdiction from putting in whatever environmental regulations they wish, except that what they cannot do is bring in environmental regulations that discriminate against a company from another jurisdiction. In other words, you can't bring in environmental regulations that are less strenuous on a B.C.-based company than they would be on an Alberta-based company. As long as those measures are non-discriminatory, they would be in compliance with the agreement.

The Chair: Member for Port Coquitlam-Burke Mountain, noting the time.

[1745]

M. Farnworth: Knowing the time, let me propose this scenario to the minister. I understand what he's

saying about not discriminating against B.C. companies and Alberta companies and having the same regulation, but — and I hesitate to try and draw the parallel between softwood lumber and this agreement — would a company operating in Alberta have the ability to say that a regulation in British Columbia is in fact impinging on its ability to do business, that it is in essence either a subsidy or an unfair advantage to a B.C. company that it may be a competitor with.

Hon. C. Hansen: I'll give a quick answer, and we can certainly explore it in greater detail. If a company felt that it was being discriminated against because of the way a regulation is worded, let's say, they could raise that issue, but there is a test of reasonableness, and there is also an obligation to show how it is discriminatory. It

is provided for in the agreement. Yes, there is a process whereby complaints could be brought forward, but it still has to pass the test of being discriminatory, at the end of day, and show evidence of that.

For anybody that's following this in *Hansard* or video *Hansard*, I just want to point out that the entire agreement is on our website if anyone wants to go and take a look at it. It's not the most stimulating reading, but it's definitely interesting and will have a major, positive impact on the province.

With that, hon. Chair, I move the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 5:46 p.m.

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Published by British Columbia Hansard Services, and printed under the authority of the Speaker by the Queen's Printer, Victoria. Rates: single issue, \$2.85; per calendar year, mailed daily, \$298. GST extra. Agent: Crown Publications Inc., 521 Fort St., Victoria, B.C. V8W 1E7. Telephone: (250) 386-4636. Fax: 386-0221.

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