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LEGISLATIVE ASSEMBLY  
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Afternoon Sitting  
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THE HONOURABLE BILL BARISOFF, SPEAKER

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(Entered Confederation July 20, 1871)

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

**SECOND SESSION, 38TH PARLIAMENT**

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Afternoon Sitting

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WEDNESDAY, MAY 3, 2006

The House met at 2:02 p.m.

Prayers.

### Introductions by Members

**Hon. S. Bond:** With us in the gallery today I understand we have the president of the British Columbia Teachers Federation, Ms. Jinny Sims. Certainly, I've had the pleasure of getting to know Ms. Sims and working with her on a number of issues. I look forward to that relationship continuing to be a very positive one. Ms. Sims works tirelessly on behalf of teachers in this province, and we certainly appreciate the work that teachers do. I would ask everyone in the House to please make her feel most welcome in the precinct today.

**G. Coons:** It is an honour to rise and acknowledge a young man from Kincolith in the Nass Valley. Cas Stevens is 17 years old and attends grade 11 at Prince Rupert Secondary School. Cas's dad Colin Andrew Stevens was a scuba diver when he was tragically killed in a plane crash in 1992.

Cas says his dad is his inspiration, and from 14 years of age he used all of his holiday breaks to take diving courses and has completed dives in Mexico, the Bahamas and North America. Cas has fulfilled all levels of certification for scuba diving and is the youngest certified scuba diving instructor in Canada. Cas has been able to develop a career before even graduating from high school.

I ask that you join with me in acknowledging Master Scuba Diver Cas Stevens's excellent achievement.

[1405]

**Hon. J. van Dongen:** It gives me great pleasure to introduce a group of visitors to the House today. In the members' gallery this afternoon is the Order of British Columbia Advisory Council. The Advisory Council is chaired by Hon. Lance Finch, the Chief Justice of the Court of Appeal of British Columbia. It also includes yourself, the Speaker; the president of the Union of B.C. Municipalities, Marvin Hunt; the president of Simon Fraser University, Dr. Michael Stevenson; Virginia Greene, the Deputy Minister of Intergovernmental Relations; and two members of the Order, Dr. Edith McGeer of Vancouver and Dr. Perry Kendall of Victoria. I ask the House to please make them all very welcome.

**D. Chudnovsky:** In the gallery today is Moira Mackenzie, who is the director of communications for the British Columbia Teachers Federation. She's also been a magnificent teacher of primary school students for many years in Surrey. Would the House please make Moira welcome.

**D. Hayer:** I would like to introduce to this House my best friend, partner and strongest supporter and a great volunteer: my right hand, my wife Isabelle

Hayer, sitting in here. Would the House please make her very welcome.

I'd also like to introduce to the House Marvin Hunt, who's my constituent, a good supporter of mine and a councillor from the city of Surrey.

Would the House please make them very welcome.

**M. Sather:** Joining us in the House today is Cheryl Lynn Peters. Cheryl is the executive director of the Ridge Meadows Women's Centre in my constituency and is here to meet members of this House with the B.C. Coalition of Women's Centres. Would all members make her welcome.

**Hon. M. Coell:** I have three guests in the chamber today: Dennis Kiffiak and his son Jeremy. I first met Dennis working with World Vision, and he now works with the Union Gospel Mission in Vancouver. With them is Bishop David Daniels from Liberia, and they're here to talk about educational opportunities between Africa and British Columbia. Would the House please make them welcome.

**K. Conroy:** It gives me a great deal of pleasure today to actually introduce a constituent from West Kootenay-Boundary. Colleen Jones is the vice-president for BCGEU and has been here the last three days lobbying on behalf of women's issues — lobbying the entire House. I would like the House to join me in making her welcome.

**S. Fraser:** It gives me great pleasure to welcome a teacher from my constituency, Alberni-Qualicum. Jill McCaffrey is one of my daughter's teachers, so in the interests of a very good report card for my daughter, I would like you to join me in giving her a very strong welcome.

**Hon. S. Hagen:** I'm pleased to introduce to the House today a group of grade ten students and several parents from a school that is in my riding, Mark R. Isfeld Senior Secondary School. They are here to tour the precincts and also to attend question period. I hope the House will join me in making them welcome. I'd like to say thank you to Mr. Barry Walker and all of his students for coming and joining us today.

### Statements (Standing Order 25B)

#### VANCOUVER JAPANESE LANGUAGE SCHOOL

**H. Bloy:** Anniversaries are a time of celebration, and for the Vancouver Japanese Language School, 2006 marks a special year. Founded in 1906 and operating uninterrupted until 1941, the school was the vision of the Japanese Canadian community, who wanted to educate their children in their language of origin and other subjects, such as math, history and science.

In fact, the school was so popular that it decided in 1919 to only teach Japanese, as the other subjects were

taught at English-language public schools where the children also attended. Due to World War II, the school shut its doors in December 1941 when the Canadian government confiscated property owned by Japanese Canadians and forced them into internment camps.

In April of 1949, when the freedom of movement and resettlement was finally granted to Japanese Canadians, those who moved back to Vancouver began the process of rebuilding their lives and their culture. They still believed that learning Japanese was important to the identity of their children and in the rebuilding of the pride of their shattered community.

[1410]

As a result of their efforts, a portion of the property was restored to the community in 1953 — the only private property ever returned to Japanese Canadians in British Columbia. Today the school continues to provide Japanese language and cultural education, meeting the needs of our ever-changing world and as a reflection of Canada's growing multicultural mosaic.

Please join me in congratulating Mrs. Rika Uto and Mr. Richard Yagi, the board of directors and the Japanese Canadian community on the 100th anniversary of the Vancouver Japanese Language School and wish them all the best over the next 100 years.

#### GREATER VICTORIA POLICE VICTIM SERVICES

**R. Fleming:** I'm pleased to report today on the activities of a local volunteer-based agency in my constituency that is accomplishing a lot to help victims of crime. The Greater Victoria Police Victim Services is a police-based victim assistance program that works in partnership with four municipal police departments and two RCMP detachments in Greater Victoria, and has been doing so for the last six years.

This agency cooperates with five well-trained and dedicated staff members and is able to provide a variety of support services because of the dedication of their 60 volunteers, who do a weekly three-hour shift supporting victims of crime and trauma, and take part in many other activities within the agency.

Greater Victoria Police Victim Services believe that volunteers are the foundation of their program. Volunteers are involved in tasks like offering emotional support, referrals to community agencies and programs, liaising with police and other criminal justice personnel, and providing court orientation. Volunteers also provide assistance with completing crime victim assistance application forms and taking victim impact statement forms. Volunteering with the society provides volunteers with the opportunity to learn about the impact of crime and trauma, while at the same time learning about the criminal justice system and policing in general. Staff provides ongoing training to volunteers, invites volunteers to participate at their annual conference and hosts social events throughout the year.

The Greater Victoria Police Victim Services assists over 1,350 individuals, and volunteers last year gave

over 10,700 hours in assisting victims of crime and those experiencing trauma.

As the MLA for Victoria-Hillside, I want to applaud the great work and commitment of the exceptional staff and volunteers of this society. Last week was national Volunteer Recognition Week, and these volunteers were recognized for the tremendous work that they do in our community. I wish to add my voice to that.

#### BURNABY VOLUNTEER FESTIVAL

**R. Lee:** Last week was National Volunteer Week. We recognized and celebrated the contributions of volunteers to their communities. It is estimated that in Canada, 6.5 million volunteers have joined more than 160,000 non-profit organizations to contribute their time and energy to help others.

In Burnaby the third annual Burnaby Festival of Volunteers was held in the Metropolis at Metrotown last Saturday to showcase the agencies and thank the volunteers who help enhance life in Burnaby. Dozens of volunteer organizations participated in the one-day event, including Access Justice, Burnaby Association for Community Inclusion, Burnaby Fall Prevention Society, Burnaby Hospice Society, Burnaby Meals on Wheels, Burnaby Information and Community Services Society, Burnaby Mental Wealth Society, Burnaby Optimist Club, Burnaby Seniors Outreach Services Society, Girl Guides of Canada, Greystone Lochdale Community Association, Habitat for Humanity, Helping Spirit Lodge Society, South Burnaby Neighbourhood House, Special Olympics B.C., St. Michaels Centre, Sunshine Dream for Kids, Seniors Well Aware program, Tetra Society of North America, Immigrant Services Society of B.C., Salvation Army, Vancouver Rape Relief and Women's Shelter, Volunteers Now, YMCA, Burnaby Velodrome Club and Volunteer Burnaby.

Throughout the day participants enjoyed the very entertaining performances by groups like Indian bhangra hip-hop dance, Chinese kung fu, Kultura Filipino North Shore, the Moody Food Trio, the North Burnaby Retired Society dancers and the Griffins Anvil band.

I would like to thank the volunteers who worked tirelessly to make this event successful. Contributions from Lee Faurot, Nora Criss, Amy Sundberg, Anne Waller, Patrick Ng, Judy Chu, Cynthia Hendrix, Oscar Cruz, Ken Ryan and Clare O'Kelly are very much appreciated.

[1415]

#### NATIONAL DRINKING WATER WEEK

**S. Simpson:** One of the most critical issues that faces all of us is ensuring that we have quality air to breathe and quality water to drink. Without clean air and water, other things — how much money we have, how many jobs we have, how prosperous our economy is — won't really matter much.

Next week, from the 7th to the 13th, we'll be celebrating Drinking Water Week. This will give us an opportunity to focus attention on one of those aspects, on



a resource that we too often take for granted. It will encourage us to recognize the important work of health officers and technicians who have the responsibility to ensure that our water is pure and clean, including being free of E. coli and other pollutants. This is in comparison to many developing countries where upwards of 80 percent of the illnesses they face are related to poor water quality.

It reminds us of where our drinking water comes from, the technology we've developed to improve its quality and the infrastructure that provides us with our water. We get an opportunity to think about the importance of conservation and how high levels of consumption have negative economic and environmental impacts. This is a time to learn about strategies to reduce our water use and its costs and to learn about water-saving technology, including low-flow faucets, shower heads and toilets — to name a few.

Drinking Water Week reminds us that we need to protect our lakes, rivers and aquifers. It reminds us that we need to work harder to understand the human and environmental impacts of microbiological and chemical substances which contaminate our water sources. It encourages all of us — government, business and individuals — to consider how we use water and to redouble our efforts to reduce usage, to predict our shortages and to ensure future supplies.

Next week we have an opportunity above all to stop, even if only for a moment, taking our drinking water for granted — a week to commit to leaving our water supplies and quality in good shape not only for ourselves but for future generations.

#### BURNABY EXPRESS JUNIOR HOCKEY TEAM

**J. Nuraney:** While many people, both in this House and across the province, are still coming to grips with this season's disappointing performance from the Vancouver Canucks, I am pleased to say that junior hockey teams in the lower mainland are putting the NHL franchise to shame.

In addition to the success of the WHL's Vancouver Giants, my city's Burnaby Express are having their most successful year — with, hopefully, many more to come. Not only have the Express won the British Columbia Hockey League's Fred Page Cup, the Express also trounced the Fort McMurray Oil Barons 6-0 on Saturday at Burnaby's Bill Copeland arena.

As a result of this victory, the Express won the Doyle Cup, an annual series played between the BCHL champions and the Alberta Junior Hockey League. As winners of the Doyle Cup, the Express have earned the right to represent the west at the annual national championships to compete for the RBC Royal Bank Cup.

Starting this Saturday in Brampton, Ontario, the competition will see five teams — the Yorkton Terriers; the Fort William North Stars; the Joliette L'Action; the host, Streetsville Derbys; and the Express — battle for the Canadian Junior A hockey supremacy.

Please join me in wishing the coaches Rick Lantz, Dave McLellan and Bobby Vermette; the players; and

the entire Express organization the best of luck as they represent both Burnaby and our province. I am sure that these young men will make both Burnaby and our province proud at the Canadian Junior A championships.

#### SHARE FAMILY AND COMMUNITY SERVICES SOCIETY

**D. Thorne:** Today I would like to tell the House about the SHARE Family and Community Services Society, a well-respected non-profit which has served my riding and the rest of school district 43 for more than 34 years, with the help of literally thousands of volunteers.

SHARE provides parenting support, education and assistance to families where there is concern about the health and safety of children. They have early intervention therapies available to any family with a child under six who may benefit from speech, physical or occupational therapies. This is a free service.

[1420]

SHARE also provides a professional counselling service for families and individuals, which is based on a sliding scale for those who live on low income. SHARE runs a variety of services which provide some relief for those who live in poverty — services such as three food bank depots that currently provide food hampers to over 2,300 families with over 1,400 children, many of whom also enjoy a variety of early learning experiences at the SHARE family resources centre.

SHARE is a leader in community development initiatives and is currently partnering with SUCCESS, the Immigrant Services Society and Rotary. SHARE is totally committed to being responsive to community needs and, as a result, is working now on poverty reduction, developing resources and expertise, particularly in the development of affordable housing for families. I am proud today to pay homage to this beacon of light in my community, and I ask the House to join me in saying thank you to SHARE Family and Community Services and to their many, many supporters.

#### Oral Questions

#### APPOINTMENTS TO AGRICULTURAL LAND COMMISSION

**B. Ralston:** On Monday the opposition revealed that recent government appointments to the Agricultural Land Commission were, in fact, Liberal friends and insiders — first, John Tomlinson, a longtime friend of the Minister of Forests and Range and a big donor to the Liberal Party, as well as Bill Jones, a strong supporter of the Minister of State for Childcare and a Liberal Party donor. Yesterday under pressure from the opposition, the Minister of Agriculture and Lands revealed that he has changed his mind about his ministerial order appointing Bill Jones to the ALC.

My question to the Minister of Agriculture and Lands is this. Did he rescind Bill Jones's appointment to the ALC because he is a Liberal insider, or was it because he spoke out about an application to remove land from the ALR?

**Hon. P. Bell:** Unfortunately, the member has his timing a bit wrong here. The member brought up the issue in question period, which was at about 2:30 in the afternoon. I rescinded the appointment earlier in the day.

Interjections.

**Mr. Speaker:** Members.

The member for Surrey-Whalley has a supplemental.

**B. Ralston:** It is particularly disappointing that the minister didn't make that announcement publicly and instead kept it to himself, waiting to see whether a question struck home or not. Fortunately for the public, it did.

However, Bill Jones is not the first commissioner to publicly advocate for removal of land from the ALR. In April 2004 an application to remove the Kendrew farm from the reserve was submitted to Sooke council and the ALC. On November 1, 2004, the ALC commissioner, John Kendrew, resigned. One week later he advocated before the Sooke council for the removal of this farm from the reserve. On July 5, 2005, the ALC removed part of the Kendrew farm from the ALR. On November 1, 2005, the Minister of Agriculture and Lands signed an order reappointing John Kendrew to the ALC.

Could the minister tell us when he will be rescinding the appointment of John Kendrew?

**Hon. P. Bell:** At least the opposition member has one out of two today. He got the dates right this time. So that's progress.

Mr. Kendrew — actually, this was thoroughly covered during the estimates — had actually asked the chair of the ALC if there was any potential conflict. It was indicated by the chair of the ALC that there was no conflict. Mr. Kendrew is a panellist for the northern panel. The subject property owned by his brother was actually a piece of property on Vancouver Island. Mr. Kendrew chose to resign during that process anyway. When there was a vacancy, Mr. Kendrew reapplied through the board resourcing office normal process and was appointed as the best candidate.

**Mr. Speaker:** The member for Surrey-Whalley has a further supplemental.

**B. Ralston:** In response to my question yesterday, the Minister of Agriculture and Lands said this: "The Agricultural Land Commission is a quasi-judicial body, and we need to ensure that it is being seen as an impartial body."

[1425]

Mr. Kendrew stepped down from the commission just to lobby the commission and then was reappointed to the commission. That's not impartial or quasi-judicial. One commissioner was publicly removed for advocating removal of land from the ALR — according to the minister, even before he knew he was appointed — yet another commissioner was not. He was rewarded with reappointment.

Can the Minister of Agriculture and Lands explain why he's prepared to tolerate this apparent double standard?

**Hon. P. Bell:** Clearly, the member is not listening to the process. This was thoroughly vetted out. It was ensured that there was no conflict of Mr. Kendrew. He sits on a completely different panel in a different part of the province — something that the member opposite is very critical of, I might add.

Let's look at the history of the Agricultural Land Commission, because that is what's relevant here. In the year 2000, the final year of the previous government, they removed 5,797 hectares of land from the agricultural land reserve. In our first year of office, we removed 552 — less than 10 percent under that government.

**R. Fleming:** On Monday the Minister of Agriculture and Lands assured this House that all appointments to the ALC are vetted through the board resourcing office. This would be the same office whose director was removed last summer and then replaced by Kathryn Dawson, a Liberal insider. It seems Tomlinson and Jones are an example of a Liberal insider appointing other Liberal insiders.

My question to the Minister of Agriculture and Lands: when his government refers to merit-based appointments, is this just a code word for Liberal Party friends and insiders?

**Hon. P. Bell:** I'm tempted to actually review the opposition's record. Perhaps I'll save that for the next question, as I'm sensing I may get one more.

What I'm interested in knowing is: who does this opposition actually think is inappropriate to sit on this panel? Is it Erik Karlsen, who worked as a deputy under that government and under this government for some 20 years? Is it Susan Irvine? Is it Grant Huffman? Is it David Craven? Is it Donald Rugg? Is it Frank Read? Who is it that this opposition is so concerned about? These are balanced individuals who have made logical choices, and the results clearly speak for themselves.

**Mr. Speaker:** Member for Victoria-Hillside has a supplemental.

**R. Fleming:** What this side of the House is concerned with is the apparent ethics package of the golden decade that we see from that side of the House.

Interjections.

**Mr. Speaker:** Members.

**R. Fleming:** This recent rash of Liberal appointments for Liberal donors raises serious concerns about the board resourcing office. Kathryn Dawson took over on March 30 of this year, and already she's whisked through appointments of two Liberal insiders to the Agricultural Land Commission.

Can the Minister of Agriculture explain how many other Liberal Party donors have received or are about to receive approvals from the board resourcing office — or, as it could be called, the donor relations board?

**Hon. M. de Jong:** It is a chamber that we occupy where partisan exchange is common and often appropriate. But to malign the reputation of an individual who came to British Columbia after an impeccable record as a public servant in Alberta working for governments, to come here and also demonstrate an impeccable record of public service.... On top of that, to malign a body within government that has acquired a reputation around the country for setting the standard in merit-based hiring is a testament to how bankrupt this opposition is of questions in this session of the parliament.

[1430]

Interjections.

**Mr. Speaker:** Members.

**M. Farnworth:** Given the record of financial contributions of some of these appointments to the Liberal Party, one thing is clear. The Liberal Party isn't financially bankrupt.

What we see here is a pattern, and that is that \$8,000 in donations seems to get you a seat on the Agricultural Land Commission — a temporary one — and \$12,000....

Interjections.

**Mr. Speaker:** Members. The member of the opposition has the floor.

Continue.

**M. Farnworth:** What this side of the House is concerned about is an appointment process, which the public must have confidence in — confidence in dealing with sensitive land-removal issues such as Barnston Island and the Garden lands area in Richmond.

What we saw yesterday was that the government removed a land commissioner for speaking out in favour of removing land. The government seems to think that it's fine for a commissioner in another part of the province to go and lobby on land removal of his brother on the Vancouver Island land commission. Guess what. We don't believe that's appropriate. We believe that's very inappropriate.

What we see is a former executive director of the Liberal caucus — a highly partisan role — now involved in appointments to the land commission. What we're asking is: how can the public have confidence in the appointments to the land commission when there seems to be a direct relation to that appointment and your ties to the B.C. Liberal Party?

**Hon. M. de Jong:** It is because I know what great stock and reliance the opposition places on the *Vancouver Sun* as a research tool and instrument that I commend to the opposition an article that appeared in that journal describing the work that the board resourcing office has done.

The article firstly comments on the suspicion that people have historically had about the appointment process in governments of this sort and then says this, commenting on the board resourcing office: "But that has quietly been changing in British Columbians. Members appointed to various public sector boards such as Crown corporations, health authorities, universities and colleges now face a rigorous selection process where skills and competency are the new prerequisite."

That is the standard that this government has set. That is the reason that governments across Canada are looking to British Columbia as having set the example, and that is the standard we are going to continue to set moving forward in B.C.

**Mr. Speaker:** Member for Port Coquitlam-Burke Mountain has a supplemental.

**M. Farnworth:** Fine words. But too often what we see in this House and from that side of the government is that its connections to the B.C. Liberal Party are what determines what board you are on and whether your issue gets raised or not in this province.

Again, my question to the Minister of Agriculture and Lands is: can he guarantee this House that the two remaining appointees on the lower mainland panel, which will be deciding the fate of sensitive lands such as Barnston Island and the Garden City lands, will not have connections to the B.C. Liberal Party — either donation or political?

[1435]

**Hon. P. Bell:** I guess we're going to have to rule out 46 percent of the people in the province. But you know what, Mr. Speaker? We will ensure that the appropriate individuals are appointed to the Agricultural Land Commission through a thoroughly vetted process.

I'll tell you what. This government actually cares about the Agricultural Land Commission. We've got a great history around the Agricultural Land Commission. I might remind the members opposite of a fateful date — June 10, 1998 — when the cabinet of the previous government signed an order-in-council approving the removal of Six Mile Ranch in Kamloops. They completely circumvented the Agricultural Land Commission — went straight to cabinet. That's not protect-

ing agriculture. This government will look after agriculture.

EMERGENCY SERVICES AT  
MOUNT SAINT JOSEPH HOSPITAL

**J. Kwan:** Yes, this government is looking after the Agricultural Land Commission with patronage appointments. Let's be clear.

When confronted with information about this government's decision to strip the ER resources from Mount Saint Joseph Hospital, the Minister of Health points his fingers everywhere else. He is so desperate that he even told the media that it would be inappropriate for him to comment on the decisions made by Providence and the health authority.

Last night I was copied a letter sent to the minister from Dr. Maria Hugi. She stated: "We have been told repeatedly by Providence Health Care administration that it is your staff who's dictating the cutback-based-on-workload formula that is unfortunately not tied to patient safety."

That directly contradicts what the minister told this House yesterday. Is this just another case of a doctor being an alarmist, or is she right? Why won't the minister admit that Providence is just following the ministry's directives?

**Hon. G. Abbott:** First of all, I want to thank the member for her question, and I want to compliment her on her sources. As late as just before coming in here to question period, I've not received any letter from the doctor in question. I look forward to receiving it, and I'd be pleased to review the letter once I receive it.

However, I will say what I said yesterday, which is that I actually don't sit in my office and determine what the full-time-equivalents will be in each and every emergency room around the province. What we do know is that the budgetary allocation for emergency services — physicians only — at Mount Saint Joseph has increased by 56 percent over the past three years. It has increased by 56 percent from \$686,000 to \$1.075 million — physician services only — in the emergency room.

This government is dedicated to constantly improving the services that British Columbians receive in their emergency rooms. I'm proud of the work that each and every day those emergency physicians and nurses provide in this province.

**Mr. Speaker:** Member for Vancouver–Mount Pleasant has a supplemental.

**J. Kwan:** I'd be happy to table the letter for the minister's information. Maybe if the minister actually went through his mail on a timely basis, he would get the information on time for the House.

Mount Saint Joseph is a safety valve for Vancouver General, much like St. Mary's was a safety valve for Royal Columbian. We all know what happened there. There are a few ERs in this province that are not on life

support and that are meeting national standards, and Mount Saint Joseph is one of them. But this minister wants to put that at risk, and he's decided a 23-percent cut makes sense in his ER services.

It's time to stop passing the buck. It is time for this minister to take responsibility for his ministry's directives, policies and decisions. It's time for the minister to stop pretending that somehow the crisis in ERs has nothing to do with him or this government.

Will the Minister of Health listen to the doctors at Mount Saint Joseph, see the great work that they are doing and back off on his plan to gut the services at the ER?

[1440]

**Hon. G. Abbott:** I know I heard this exact question yesterday. I'll try to give an even better answer than I did yesterday to, hopefully, inform the member as well as I can around this point.

Mount Saint Joseph is an important, valued facility to us in Vancouver and in the province. It has a relatively low patient flow through the ER — I believe about 17,000 patients a year. That compares to between 60,000 and 70,000 or more in some of the larger facilities. Nevertheless, it's important, and there is no question about that.

That's why we have increased the funding for physicians at the ER at Mount Saint Joseph by 56 percent over the last three years. I guess the people of Vancouver Coastal could rely on the expert opinion of the member for Vancouver–Mount Pleasant in making their decisions about staffing, or they might rely on a health care provider of over 100 years' experience — Providence Health Care. I guess if it came down to it, I would probably, personally, rely on Providence Health Care versus the member for Vancouver–Mount Pleasant.

**D. Cubberley:** You know, at some point the minister needs to get a refresher in ministerial responsibility. He refuses to take responsibility for bed cuts. Yesterday he said he's not responsible for hospital staffing levels. Yesterday he blamed the ER cuts at Mount Saint Joseph on the health authority, even though they're just following directives from his own ministry.

The crisis that is about to hit Mount Saint Joseph is a direct result of his ministry's workload formula. It is one that Dr. Hugi says is not tied to patient safety.

To the Minister of Health: if the hospital workload formula isn't tied to patient safety, what exactly is it tied to?

**Hon. G. Abbott:** It's always useful to hear from those whose glass is chronically half empty, as we do each and every day in this chamber from this Health critic. What we do, in terms of trying to understand the demands on emergency rooms, is look at patient flow through facilities. We try to assess demand and capacity as carefully and precisely as we can. Certainly, every health authority looks very carefully at the numbers of people who present at ERs and the service they

receive from those ERs, and they allocate resources around those numbers.

What we do know today — and this we can say with utter certainty — is that the biggest challenge in terms of the effective management of emergency rooms in this province is a shortage of emergency room nurses. We are short many emergency room nurses in this province, and it is a direct consequence of this former NDP government not expanding the number of nurses by one during the 1990s.

**Mr. Speaker:** The member for Saanich South has a supplemental.

**D. Cubberley:** Well, I'll tell you what's half empty. It's funded beds for emergency admissions. That's what's half empty. The reason it's half empty is because you cut one in five in the hospital sector in this province.

You know, Dr. Hugi says: "We could not have met the national patient safety standards" — national standards which, by the way, are embedded, I believe, in the operating agreements you have with health authorities — "working under your staff's formula." She goes on to ask the minister to leave the staffing alone and not to punish Mount Saint Joseph for its success. Bed cuts, hospital closures, workload formulas, overcrowded emergency rooms — they're all connected. Cutting Mount Saint Joseph will only make the situation worse.

[1445]

Will the Minister of Health actually be the Minister of Health and stop this plan before he plunges another emergency room into crisis?

**Hon. G. Abbott:** It's always useful to look at the record in making a careful assessment of these kinds of provocative questions that come from the member opposite. Let's look at the balance sheet here. Let's look at the number of beds that were cut during the 1990s by the NDP — 3,334 beds cut by this former government, the NDP.

Let's talk about the number of nursing spaces added in B.C.'s colleges and universities during the 1990s — total: zero by the NDP during the 1990s. How many doctors added? Zero. How many nurse practitioners added? Zero. How many international medical graduate residency spaces? Zero.

On the other side, how many nurses spaces added? A 62-percent increase — 2,511. Number of doctor education spaces added? Doubling — 100 percent. The number of international medical graduates and residency spaces tripled, then tripled again.

#### FEDERAL BUDGET AND KELOWNA ACCORD ON FIRST NATIONS ISSUES

**S. Fraser:** Yesterday with the federal budget, we learned, tragically, that the Harper government has broken the Kelowna accord — signed in B.C. last fall, designed to address critical first nations needs. Despite

the loss to first nations, to British Columbians and to all Canadians, the Minister of Finance commented yesterday that this budget is "very positive from our point of view."

Can the Minister of Finance tell the House why she feels this is a good-news budget when, clearly, her own Premier's initiative, the Kelowna accord, has been completely ignored by the Prime Minister?

**Hon. T. Christensen:** I thank the member for the question.

There is no question that last November's first ministers meeting was a historic agreement between Canada, the provinces and territories, and aboriginal leaders from across Canada. We're encouraged that yesterday's budget provided some introductory spending in terms of bringing the first ministers meeting to life, but we are disappointed that there wasn't more definition and a full commitment to funding to reach the objectives in the long term.

Here in British Columbia we are working closely with the First Nations Leadership Council. We are developing the strategies necessary to meet the objectives of Kelowna. We will continue to work with first nations, and we will continue to work with the federal government to ensure that we make progress in closing the shameful socioeconomic gaps that continue to exist between aboriginals and non-aboriginals in this province.

**Mr. Speaker:** The member for Alberni-Qualicum has a supplemental.

**S. Fraser:** An 80-percent cut in what was obligated to in the Kelowna accord is what we saw in the budget yesterday — a good first step. We've lost federal partnership despite assurances from this Premier.

The Premier assured B.C. that his leadership style would bring results, and the Premier failed. The Kelowna accord, the critical initiative to first nations, has been abandoned, and we now have no federal partnership. This is a tripartite agreement in this important accord.

I will address the question to the Deputy Premier, if I get a chance, hon. Speaker.

Interjections.

**Mr. Speaker:** Members. We've listened to the answers; let's listen to the question.

Continue.

[1450]

**S. Fraser:** Will the Deputy Premier assure first nations and the people in B.C. today that this government and this Premier will stand up to the Prime Minister, to Prime Minister Harper, and get back that \$5 billion commitment?

**Hon. T. Christensen:** Well, I'm pleased to hear the critic for the opposition acknowledge and recognize the

incredible efforts that the Premier and the province have made on the aboriginal front. This province has shown leadership on the national stage on the aboriginal front. We are developing a new relationship with first nations in British Columbia. We have shown a sincere commitment to that new relationship, recently establishing the \$100 million New Relationship Trust.

Certainly, we need to take no lessons from the NDP in terms of developing relationships between the province and the federal government. We have a positive working relationship with the federal government. We will be working with the federal government to follow up on the commitments made at Kelowna. The federal government has indicated it's committed to those objectives, and we will be pursuing partnerships with the federal government to ensure we meet the objectives of Kelowna.

[End of question period.]

**J. Kwan:** I seek leave to table a document.

Leave granted.

### Tabling Documents

**J. Kwan:** This is a letter I received from Dr. Maria Hugi last night, for the minister's information.

### Orders of the Day

**Hon. M. de Jong:** I call, in this chamber, second reading debate on Bill 25 and, in Section A, continued Committee of Supply — for the information of members, the estimates of the Ministry of Economic Development.

**Hon. R. Coleman:** I call second reading of Bill 25.

### Second Reading of Bills

#### SAFETY STANDARDS AMENDMENT ACT, 2006

**Hon. R. Coleman:** I move that Bill 25 be read a second time now.

Bill 25 proposes an amendment to the Safety Standards Act of British Columbia that will help shut down marijuana grow operations in residential areas. We know that in Canada marijuana and cannabis cultivation, otherwise known as marijuana grow ops, has more than doubled over the past decade. We know that these grow operations, particularly if they are located in residential areas, pose a real problem for police and other safety personnel and local governments.

[1455]

The amendment to this act is developed in partnership with the Minister of Public Safety and Solicitor General, who will help address these problems. Crime and violence are associated with grow ops. Organized crime is a big player in grow ops. Marijuana that comes

out of grow ops is often laced with other chemicals like crystal meth and put into the system to destroy the lives of our citizens and injure our children.

[S. Hammell in the chair.]

There are other safety issues, as well, other than just the drug. There is the theft of over \$50 million worth of power from B.C. Hydro. There is the abject lack of any concern about the health issues with regard to children living in grow ops by some people who have them. The bypassing of power and the electrical things that are done can put some significant stress on our systems. Unsafe electrical installations done without permission under the Safety Standards Act can and do cause major fires in residential grow operations. Fires caused by grow ops have a greater risk of growing out of control and threatening neighbouring properties. Many grow ops are discovered as a result of fires. By making it easier to target and shut down grow ops, we reduce the risk to our communities.

It is estimated that there are 20,000 marijuana grow ops in British Columbia this year. Three-quarters of those operations are in houses or apartments. Grow ops are breeding grounds for mould, fungus and explosive chemicals. They require the use of high-wattage hydroponic growing equipment. It is dangerous for adults and children who live in them, and dangerous for emergency responders who enter. Grow-op houses are more likely to house guns and more likely to be robbed than other residential properties.

This legislation responds to those threats and responds to requests from communities. B.C. mayors attending the 2004 UBCM convention asked for amendments to allow them to target residential marijuana grow operations. In 2003 the National Coordinating Committee on Organized Crime, a group of law enforcement agencies with federal, provincial and territorial partners, issued a report on this topic. It recommended development of legislation and bylaws to tackle grow ops. Several communities, including Abbotsford, Kelowna, Chilliwack and Surrey, have created bylaws to help them deal with this issue.

The city of Surrey conducted a pilot project last year that identified the needs for these amendments. That pilot project was funded in conjunction with our Ministry of Public Safety and Solicitor General. This initiative launched electrical safety inspections to address the misuse of electricity found occurring in residential growing operations. In three months 119 grow ops were dismantled, and 94 percent of the locations had significant electrical safety violations. But most disturbingly, there were 49 children living in these homes. This pilot project gives us an idea of why the proposed legislation is needed.

With this legislation, local governments will be able to obtain suspicious-account information from hydro companies. This will allow for inspection teams to visit these homes to look for any unsafe electrical installations. If a grow operation is discovered, the power can be shut off. More importantly, we will rid our

neighbourhoods of these dangerous operations. With power prices continuously rising, the unregulated use of power affects us all.

It is estimated that grow op-related electrical thefts are in excess of \$12 million a year. In response, B.C. Hydro is allocating more staff to identify and deal with any accounts that may steal power and is planning to allocate more staff in order to handle the increased information requests as a result of this proposed legislation.

To protect the privacy of our citizens, we're taking steps to ensure that the information collected is only shown to the authorities that need to see it. Every measure has been taken to ensure that those abiding by the law will not be affected. We will protect privacy, and we'll shut down these grow ops.

British Columbia has had the highest rate of drug crimes among the provinces for the past two decades. British Columbians have the right to feel safe. They have the right to feel safe in their homes and their neighbourhoods, and they have a right to think that their governments will stand up when a solution can be found to a problem. These changes will help with that problem.

[1500]

In this province, grow ops are a scourge. They lead to other multiple levels of crime and issues for law enforcement communities. In a number of our communities we have issues of homicides that are directly related to the drug trade in British Columbia. We have gang violence. We find more guns in grow ops than anywhere else in our crime scenes.

We are dealing with something that is only doing one thing: fuelling the pockets of organized crime at the expense of our children. It is time that we did some things that we can do provincially to send a message not just in British Columbia but to the rest of the country. The leadership needs to be taken on these issues to protect our communities.

Madam Speaker, I am proud of this piece of legislation with the amendments to the Safety Standards Act. I believe it's an important little piece of the puzzle, another tool in the toolkit for law enforcement and for communities to protect our children and our families.

When I saw a report where, of 252 samples of drugs taken out of the Vancouver drug scene, over 50 percent of them were laced with crystal meth — and when I saw another report that had the high percentage of crystal meth-lacing in marijuana in British Columbia — it just chilled me, knowing what it could do to our children.

It is absolutely critical that we take the steps and send the messages not only in this jurisdiction but across this country that we are going to protect our communities from the standpoint of public safety. It is not right that someone steals power in British Columbia. It is not right that they wire up their houses so that they can burn to put at risk their neighbourhoods, and it's not right that they continue to do it without our having the tools for our communities to protect them.

The cities of Surrey and Abbotsford should be congratulated for the pilot projects that they did, which

actually led us to this legislation today. I look forward to the comments from other members of the House in second reading debate.

**L. Krog:** The balancing of interests in society is always a difficult one. Obviously with this legislation, information that might otherwise remain private in a sense becomes open to authorities. Arguably, this is a breach of our rights to privacy as citizens. Balanced on that, however, as the minister has quite rightly pointed out, are the rights of citizens in communities to be safe in their houses, in their neighbourhoods.

This is a small part of a much bigger puzzle — to use the minister's language. What the bill essentially does is give local government the authority to request information from electricity distributors — which in British Columbia, most obviously, is B.C. Hydro — to obtain information about residences within its jurisdictional boundaries. It then gives permission to the local authority to disclose account information derived from that residential electricity information or a portion of that account information to various authorities, but most particularly to a provincial police force or a municipal police department, as those terms are defined in the Police Act.

The Information and Privacy Commissioner has raised some concerns. That letter to the Minister Responsible for Housing, dated April 6, poses a number of issues. These issues should legitimately give the members of this Legislature concern — because, as I commence my remarks, this is about balance.

Mr. Loukidelis comments:

I am aware, however, that police and safety officials feel that the current information disclosure system is not working, particularly because there is no proactive disclosure of Hydro consumption information, and that FOIPPA does not provide sufficient authority for disclosure of electricity consumption information to local governments for safety purposes.

He goes on to make a very valid point. He says:

As a general point, such initiatives amount to a form of surveillance, involving compilation and use of information about entire classes of citizens without grounds for individualized suspicion of wrongdoing. Such initiatives are multiplying at all levels of government in Canada and are a cause for concern. They are, in my view, to be avoided wherever possible, including because they are not subject to prior approval by the courts.

[1505]

I come back to what I say about balance. We are very fortunate in this province to have a person of Mr. Loukidelis's abilities occupying the office that he does, and his comments should always be heeded and taken seriously by any government. However, on balance, on this issue, when one contrasts the growth of organized crime, the danger to our neighbourhoods and communities.... I believe in this case one needs to err on the side of supporting, in general principle, the bill before the House.

We must never let legislation pass through this chamber without the kind of careful scrutiny and comment that it deserves. This is one of those occa-

sions. This is not something where one can jump up and say wholeheartedly that they support it without reservation. Firstly, that's not the opposition's job. Secondly, it's very unlikely that any government is ever going to bring a bill into this House that will engender complete and absolute public support.

However, in this case, as commented by the Minister of Public Safety and Solicitor General.... He said this bill is to "help local authorities target and shut down marijuana grow operations more quickly and more efficiently."

We could talk a great deal, at length, today about the problem of crime and drug abuse in our society. From my perspective, representing Nanaimo as I do, my concern is about safety. This is a safety standards amendment act. That's what we're talking about.

We know that in West Vancouver, quite recently, there was an incident at a residence where a house exploded, injuring an occupant and leading to an order to demolish the remains of the house. Surely it is not an unreasonable expectation amongst British Columbians that their neighbours down the street are not going to be operating grow ops in their houses, which could lead to explosions that not only destroy the houses of the occupants and owners who are engaging in this unlawful activity but threaten the lives and safety of children and others living in those neighbourhoods. It is not an unreasonable expectation.

Surely it is not unreasonable for society, through the use of information — which I would respectfully suggest is not of a terribly private or important nature in contrast, perhaps, to one's information about their health records — whether they've been to counselling, whether they've been charged with criminal offences or whatever.... In contrast to that, the information being made available to authorities here, not to the general public but to authorities, is simply about electricity consumption. With this change, hopefully, we will see across the province an improvement in the ability of police forces to deal with grow ops, certainly from a public safety perspective.

The concern, though, amongst others that the opposition has, is that we should not in any way be transferring down to local government the problems that should, frankly, be looked at and dealt with as part of our criminal justice system. That is one of the concerns. If we're expecting local municipalities to do this, I don't think it's unreasonable that local municipalities might wish to look to the provincial government for funding to assist them in a cooperative effort to ensure that British Columbia's neighbourhoods are, in fact, safe.

Another concern that we on this side of the House have is that electricity meter readers may also be at risk now of being negatively targeted by marijuana grow operators. The tentacles of organized crime stretch out throughout our society to every level of our society. Those involved in suppressing criminal behaviour and enforcing sanctions against it all face risks of threat or bribe.

[1510]

I would hope that the government will take into consideration the needs of those people who entered

public service to do something as innocuous as reading meters. They should ensure that they receive the full protection of the law, that their lives should not be threatened as a result of them doing their jobs. I think it's an issue that the government has to consider with respect to this bill.

If we are going to do this successfully, however, then the government needs to consider this as part of a much larger package and a better strategy and, hopefully, a strategy that will see the neighbourhoods of British Columbia be safe. As I've said, for those of us on this side of the House, it is about public safety. There are larger issues in society about the growth and consumption of marijuana for personal purposes. There are larger issues about the legalization of drugs, but that's not the subject we're talking about today. We're talking about ensuring that everyone who drives home at night can be satisfied that the houses in their neighbourhood are not going to be the subject of unnecessary attention.

As the minister has pointed out, one of the concerns that all of us have in British Columbia is that marijuana grow operations, in and of themselves, can be harmful and dangerous in terms of explosions. But we know that rival gangs, rival criminal groups, often attempt theft amongst their own kind. That, likewise, is a concern for British Columbians — the fear that the neighbourhood house, which is the grow op, will be targeted by other criminal elements and that that will lead to shootouts in neighbourhoods. It's not that common, but it's a concern, and it's a concern in particular parts of this province.

I can say with some surprise and chagrin that indeed, in the neighbourhood where I myself live, just a few weeks ago the police busted a marijuana grow operation. I live in a fairly typical nice suburb — nothing surprising about it. We all have our suspicions.... But that's what was going on in my own neighbourhood. It happens in neighbourhoods across the province. It happens in all kinds of neighbourhoods, and those neighbourhoods deserve to be protected.

The opposition, I want to assure the government, will deal with this bill clause by clause. There are a number of questions that need to be answered and, if you will, a number of reassurances that the people of British Columbia deserve with respect to exactly how this will be implemented. One wouldn't want to think that if you overuse your hot tub one week, you're going to be raided by the RCMP next week. This does present some issues, but subject to that, I say on this side of the House that we want to keep British Columbians safe in their neighbourhoods.

**R. Sultan:** I join the member for Nanaimo with great gusto in supporting this bill — uncharacteristically perhaps. Nevertheless, I think it is fitting that a bill of this importance be supported on both sides of this Legislature.

Bill 25, being introduced by the Minister Responsible for Housing, is of particular importance to my constituents on the North Shore. I happen to represent, in



part, the British Properties, a neighbourhood — developed prior to and immediately after World War II — of large lots and wonderful, sprawling, ranch-style homes and, as time has marched on, perfect candidates for grow-op operations. They offer space, privacy and an exclusive address — and maybe even the possibility of a real estate gain at the end of the day, if nobody catches on to what's happening. But people have caught on to what's happening.

[1515]

One of these homes experienced a huge, probably propane-fired blast, which blew out the entire front of the house and caused serious injury to the gentleman who apparently was the "gardener" on the premises. It certainly woke up the neighbourhood and, as the member for Nanaimo and the minister have pointed out, has put public safety at risk once again.

The story, of course, doesn't end there. I have a sister who lives in East Vancouver. She's lived in the same house for 62 years. She tells me about these houses in the same block, in particular one with the shades drawn and with mysterious midnight pickups of product being delivered rather furtively to automobiles in the back lane in garbage bags. When the police are called, they say: "There are too many of these reports to follow. We will do our best." With, as the minister points out, an estimated 20,000 grow ops in British Columbia — many of them here on the lower mainland — the police cannot respond to every tip and possibility. This is a cancer on our neighbourhoods.

I participated in the British Properties Area Homeowners Association's Operation Clean Sweep last fall. We went through and actually picked up the cigarette butts on the streets. I felt rather good that there were no cigarette butts left on the street that I was assigned, not to mention the odd beer can, which is not what one would normally find being tossed out car windows — we hope. But nevertheless, there were.

Well, I had a companion, a woman who lived in the neighbourhood. As we walked along, she said: "Now, that is the former grow op." The house she pointed out was certainly a respectable-looking property and not very far at all from the local, private, high-prestige golf club we have in British Properties. So here we have my sister living in, shall we say, one of the more economical neighbourhoods of East Vancouver, and here we have another property, adjacent to one of our highest-status golf clubs. They're all being afflicted, one presumes, with the same problem.

I agree with the member for Nanaimo. This is not an issue of freedom to smoke funny cigarettes, as Vaughn Palmer would describe them, in the privacy of your own home. This is an issue of public safety, in the first instance, and it's also an enormous public health issue. It's a fire prevention issue. I read a story the other day estimating that in one community 10 percent to 15 percent of the fires, perhaps, are triggered in grow ops.

I would also point out that the \$6 billion enterprise — \$6 billion with a "b" — which it is estimated the marijuana business has become in British Columbia, is

generating cash that I believe is of great potential to corrupt our society. Where does this money go? Well, we can speculate. I understand from the member for Delta South that perhaps some of the farmland down there has achieved remarkable increases in value for not entirely understandable reasons. Perhaps some of this money is trickling into agricultural real estate.

Certainly, I'm sure some of the money goes into legitimate business and thereby makes it more difficult for other legitimate businesses without this source of untaxed capital to operate. I suspect some of it finds its way into financial organizations of dubious merit and reputation. I have been told, in connection with work I've been doing on our B.C. Securities Act and regulation, that it is affecting our international reputation in capital markets. So the ramifications of illegal activity in the drug trade of this magnitude have many fallout which go beyond mere community safety.

[1520]

To come back to the basic point that I think is unsailable, we're here talking about the right to look at electricity bills. If somebody is consuming huge gobs of electricity for no apparent reason, possibly something illegal is going on. Should not law enforcement have an opportunity to investigate further?

I do not regard this as an unreasonable infringement on my privacy. If the neighbours down the street are contributing to the theft of \$50 million of electricity from B.C. Hydro every year, as the minister has estimated, that's going onto my electricity bill and so on. So there are many ramifications. I think it is high time that society fought back against the forces that would destroy civil society in British Columbia. I think this bill is yet another small but hopefully effective tool to accomplishing that end. It has my full support.

**D. Routley:** I rise with great concern over this bill. I embrace its intitlement, the Safety Standards Amendment Act, 2006. All of us in this House are interested in increasing the safety standards in our communities. But I think we are dealing with the outcome of a drug crisis in our communities being dealt with as an issue deserving of punitive action versus being dealt with as a health issue, as I think it rightly should be.

The previous speaker mentioned that these grow ops represent a cancer on our communities. Indeed, in his analogy he uses a health circumstance. With respect to the speaker, I would suggest that prohibition has never worked. I'm reminded of an interview I heard with a Drug Enforcement Agency officer, who had resigned and converted to a position that that this was a health issue. He asked the interviewer: "What was the first prohibition?" The interviewer was quick. The interviewer answered: "Garden of Eden, I suppose." The officer replied, "You're right. And who was the cop, and how many people did he have to police?" — or she, for that matter. That was a failure.

I think it's difficult for us as legislators to speak out of two sides of our mouth at the same time. We're often in positions where we're asked to endorse or criticize, but there are several aspects to every issue, several

sides. This issue really challenges our concept of rights and freedoms.

This province has very few detox beds. This province, rather than providing detox and health care for addicted people, opens shelter beds. This province has failed to invest in the circumstances that lead people to drug addiction, and the province has failed to support its police forces. In our rural communities, our police forces are facing big-city issues with small-town resources.

In the end, I think the act supports addressing the issue of safety in our communities. How could I stand here and challenge that? Of course we all endorse that. But it chooses to trade, potentially, some of our rights and freedoms rather than invest at the other end in the treatment centres, the detox beds, the police resources to adequately deal with the issue with the mechanisms that are available to us already.

There are other issues. We don't know what circumstances would have to be in place to allow a local government to request this information. We don't know if the local governments will be required to meet a standard of due diligence in applying for that information.

[1525]

The notice under this act could be directed to the owner or occupier. Oftentimes those two terms are mutually exclusive. With only two days given to respond to notice, I think that we will find that many owners who ought rightly to receive this notice will never receive it.

Another concern is the method by which suspicious electricity consumption will be stored and made accessible. Will such a notice of confidentiality among the authorities be distributed, or will this information be made public? Will this information be kept on record? Is there any mechanism to correct mistakes that might be made under the act? One of the previous speakers referred to the overuse of a hot tub, a welder in the basement. There are many different reasons people use higher than average electrical consumption.

Also, collecting the information is one thing, and acting on it is another. The speaker previous to me referred to the theft of electricity. It may be that this bill will encourage theft of electricity rather than have a meter read to show an increased consumption.

There are numerous, very deep difficulties that this side of the House has with the bill. But our difficulty is not found in the title, the Safety Standards Amendment Act, 2006, as I said. Every member in this House supports safe communities, but I think we will achieve safety in our communities when we invest in our children and in their education adequately, when we invest in the health care system adequately so that it can take care of the addicted, so that it can address these issues, when we invest in proper police resources to allow them to carry out investigations without shortcut.

Those are the commitments that this government needs to make to make our communities safe — investments in people's living conditions, in people's learning conditions, in people's health conditions.

I speak with a positive trepidation in that I support the title of the act, but when it comes to the line-by-line debate, I'm sure it will be a healthy one.

**N. Simons:** I'm pleased to be able to rise today and express some concerns over Bill 25. I think it's misleading to the public of British Columbia. In fact, this is just another attempt to perpetuate a failed policy on a war against drugs — and a failed policy, I might add. It is acknowledged by most people in crime prevention, most people in crime law enforcement, that this is not a way of actually dealing with a fundamental issue.

Drug use and drug abuse have long been goals of the war on drugs, since Richard Nixon announced the war on drugs in the early 1970s. What we have here are simply remnants and perpetuation of failed policy — failed policy under the guise of safety, failed policy on so many different levels. Not only will it not make our communities any safer, it'll give the illusion that we're doing something about a perceived problem that's only being exaggerated by this government.

Every single argument made so far by the members opposite has indicated that there's really no other way of dealing with this problem. It has no imagination, completely using old methods like we use old weapons. It's ineffective and, in fact, condescending to the people of British Columbia that we are using a safety standards amendment act to actually try to deal with the issue of marijuana grow operations.

We're talking about marijuana. We're not talking about crystal meth. I don't see anything.... We're not talking about cocaine. We're not talking about heroin. We're talking about marijuana. The fact of the matter is, if the members opposite had any idea of what general, regular society was about, they would realize that a large proportion of Canadians take marijuana in a recreational form. The hypocrisy that I see.... I think if you look at Statistics Canada....

[1530]

Interjections.

**N. Simons:** Madam Speaker, Statistics Canada. If they don't want to hear the actual truth of it, it's not my fault. I'm attempting to bring some arguments forward that have been relayed to me by constituents, and if the member....

Interjections.

**Deputy Speaker:** Member, sit down, please. Order in the House, please.

**N. Simons:** I understand that it's causing a little bit of upset for the members opposite because they're tied very closely to this whole industry of the war on drugs. I understand that. But I think what really needs to be seen and understood here is that the perpetuation of this particular angle — at the prohibition, which is essentially what we're dealing with — is failing public policy. It's failure, and it's perpetuation of failure.

The war on drugs, which is continued by this attempt through the Safety Standards Amendment Act, 2006, to deal with grow operations will fail. It will fail because it will not make our communities any safer. Marijuana growers, who are doing something illegal, which they should not be doing, will turn to other forms of electrical generation. They will steal electrical power, and they will do it in a more dangerous way. Not only that, they'll turn to propane. The member opposite mentioned propane.

How far are we going to go when we chip away at the civil liberties of our society, one by one, slowly, slowly? The members opposite will be lulled to sleep by the idea that they are simple little things that deal with motherhood and apple pie.

It's not that simple. This has been an argument that's been going on for a long time. We have professors, law enforcement officials and governments that all agree that the continuation of this policy is failure of public policy. It's an embarrassment and a lack of imagination in dealing with this issue. When we put marijuana into the same discussion as crystal meth, we're doing harm to our children. We are doing harm to our children by putting those on the same standard and by putting in legislation that's ostensibly going to cause safety when there is no evidence that it's going to be any safer in our communities. There is no evidence whatsoever.

Give me a business case. The minister opposite suggests 180 homes were found to be in violation. How wide was the net to capture that? How many people in this province are going to be secretly watched by Hydro without knowing it? How many lists will their names be on across this province? What will those lists be for? It's failed policy backed up by cheap legislation.

This is not an issue that should be simply passed through without careful consideration. The process of debate, as much as it might cause the members opposite some discomfort, is to assess the appropriateness of legislation, the effect of legislation and the philosophy behind that legislation.

Interjection.

**N. Simons:** The member opposite suggests that I vote against it. That's the simplest kind of response one could expect. Nothing surprises me about that response, because this is simple legislation that doesn't do what it's pretending to do. I think the public of British Columbia will know that.

However, I'm concerned about the safety of our homes as well. I'm concerned about the safety of residences. I would like to see a business case to suggest that the continued use of more money for law enforcement to branch out into safety standards is an effective use of our taxpayers' money.

Madam Speaker, it is a failure, and it is a continued failure, but if it's one that the public of British Columbia believes is going to make their residences and their communities safer, we'll have very little to say about it. The truth of the matter is that if you ask anybody who

does careful, dispassionate analysis of this issue, it's a continuation of prohibition.

We know, with the minister.... Not surprisingly, the minister opposite was the Minister of Public Safety when he talked about the fact that the guns killing our soldiers in Afghanistan were related to the drug use here. That's inappropriate and misleading to the public of British Columbia.

[1535]

Interjection.

**N. Simons:** I'm surprised that the member opposite claims, after so many years since he said it, that it's still true. However, I'm not surprised, really, that they're other things that the minister opposite said when he was in a ministry that had some control over this issue. He must miss it, because now he's the Minister Responsible for Housing, and he's still talking about the drug war — that marijuana is being traded kilo for kilo for cocaine.

We know that illegal activities fund organized crime. That's a tautological argument. They can look it up. The fact of the matter is that if we perpetuate this approach, organized crime will be happy, because the price will go up, and they'll reap higher profits. The only thing, and we're talking about marijuana here.... And it might be a generational thing, looking opposite. The only thing that....

Interjections.

**N. Simons:** That was meant in the most respect of wisdom and everything. But things change.

Madam Speaker, it's really quite a pleasure to be able to speak to an audience that listens. I'm pleased about that, because I think, if nothing else, maybe some ideas that they've never heard will actually float in and maybe stay for a while. I'm not saying that they're completely wrong in their approach, but I'm saying that they're pretty close to completely wrong.

I believe that if this causes anybody in the public to feel somewhat safer in their communities, they shouldn't. This is the wrong approach. What will make them safer is a clear approach to drugs that doesn't marginalize, doesn't force it undercover, doesn't force it underground. We know....

Interjection.

**N. Simons:** The member opposite wonders if this is a smoking chamber.

I have a number of quotes from a number of people of eminent ability. Professor at Simon Fraser University, Bruce Alexander: "We're talking about prohibition. This bill is a continuation of prohibition." Professor of behavioral science, University of Toronto. Professor of pharmacology of the state of New York. If the minister doesn't want to hear about Canadian evidence, we have some from the United States. It might be more close to their philosophy.

We have another professor from Simon Fraser. All of them who spend time studying, analyzing, looking at the statistics, looking at the evidence and not being swayed by moral panics indicate that our approach since Richard Nixon in 1970 said we needed to declare war on drugs....

What we should be declaring war on is poverty. We should be declaring war on the infringement of our civil liberties. We should be declaring war on the invasion of our privacy. We should be conscious of the fact that the government has already passed legislation that is damaging to our civil liberties in the Civil Forfeiture Act. What is the relationship between this particular piece of legislation and the ability of government to forfeit without a charge, without even an accusation, without a conviction? In the event of an acquittal this government has reserved the right to allow for forfeiture of property. Now, based on hydro bills we have the ability to go into homes that have been swept into a net with very little care and without a warrant.

The other issue that I think should be noted to the people of British Columbia is that this is not going to have the effect of increasing the number of people convicted of growing marijuana. It's going to give them a 48-hour heads-up that the cops are on to them — whether they're guilty or not.

I saw the figures: 450 homes were targeted, were identified through tips from the police to Hydro. Out of those 450 they followed up on, I believe, 180. And 420 tips resulted in 126 homes being approached. That's a euphemism for, well, approached. You know what that is, Madam Speaker. Out of those 420 tips, 126 were approached, 118 needed repair, and 78 out of the 420 originally identified had their power terminated.

[1540]

Are we serious about this? Is this really what this is about? Is it about going against drug growers? Is it about safety standards? We're pushing the safety standards further. We're getting more unsafe in my opinion, and my opinion might not be reflected by everyone. I believe that if you force people to do things like steal hydro or construct their own bypasses or turn to propane power, we're not getting rid of the problem; we're displacing. It's called displacement.

I think the minister opposite knows very well what displacement is. You see it when the police crack down on prostitution. It moves somewhere else. The exact same thing happens in marijuana grow operations. Unfortunately, it doesn't address the problem. We need to address the problem, but we're living under this illusion that by getting tougher and getting meaner.... It's never worked before, and it's not going to work now.

We know that over 30 percent of Canadians have ingested marijuana in one form or another. Contrary to the minister opposite's contention that I'm supporting the use of marijuana, nothing can be further from the truth, and nothing can be more disingenuous. This is a debate about legislation. It's not a debate about opinions. We're talking about civil rights, we're talking about privacy rights, and we're talking about an act that attempts to undercut both. See it in that way in-

stead of, "I'm afraid of drugs," or: "I like drugs." That's not the issue.

The issue is: if this is truly intended to address a problem, it's going to fail. If it is truly intended just to reflect the government's perspective on illegal substances, it's worth only the paper that it's written on.

If we want to address the issue truthfully, if we want to be honest about it, and if we want to have an honest debate about it, I'm looking forward to that time. In the meantime, I don't want to be watched, even if I have nothing to hide. I don't want to be watched. I don't want my hydro records to be watched. I don't want someone sneaking up. I don't want my community under surveillance.

What happened to the idea that, you know, government shouldn't be extending its arm so far into the private lives of people? This is about people who decide to use recreational drugs. This is not the same thing as drugs that are going to cause irreparable damage to the brain of a child or of a young person. When we put them in the same category, we're doing a disservice to the young people of this country — an absolute disservice — because they know better. If they think that their elders are telling them, "This is going to hurt you; this is going to kill you," and they know that it won't, what else are they going to learn from adults?

I do not condone illegal activity, but I do not condone the erosion of civil rights, the erosion of privacy rights, in order to address that scourge. That's what we see is happening. That's what we see is happening, gradually, through the imposition of this type of law. It's happening little by little. It doesn't all happen at once. Societies don't become states where the government has all control quickly. It's a gradual erosion of rights that we have to be on the alert for.

Our own Privacy Commissioner says this is a problem — our own Privacy Commissioner, whose expertise is beyond those in this chamber. Their expertise on privacy rights needs to be respected. What I see is a lack of concern, because they know this is going to make people think that they're doing something about things they're afraid of. But it's an illusion.

The police chief from Seattle.... If we need to quote law enforcement, there are many law enforcement officials who believe that this approach to the war on drugs is wrong. Chief Norm Stamper, 34 years police chief, talks about the United States experience: "Tens of thousands of otherwise innocent Americans incarcerated, many for 20 years, some for life."

[1545]

By the way, may I add, that the Minister Responsible for Housing has stated in glowing terms that what they do down south is better: on the first offence, take away property. This is a reflection of the same attitude under the guise of a safety act. They've done it in Ontario. Well, I don't want to do everything in this province that they do in Ontario. We should lead in terms of legislation; we shouldn't be sheep. We should lead. If we don't do it, who does?

We have Provincial Court judges who know that prohibition doesn't work, and Tony Smith, a police

officer of 28 years in Vancouver. The evidence is overwhelming; it's overwhelming. The problem is: I don't think that bad crime results in good law, and there needs to be a connection between the two. What we have here is problems with safety.

We have a response that will probably create different safety problems in different places. Maybe we'll need to get the propane companies to give us information on how much propane they get. "What if I cook a lot?" "Well, don't worry about it. You can send in an application that your house doesn't get under surveillance because you cook a lot."

What's after propane? What about people...? You know, I encourage people to use solar power and whatever kind of power, but we're talking about a community fuelled because of the high prices, fuelled because of the criminal nature of the enterprise they're in — their illegal enterprise, I might add, in case anybody thinks that I'm going too soft. They find other ways of doing it. Crime doesn't go away because we have the tougher law.

Why would we want...? If I was a friend of a safety officer in my community who would go to the houses to find out if they were having grow operations.... Why put their life in danger? The police are equipped; the police are trained. The police have the skills and the resources necessary to investigate criminal activity.

They need warrants. Warrants shouldn't be seen as a hindrance to law enforcement. It's part of our social democratic history that we have expectations that we're not going to be watched if we have nothing to hide. We are going to be watched if we have nothing to hide, and we are going to be on a list even though we have nothing to hide, and I find that offensive. That is the most offensive part of this bill, besides the fact that it's not going to do what it says it's going to do.

We have, right now in Vancouver, the 17th International Conference on the Reduction of Drug Related Harm. Well, a lot of drug-related harm comes from our zealous attempt to enforce laws that are not supported by the majority of the population. Study after study, statistic....

The members opposite would have trouble denying this. They would have trouble denying that the majority of British Columbians believe that marijuana should be decriminalized.

[Mr. Speaker in the chair.]

Mr. Speaker, the majority of British Columbians would prefer an approach that saw this as a problem from a health perspective. We don't need vengeance in order to feel good. If we would only use our minds, if we'd only use the leadership roles with which we've been elected to serve, to think for ourselves about this issue — if only. But you know, as I said, it does require a bit of a shift in attitude. I have numerous quotes of surprisingly misinformed....

To summarize, I don't like this legislation for a few reasons. If I can see evidence in third reading that this will in fact accomplish what it sets out to do, if there is any evidence at all, I'd be happy to see it.

[1550]

I don't like another way for government to keep track of us. I don't want to know about a list of suspicious homes. I don't like the fact that we're giving grow operations 48 hours just to vacate and relocate somewhere else, to steal power somewhere else, to order propane somewhere else. It's not a tough-on-crime piece of legislation; I'll tell you that. The number of charges is going to be reduced, and the problem will escalate, perhaps. Ultimately, it's not about crime control. It's about crime displacement.

To summarize, my objection to the misleading intent of this bill.... I believe it results in the public being misled. I'm not sure if the intent is to mislead, but the result is that the public believes this government is actually doing something that will (a) reduce crime, (b) reduce the amount of drugs on the street, (c) have an impact on organized crime, (d) do all of the above.

It'll do none of those. If they have a business case suggesting that the number of fires has gone down after a certain number of years or such, perhaps.... I believe that the public of British Columbia should know that it's not.... Without further examination at committee stage, I would suggest that the bill is seriously flawed.

**D. Thorne:** I have just a few comments that I wanted to make today on this bill. I do have some concerns about it. I do share some of the concerns of my colleague, which my colleague just spoke of.

Specifically, I think the 48 hours' notice is a problem. I'm sure that there's probably a privacy law that you have to give 48 hours' notice — the same way we in municipalities had to give notice when bylaw officers were going to somebody's house to check, for instance, if there were secondary suites. We would have to give the homeowner notice, and the next day, when the bylaw officer arrived, the second stove would have been removed from the house and the bylaw officer would have to leave, because there was no proof that there was indeed a secondary suite. As we discuss this further and get more information on it, I'm hoping that that time can be shortened if we go forward with this bill.

Another problem that I think we can't cover in this bill or in this House is the problem with sentencing when we do arrest these people and shut down the grow operations. We get to the court system, and so often they're back on the street and back growing by the next day. This is a huge problem, one that we still have not been able to solve and probably won't be able to solve for quite some time.

I do think this is probably a good start on this issue. I know that in Coquitlam, where I was on council for three terms, we discussed this many times. There were motions brought forward by councillors to do exactly the same thing, but of course, councils don't have the power under the Local Government Act to enact this kind of policy that would oblige Hydro or a power company to release this information to the police.

It has always been a huge issue for the police to get the information. I think that out of their inability to get

this information have come many problems for people who live in neighbourhoods where there are grow ops.

Speaking only for my community of Coquitlam, a certain area of Coquitlam gets tagged as "the green mountain," because there are so many grow ops. It's such a problem. You know, it's a problem for everybody in British Columbia, in Canada, in North America. There's no doubt about that. We're going to have to, I think, approach it from many directions. This is just one direction, but I think it is a good start.

[1555]

I think one of the things that rarely gets talked about is how dangerous it is for neighbours who live by a grow op. I've had two on my street. Now, as it turned out, there was no danger to myself or my family because of that. But there are people, I'm sure, all across the province and, certainly, in my riding, who have left — even one woman I know, a medical doctor, who left the province because she was so traumatized by something that happened on her street. I'm not going to say anything more about it, because I don't want her to be identified, but it was so traumatic for her and her family that they moved away from B.C. I don't know where she went, because this problem is everywhere. But she did go, and it was quite traumatic for everybody concerned. Certainly at council it was a big problem for us, because she came and talked to us before she left.

The other thing that happens sometimes with neighbours of grow ops is that they are mistakenly targeted as grow ops. I suspect that having this kind of information, the police will be able to more accurately target the right house. We all, I'm sure, have heard stories of how the wrong house was targeted because somebody thinks it's a grow op. There's no real information, so they're unable to know, and the house is assaulted or whatever the police end up doing. In fact, the family is traumatized because they're not guilty of anything except living in the wrong neighbourhood or next door to the wrong house. I'm hoping this act will help those people as well.

I don't have too much more to say. Certainly, I think the privacy issue is one we will have to watch so that it doesn't get out of hand. I have some faith that the municipalities, where these actions will be taking place.... I mean, the province has to pass the act because the municipalities can't. I'm hoping there'll be some system where if I have a hot tub or a suite in my house and nobody knows that I'm using more power, I would be able to let the right authorities know so that I wouldn't be having surveillance. I'm hoping that if it becomes a problem, some system like that would be in effect.

At this point in time I'm very prepared to support this bill. I'm sure most municipalities in the province will thank us all if we pass this act.

**B. Ralston:** Perhaps it's appropriate that still in the gallery is Councillor Marvin Hunt, who's from the city of Surrey. I'm from the city of Surrey as well. The problem of grow operations in the city of Surrey is really a

story of infestation throughout the municipality. Indeed, next door to my own house there was discovered a grow operation, and shortly after that there was a serious fire in that house. I am personally well acquainted with the public safety challenges that this particular legislation seeks to address.

This legislation flowed from an initiative led by Surrey Fire Chief Len Garis. It's perhaps significant what Mr. Garis has said — that this program now being put into provincial legislation requires what he calls a major attitude shift for the non-traditional approach it represents. With public safety as its sole driving force, the electrical fire and safety inspection program appears to some to contradict the conventional criminal justice approach. To be successful, this approach needs an alternative frame of mind, one that puts public safety ahead of catching and punishing criminals. After all, the system gives the growers enough notice to remove any evidence needed for prosecution, and its main penalty is to turn off power, in some cases only temporarily.

Rather than a criminal law initiative, which would be *ultra vires* of the province in any event, and rather than being focused on law enforcement, this initiative is focused, quite properly, on public safety. Indeed, it grew out of the dissatisfaction of police officers with the resources that they were able to devote to the problem of grow operations, particularly in the city of Surrey. They were not able to attend to the backlog of tips they were given. The criminal investigation that's required is lengthy and complicated, requiring warrants in almost every case and sometimes surveillance.

[1600]

When the matter gets to court, often for various reasons that include the Charter of Rights in the courts, the prosecution is not successful. When there are convictions, quite often the sentences — although the Court of Appeal has gone back and forth on this — do not involve jail. To deal with this problem in the way that Len Garis set out to do is a particularly creative and useful solution to the widespread problem that these occurrences of grow ops in Surrey present to public safety.

The 90-day demonstration project had the following benefits. It reduced the safety hazards associated with residential grow ops. It reduced the backlog of grow-op tips to the police. It dealt with a large number of low-level grow ops and so-called weaker cases, while allowing the criminal justice system to focus on crime networks behind the marijuana trade. It served as a deterrent for residential marijuana producers by interrupting operations, and it raised public awareness of the dangers associated with grow operations. Those benefits that were seen in the pilot project are now being adopted in this legislation. Indeed, I think it's worthy of support at this stage, at second reading.

Members have raised concerns about the issue of privacy as it relates to one's records of consumption of electricity. That issue was addressed in the Supreme Court of Canada in a case called *Regina v. Plant*, in which the police — in pursuance of a criminal investi-

gation, I stress — had seized hydro records without using a warrant. What the Supreme Court of Canada said was that the privacy issue that was involved in seizing hydro records was very minimal. The fact of your pattern of electrical consumption reveals very little about the biographical core of your personal identity. The meter simply reads the consumption of power. It doesn't read what you consume it for. All of that remains private. So the Supreme Court of Canada said that in a criminal case, this intrusion didn't violate section 8 of the Charter and indeed was a minimal intrusion upon privacy.

In 2005 the Supreme Court of Canada, in another case, was asked to decide whether the so-called FLIR technology, which is basically a device that senses heat in a building.... The police officer — and again, I stress this is a criminal case — typically stands off the property and holds the device up. The device measures the heat that's being emitted from different buildings on the property. All it does is produce what they call a thermograph and beyond that, nothing else. But it can be an indication, taken together with other evidence, that there may be a grow op going on in the particular building that's being targeted, particularly when it's compared to the heat profile — the heat emanating from other buildings on the same property or on the same street.

The Supreme Court of Canada decided that issue, as well, and again said — they're the ultimate arbiters on this, a criminal case of protection of privacy, section 8, the right to be free against unreasonable search and seizure — that the use of that device in those circumstances was not an unreasonable intrusion upon privacy. It simply produced a thermograph.

With respect to some of the debate in the House, I personally view the privacy considerations, while I'm not unmindful of them, and one is always wary of legislation that intrudes upon the privacy rights of citizens.... But the intrusion that's contemplated here is minimal, and in the words of fire chief Len Garis, it's not in pursuit of a criminal investigation anyway. The ultimate consequence here, as my colleague from Coquitlam-Maillardville has pointed out, is in pursuit of the enforcement of another municipal bylaw. Bylaw officers are entitled to enter a residence to enforce various parts of the building code, other standards of sanitation and other matters related to the lawful occupation of buildings.

[1605]

The result is that someone is given notice. If they choose to comply with the notice, then the matter is really resolved. There is, of course, the danger of a false report, but I'm convinced that the police, and particularly the fire and electrical inspectors, are very conscientious of that risk and are doing everything they can to minimize unwarranted intrusions upon the residences of citizens of this province.

I see this legislation as productive, as helpful, and I will be supporting it at second reading.

**Mr. Speaker:** Seeing no further speakers, the Minister of Forests and Range and Minister Responsible for Housing closes debate.

**Hon. R. Coleman:** Thank you to the last speaker and to the first speaker, who I thought put pretty balanced comments on the table with regards to this piece of legislation.

Evidently in my previous life as a Solicitor General, I said some things that upset the member for Powell River-Sunshine Coast with regards to marijuana trading kilo for kilo in the United States — true — and that marijuana fuelled the international gun trade — true. Why was that true? And why was I able to make those statements in my capacity as a minister at the time? Because the senior management of the RCMP in serious crime and international crime advised me as the minister that that was true. I guess if you want to get offended because somebody actually tells you the truth, it's an interesting thing.

The member for Cowichan-Ladysmith got up. I'm not sure whether he's supporting or against the bill, but he made some comments that I really can't leave undefended. He made this comment: "They put no money into policing, this government. They've done nothing for law enforcement in British Columbia, this government."

The reality is this. The largest investment in B.C.'s history in policing and law enforcement was done by this government — \$122 million, plus an investment in a real-time information management system so police officers could have information at their fingertips, like no other jurisdiction in the world.

I don't know what he's upset about with what we did in law enforcement. We have the Integrated Homicide Investigation Team, an 82-percent record of solving murders. The best in North America was done under this government. There's an integrated team that tracks sexual predators now in British Columbia, an integrated team in British Columbia that does stuff on the Internet to track Internet luring and child pornography — none of which was done in the ten years of the NDP.

I understand the questions and issues about mental health from the member for Cowichan-Ladysmith, because I agree with him. The issues around mental health and addiction are important. But he has to remember this. Through the 1990s they had a mental health plan, and the number of dollars they invested in it was zero. They may have announced it. They may have thought they had it, but they did nothing about it.

I don't mind the issue about: "Do we have a discussion in and around mental health and addictions?" But to have it in the context of a piece of legislation that is actually a tool in a toolkit, asked for from government by the members of the Union of British Columbia Municipalities and municipalities across British Columbia, is a little bit strange to me.

It is interesting that Marvin Hunt, the councillor from Surrey, is here today — and, actually, Dianne Watts, who's the mayor of Surrey. They should be thanked for actually taking a leadership role in the fact that they were prepared to do a pilot project in their community to see if this type of initiative would work. All they were looking for was a tool in a toolkit. The

reason they needed a tool in a toolkit is because of the impact of these types of operations in their communities. I think it's important that we do that for them.

Some people think of the disclosure of power as being some big deal. Somebody mentioned hot tubs and that "I've got a kiln in my basement, or a welder." That's not the spike. That's just a nonsensical argument that somebody wants to make to say: "I don't like the bill." The reality is that it's a lot more power than that to grow marijuana.

[1610]

You've got to ask yourself these questions. Is it okay that 49 children in 119 homes were living in grow ops when the first test case was done? Do you find that acceptable? Do you find it acceptable that 49 children in 119 homes were living in grow ops? Do you find it acceptable that they're being exposed to fungus and mould and chemicals in the home that they live in? Do you find that acceptable for the safety of a child?

Do you find it acceptable that in 119 homes where marijuana was being grown, there were 49 children living there; that there are more incidents of weapons in grow ops and crime than in any other jurisdiction in British Columbia today; that most — something like 24 percent — of all grow ops have weapons in them? Do you find that acceptable? Do you think the public safety of those children should even be considered?

If this bill saves one child, one police officer, one fire protection officer or a community from fire, it's worth doing. It is exactly that reason that we're here today. This is about the fact that we have something we want to deal with in our society.

I listened to the member for Powell River-Sunshine Coast, and I wrote down one of the most interesting quotes I have ever heard in my life. We're going to force people to steal power — right? — and force someone to break the law. The grow op is against the law, hon. member. It is a criminal offence in this country. Is that going to be the excuse you want to put out there for your children — that we're a society that believes we do not stand up for the law? You're going to allow your children to come to you when they shoplift in some store and say: "Well, I was forced to break the law, dad."

What kind of message is that for the young people sitting in the gallery here today? The young people in this gallery should be hearing this message: do not, do not, do not take drugs. It will just destroy your life, and we're trying to protect your community so we can protect you.

What we're going to do in the next few days as we go through committee stage is set the stage for one more tool as we move down the area to work with the rest of our jurisdictions across this country in criminal justice. Yesterday the federal budget put money in for increased costs to incarceration, because they're actually going to start paying attention that serious crimes in this country are going to get dealt with. There's nothing wrong with that, because we have to start dealing with some of the consequences of what happens.

To the members over there who make a statement like that — "I was forced to break the law" — I would like you to go to one of the 80 or 90 families in the South Asian community who have had a son or a daughter murdered as a result of the drug trade. I'd like you to go to them and say it's okay to be forced to break the law.

I want you to understand that drugs, marijuana grow ops, the connections to organized crime and gangs are a scourge on our society, and there is nothing wrong with jurisdictions like Surrey and Abbotsford taking some leadership to try and shut some of these things down.

For members of this Legislature to stand up and actually want to enter into a discussion about a federal statute and think they.... I assume they want to legalize this. Well, then go run federally. Go talk to your MP. Go see if something's going to happen there.

In the meantime, we are going to protect the communities of British Columbia. That's our job as legislators in British Columbia. That's what we should be doing in B.C. We're providing a tool to societies today.

I am proud of this piece of legislation, and I move second reading of this bill.

[1615-1620]

Second reading of Bill 25 approved unanimously on a division. [See *Votes and Proceedings*.]

**Hon. R. Coleman:** I move the bill be placed on the Committee of the Whole for the next sitting of the House after today.

Bill 25, Safety Standards Amendment Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. M. de Jong:** Next, second reading debate on Bill 29.

HEALTH STATUTES  
AMENDMENT ACT, 2006  
(continued)

**D. Cubberley:** I'm pleased to have the opportunity to address....

Interjections.

**Mr. Speaker:** Members. Go on to your other duties so we can hear what's happening.  
Member for Saanich South, continue.

**D. Cubberley:** I can't understand, Mr. Speaker, why there wasn't rapt attention for my electrifying remarks on Bill 29. I'm pleased to have an opportunity to comment and thank the minister for according me the opportunity of a little more time to understand the bill before making any comments.

Bill 29 makes a number of amendments to the Health Act, the Medicare Protection Act, the Evidence



Act and quite a number of other pieces of provincial legislation. The purpose of the act is to create a new level of accountability and clear rules governing the collection, use and disclosure of the personal health information in ministry and health authority databases. The intent, as stated by the minister, is to allow the Minister of Health to designate or create databases containing personal information as health information banks, the use of which can play an important role in analyzing patterns of health and illness, and in designing and delivering the best possible patient care.

The bill provides that information collected can only be used for health-related purposes, which are set out in section 10.3 of the bill. These purposes enable the creation of individual electronic health records, which can be an invaluable aid in speedy access to information in the course of urgent care, can expedite transition from diagnosis to cure and can enable better management of chronic disease. The bill also places limits on the purposes for which data may be used and disclosed.

The bill also establishes a right of complaint to the freedom-of-information and protection-of-privacy commissioner for persons asked to provide personal health information, and it authorizes the commissioner to investigate and attempt to resolve any such complaints. The sharing of personal health information is limited to specific organizations, health authorities and other public bodies, such as Health Canada.

[1625]

The minister in his comments indicated that the specifics of any large, one-off or regular sharing of personal health information would have to be set out in an information-sharing agreement and that such an agreement could only be made with a health-related organization. The minister has also said that there are requirements that will maximize transparency and accountability to the public and that ministerial orders under the legislation will be published for review.

The minister has indicated that the fundamental purpose of health information banks is to improve patient care and the quality of evidence-based decision-making. We understand the development of such databases to be an important step in establishing a platform for the electronic health record and to enable more sustained analysis of population health trends, leading to a better design of care delivery.

We're pleased that the minister made an explicit linkage to the first ministers' commitment to create an electronic health record and are convinced that this initiative will yield benefits to all British Columbians and, indeed, potentially to all Canadians. We note the recent announcement of \$120 million in federal funding to support the direction. The minister has said that accurate and complete electronic health records are vital to an effective, sustainable health care system, and we concur wholeheartedly with that statement.

EHR for individuals has important potentials for the diagnosis of disease, for the delivery of emergency care and for the management of chronic diseases like diabetes, including the design of better approaches and

better self-management by those who are living with disease. It can play an important role in overcoming the many different silos through which care is currently delivered today, driving towards integration and innovation as well as achieving greater efficiency in the delivery of care.

EHR also supports improved quality of care, leading to better clinical diagnosis and treatment decisions, more generalized evidence-based practice and safer and more consistent patient care. EHR can also substantially increase productivity in the health care workplace. We know how telehealth can be used to render elements of travel and delay unnecessary. EHR will spread these benefits beyond the realm of telehealth while enlarging its reach as well.

Complete and immediately available patient information for sharing across the entire continuum of care throughout a lifetime is one benefit of EHR. It will also provide access to population health information that will enable the detection and analysis of health trends and the creation of remedies and interventions.

We're strongly supportive of the intent of this bill. We will want to examine the controls embedded in it to protect the privacy of individuals and to eliminate any potential for commercial use or use that would in any way limit the access to benefits of individuals or open up possibilities of limiting the liability of insurance coverage and other corporate products for individuals.

It remains of paramount importance to ensure that streamlined data collection and transfer of personal health information meet all tests regarding maintenance of personal privacy. We understand that the Privacy Commissioner has reviewed the draft sections relating to the health database provisions and that he feels they strike the right balance. We will continue to inform ourselves on these matters — hopefully, with a briefing from staff in the very near future — and we will have more to say on a clause-by-clause reading.

**Mr. Speaker:** Seeing no further speakers, the Minister of Health closes debate.

**Hon. G. Abbott:** First of all, I do want to thank the member for his thoughtful and constructive comments in relation to Bill 29. Those are much appreciated. I think the continuing debate that we'll have on this in committee stage will also be very important and useful in regard to electronic health records and how we can move forward on those.

This is a complex piece of legislation. It is going to form the underpinnings for our management, dissemination and collection of health information in the years and decades ahead. It is a vitally important piece of information, and I'm gratified that it enjoys bipartisan support.

[1630]

Jurisdictions across Canada — certainly across North America and around the world, or at least the western world — are all grappling with the issue of managing electronic health records. I think every jurisdiction is struggling to find the appropriate balance

between the protection of personal privacy — because among the issues we value most as individuals is the appropriate privacy around our personal health records — with appropriate ability for medical professionals to be able to access that vital health information at a time when it is needed. This legislation is about finding that proper balance between appropriate access and protecting privacy. I do think we have an appropriate balance here, but I do look forward to the continuing discussion of that point.

Having that prompt access to care can be extremely important, as the opposition Health critic noted. Whether you're in your own physician's office or you're going into the emergency department, perhaps conscious or unconscious, or if you're travelling somewhere else in the province and ultimately somewhere else in the country, you will be able to have the benefit — or your medical practitioner or whoever the practitioner is will have the benefit — of being able to have that appropriate access to your health records so that an appropriate course of care can be adopted, and adopted quickly.

Among the advantages.... I'm very pleased the member noted the recent partnership we were able to secure with Canada Health Infoway. Canada Health Infoway will be bringing \$120 million to British Columbia for this project. The Ministry of Health will be adding an additional \$30 million. That's \$150 million. We look forward to working with the B.C. Medical Association and with a great range of other practitioners in this province to ensure that we are able to have the electronic connection, electronic entity, that will provide that service.

A patient can arrive at a doctor's office, in an ER or in some other health facility, and we can avoid a repetition of tests that might be needed in the event that such information couldn't be transmitted. The practitioner will have immediate access to critical health information. For example, if the patient has an allergy to penicillin or has had a chronic disease like diabetes or has had a recent injury or health incident that is notable, all of those things can help form the very sound care that can be provided, whether it's in the doctor's office, an emergency room or a primary care centre. All of those things can be very valuable in producing that better patient care.

I think this is tremendously exciting. I know I found it very exciting to attend the recent e-health event that was held at the Victoria Conference Centre. Over 1,600 delegates from around the world gathered in Victoria for this e-health conference. While technically all of my skills are woefully inadequate in this important area of public policy, I do know that those 1,600 people — or more, I think — who ultimately gathered there were tremendously excited about the potential of moving health care to an entirely new level by using this rapid access to electronic data. I do think it has the opportunity to move us enormously forward.

[1635]

This is very exciting, but it does have to have a sound foundation to build on. We believe that this

sound foundation is here, but I do very much look forward to the thoughtful comments and questions of members as we move to committee stage debate. This is a new area of public policy and one that we're excited about, but one that also, I think, will very much benefit from the scrutiny that can be provided in committee stage debate.

With that, I move second reading.

Motion approved.

**Hon. G. Abbott:** I move that the bill be referred to a Committee of the Whole House to be considered at the next sitting of the House after today.

Bill 29, Health Statutes Amendment Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. G. Abbott:** I call committee stage debate on Bill 28.

#### Committee of the Whole House

#### PARK (CONSERVANCY ENABLING) AMENDMENT ACT, 2006

The House in Committee of the Whole (Section B) on Bill 28; S. Hawkins in the chair.

The committee met at 4:39 p.m.

On section 1.

**S. Simpson:** In section 1, the definition of "conservancy...." Could the minister tell us what the difference is between a conservancy and a class-A park?

**Hon. B. Penner:** As we discussed during second reading debate a few days ago, conservancies are a new designation under the Park Act. Conservancies and class-A parks are not exactly the same. Both conservancies and class-A parks provide a high level of protection to biodiversity, ecosystem, recreational and other values. Conservancies, however, explicitly recognize the importance of these areas to first nations for social, ceremonial and cultural purposes.

[1640]

Conservancies provide for a wider range of low-impact, compatible economic opportunities than do class-A parks. However — and I need to stress this — commercial logging, mining and hydroelectric power generation, other than local run-of-the-river projects, are not allowed in conservancies.

**S. Simpson:** I appreciate that comment. Maybe the minister could give some indication of what kind of activities would be allowed in a conservancy that are not allowed in a class-A park.

**Hon. B. Penner:** I may have additional information in a few moments, depending on local traffic conditions in downtown Victoria.

However, as already indicated and as the legislation indicates, a number of low-impact economic activities are possibly permitted within conservancies, provided that they are consistent with the purposes, as set out in the legislation, for those conservancies. In class-A parks, park use permits may also be granted for a wide number of different activities, but there's a different test in the legislation — in the specific provisions in the Park Act, which the member can read — when the minister must make a decision about whether or not to issue a park use permit for a specific application or specific use.

With the conservancy designation, a different test applies. It's set out in the legislation. I think I canvassed this somewhat in second reading, and I'm sure we'll be doing it more this afternoon.

**S. Simpson:** I'll come back to some questions related to that in a few minutes, I think, when the minister's staff arrive.

Another question in relation to the definition of conservancy. Could the minister tell us: does the new definition of conservancy areas have any impact outside of the north and coastal LRMPs? I know this has been developed primarily to deal with the LRMPs in those areas. Could the minister tell us whether this definition is expected to have any impact or application outside of those areas?

**Hon. B. Penner:** As indicated when the legislation was introduced and as I think I mentioned in my second reading remarks — was it last week already? Time kind of blurs around here — the government does not have any specific intentions at this time to utilize the conservancy designation for any other areas in the province outside of these midcoast and north coast LRMP regions. However, depending on what other LRMP processes come up within other parts of the province, those planning processes may recommend use of a conservancy designation. Government would have to consider it at that time.

I can also repeat to the member that it is not our intention to convert existing class-A parks to conservancies. The impetus for this designation was to reflect discussions and the agreement that was reached after ten years of arduous negotiation by many different groups around a table — to reflect those directions from the LRMP process for the mid- and north coasts.

[1645]

**S. Simpson:** I appreciate the minister's comments that at this point the government has no plans or no intentions to apply this legislation outside of the LRMPs that are there. But could the minister tell us: under the terms of the legislation, would it be an allowable thing to in fact apply these conservancy areas outside of the LRMPs? If so, what would have to occur? Would it require additional legislation? Would it

require additions to the schedules? Could it be done, and what would have to occur?

**The Chair:** Member, just for your information, I would remind the member that for relevancy purposes, we are talking about this bill and this section and not future policy or future plans.

**S. Simpson:** Absolutely.

**Hon. B. Penner:** Just as we're doing today, and just as we do whenever we're adding or changing boundaries to class-A parks, it would require a legislative amendment to be brought to the floor of the Legislature for debate. If additional areas were to be identified for inclusion within a conservancy or if the conservancy designation were to be applied to a new area within British Columbia, it would require legislation to be brought to the Legislature.

Specifically, you'll see that there's a schedule. In fact, there are two schedules, schedule E and schedule F, that have been created pursuant to the Park Act through this legislation, assuming that the Legislature approves it. It's those schedules that would indicate areas to be included within that designation.

**S. Simpson:** Just so that I'm clear, at this point there are, I believe, 24 areas identified in schedules E and F — 23 of them in E and one in F, I believe. So anything that adds to that... I believe the press releases that went out talked about the addition of a number of other areas at some subsequent time — another 80 or something areas to be added.

Just so that I'm clear, when those areas are to be added and if there were other areas outside the LRMPs, they will come back as a legislative amendment to the schedules of the bill and will need to be passed by the Legislature before they can be added to the list? Is that correct?

[1650]

**Hon. B. Penner:** I'm going by memory here, but I believe there are another 85 or so areas that are anticipated by next year, by the end of 2007, that we'll be in a position to move forward with in terms of including in the conservancy designation.

It's my expectation that a legislative amendment would be brought forward to amend the schedule to the Park Act, schedule E and/or F, so that the additional 85 or so conservancies would be listed in the schedule that way. So it's my expectation that we would be back here having, perhaps, a similar conversation.

**S. Simpson:** Just to be clearer, then, what the minister is saying is that in fact it will require a legislative amendment in the House in order to add or delete any areas to the list of conservancy areas. Would that be correct?

**Hon. B. Penner:** I just wanted to confirm before providing an answer. The answer is this: just as it

would take a legislative amendment to remove a class-A park from a schedule that was established by legislation, similarly, it would require a legislative amendment — and, therefore, debate here on the floor of the Legislature — to change schedule E or F to the Park Act, once it's been established by the Legislature, when those schedules pertain to conservancies. The process would be similar.

**S. Simpson:** On a similar question. I know that the minister has said the government has no intentions of converting class-A parks over to conservancy areas. Could the minister tell us whether that would be allowed under the definition of conservancy? Is it an allowable thing under this definition to do that? I know it's not intended, but would it be an allowable thing to do, and would that require again the same kind of legislative change that the minister spoke about?

[1655]

**Hon. B. Penner:** I was just flipping through the Park Act looking for the schedule, so let me just indicate that there is no schedule to the Park Act itself. It's to the Protected Areas of British Columbia Act. By making amendments to the Park Act, we adjust the schedule to the Protected Areas of British Columbia Act. Is that confusing? It is somewhat, so my apologies.

Schedules E and F to the Protected Areas of British Columbia Act contain the areas designated for conservancy protection or conservancy status. Schedules C and D to the Protected Areas of British Columbia Act contain class-A parks. If one were to want to transfer an identified area from schedule C or D to schedule E or F, that would require a legislative amendment.

Again, let me just confirm that the government does not have an intention to make such an amendment at this time.

**S. Simpson:** I appreciate there's no intention. I just was trying to figure out the legality of how that gets done and what procedurally has to happen.

I'd like to go back to a question that I'd asked before, now that some of the staff has arrived. Could the minister tell us what kinds of activities are allowed in a conservancy that would not be allowed in a class-A park?

**Hon. B. Penner:** It may come as a surprise to some people that there are, at least as far as I'm aware, no explicit prohibitions against the permitting of particular activities within class-A parks. It's a common belief that there are, but in fact if you look at the legislation, it simply sets a test — and that is that any permitted use must be consistent with the purposes of a class-A park, and be consistent with that. For example, if the conservancies.... I've already indicated, and it's spelled out in the legislation, that they're expected to have a wider range of uses. One can anticipate, perhaps, small-scale shellfish aquaculture operations. We've already talked about the potential — during second reading debate — of small-scale run-of-the-river hydroelectric projects to serve isolated communities.

[1700]

Again, there is the express prohibition in the legislation for conservancies against having commercial logging, large-scale hydroelectric development or mining. Any other use that somebody may wish to propose for a conservancy would have to meet the test as set out in the legislation that's proposed here and we're debating before it would be permitted in a conservancy. Similarly, if somebody makes an application for a particular activity within a class-A park, there is a certain test that must be met, and it has to be consistent with and for a park purpose in a class-A park.

**S. Simpson:** With the exception of those items that are explicitly banned in conservancy areas — commercial logging, larger-scale hydroelectric, and I think there might have been another.... Other than those, other uses in a conservancy area, such as resorts and lodges.... I know we have the resorts and lodges strategy that is being discussed. Any other use potentially is an allowable use within the area? Would that be correct?

**Hon. B. Penner:** For a point of reference, there's no explicit prohibition in legislation against any activity in a class-A park. Again, that comes as a surprise to some people who assume that there is. The tests, though, before a park use permit can be issued in a class-A park is in section 8(2). It states, and I'll read it into the record: "A park use permit referred to in subsection (1) must not be issued unless, in the opinion of the minister, to do so is necessary to preserve or maintain the recreational values of the park involved."

In contrast, the test proposed in the legislation we're debating now, for conservancy activity, is as follows. The minister will be required to or must consider: "(a) the purposes set out in section 5(3.1) as they pertain to (1) protecting and maintaining biological diversity and natural environments, (2) preserving and maintaining social, ceremonial and cultural uses of first nations, (3) protecting and maintaining recreational values" — there's a typo here, but I think it means "of the conservancy." As well, there will be consideration of, the management plan for the conservancy, if there is such a management plan, as well as the results of a B.C. Parks impact assessment process. That is the process and the considerations that would have to be undertaken prior to a permit being issued for a proposed use in a conservancy.

**S. Simpson:** I will get to more detail around that when we get to section 5 of the bill.

Could the minister tell us what the differences are in terms of the management of a conservancy area versus the management of a class-A park? What's the difference? And how will they be managed as an individual facility or entity? Are there differences?

[1705]

**Hon. B. Penner:** I don't expect that there will be much operational difference between a class-A park

and a conservancy. We are, within the class-A park system in British Columbia, establishing a number of collaborative management agreements with first nations. I'm looking at one right now. One is on my desk right now for consideration on Vancouver Island.

I expect and hope that for quite a number of the conservancies, if not all, we will reach collaborative management agreements with first nations as well. I should say, though, that will not preclude developing a plan for specific conservancies in addition to that.

I don't want the member to get confused. It is easy to — to blur the collaborative management agreements with the actual management plans that get drawn up for either a class-A park or a conservancy. I can see the member is trying to chew through that one intellectually.

The collaborative management agreement is basically a way of saying that these two governments will now embark on a management planning process that will include other stakeholders providing their comments and feedback and helping us collaboratively reach decisions around management plans for the specific conservancies or class-A parks.

**S. Simpson:** I'll have a number of questions that relate to that when we get to section 5, around the relations with first nations. I'm assuming that will be the right place for me to engage those questions.

To be clear, though. The minister says that there really is no essential difference between the management of a class-A park and the management of what is expected with these conservancy areas. Can we then assume that the staffing in terms of park officials, in terms of accountability...? How is that going to work? Is that going to be the same in terms of where that all comes back to — in terms of, ultimately, accountability back to the minister, through the parks department? Is that reasonable? That's where it will all fall?

**Hon. B. Penner:** I think I can provide a relatively short answer here: yes.

**S. Simpson:** That was a relatively short answer.

I'd like to move to the definition, also under definitions, of "designated wildland area." I look in the Park Act, and I don't see that definition. I probably see the closest thing to that being a "nature conservancy area."

Could the minister tell us: what is the difference between a designated wildland area and a nature conservancy area?

**Hon. B. Penner:** In essence, this is a name change. The legal definition is the same, but we're changing the name to try and avoid confusion. Whether we're successful or not, I guess, remains to be seen.

"Designated wildland area" will be the title applied to the existing definition of "nature conservancy area." A designated wildland area is a roadless area in a park or conservancy that is retained in its natural condition to preserve its ecological environment and scientific features. The new name of "designated wildland area" has been given to avoid confusion with the conser-

vancy designation, which, as we know, is being placed into the Park Act by virtue of these amendments.

**S. Simpson:** We'll just be clear. I think I understood the minister, and I do understand why, having created conservancy areas, you might create confusion between a nature conservancy area versus a conservancy area, and I appreciate not wanting to do that.

[1710]

Just to be clear, then, the only differences between these two — the current definitions of "nature conservancy area" and "designated wildland area" — are the name and that the "wildland areas" will also apply to conservancies. Are those the only differences?

**Hon. B. Penner:** I'm advised that the legal effect will be the same.

Sections 1 to 4 inclusive approved.

On section 5.

**S. Simpson:** This is, it seems to me, a particularly critical piece of this bill, as it applies to the relationship between first nations and the government. As we know, that was such a fundamental part of the creation of these LRMPs — the building of that government-to-government relationship.

Section 5 in the bill lists a number of pieces under 4.2(1) when it says what the minister must carry out. "The minister may enter into an agreement with a first nation respecting the first nation (a) carrying out activities necessary for the exercise of aboriginal rights on, and (b) having access for social, ceremonial and cultural purposes to, land" under sections 3 and 6, etc.

Is it the view of the government that when these agreements are done, all of those conditions need to be met, or can only some of those conditions be met for an agreement to be put in place?

**Hon. B. Penner:** As the member will note, the actual wording in what will now become section 4.2(1) says: "The minister may enter into an agreement with a first nation respecting the first nation..." Then it provides a range of different things. The word "may" provides authority to a minister responsible for conservancies to enter into certain agreements but does not require these agreements to be entered into. It's an enabling provision.

**S. Simpson:** To be clear here, what the minister is saying, if I hear him correctly, is that there is, in fact, no legal obligation on the part of the government to enter into any agreements with the first nations on the conservancy areas. It is an option for the government to do that, but it has no obligation under this legislation to do that. Is that correct?

[1715]

**Hon. B. Penner:** The reason the word "may" is used is that we can't force first nations to sign an agreement

with us. As to what the legislation does require, maybe we will get to this in a moment. Just looking ahead, section 6 of the bill in front of us — and what would, if approved, become section 5(3.1) of the act — sets a test, and it says:

Conservancies are set aside (a) for the protection and maintenance of their biological diversity and natural environments, (b) for the preservation and maintenance of social, ceremonial and cultural uses of first nations, (c) for protection and maintenance of their recreational values, and (d) to ensure that development or use of their natural resources occurs in a sustainable manner consistent with the purposes of paragraphs (a), (b) and (c).

That's specifically included in the legislation as a purpose for the conservancies and as a legal test that gets referred to when the minister has to consider whether or not to grant permits for certain applied-for uses.

Just to focus for a moment on that subparagraph (b), I'll repeat it: "for the preservation and maintenance of social, ceremonial and cultural uses of first nations..." That is a specific provision, I believe, which the first nations in the areas were requesting.

**S. Simpson:** I want to go back, though, to section 4.2, which is under the section that talks about relations with first nations. It says: "The minister may enter into an agreement with a first nation respecting the first nation (a) carrying out activities necessary for the exercise of aboriginal rights on, and (b) having access for social, ceremonial and cultural purposes..."

Now, what I thought I heard the minister say in the first answer around this is that it does not say "the minister shall"; it does not say "the minister must"; it says "the minister may." I respect the fact that the minister says that we can't oblige first nations to enter into these agreements, and that's absolutely right. But if a first nation comes forward and says, "We want to do one of these agreements," is the minister obliged to do that? Or is it that the minister may do it but has no obligation to enter into this agreement under the terms of the legislation?

**Hon. B. Penner:** The legal advice that the ministry has received is that we cannot use the words "shall" or "must," for the reason that we've already mentioned. You can't force the other party to sign an agreement. You can't have an agreement without two parties.

What we've done here with this provision is to create a legal mechanism by which the ministry and the minister may sign an agreement with first nations. This gives us the ability to do it legally. Without that, we would not be able to do so.

It is a matter of policy of this government — as well as a result and a commitment we made through the land use planning process — that we will work collaboratively with first nations. We're doing that already with a number of class-A parks. Certainly, it's our intention to do that. I've mentioned already this afternoon that it's my expectation that most if not all of the conservancies will have collaborative management agreements with first nations.

This is part of our government's New Relationship strategy with first nations to be more inclusive. I'm told that it has worked well with the class-A parks where we've established collaborative management agreements to date. I've got another one sitting on my desk for consideration, for some parks on Vancouver Island.

Certainly, with the conservancies it's our expectation — and it's a commitment the government's made — that, if first nations are interested in establishing collaborative management agreements for the conservancies, it's something this government will want to enter into.

[1720]

**S. Simpson:** I'm going to go back and try the question again. The question is: if, in a discussion with an individual first nation on one of the conservancy areas, the first nation comes forward and is seeking to enter into an agreement — which, I understand, they can't be forced to enter into — is the minister obliged to enter into that agreement, or does the minister have the option to say no under this legislation?

**Hon. B. Penner:** As I've said, the government has committed that we will work with first nations to reach collaborative agreements. Just as we can't force another party outside of government to sign an agreement with government, similarly, we can't say as a government that we'll sign any agreement that's offered to us.

That's not usually part of a negotiation. Negotiation usually means both sides have the option to consider whether or not a proposal is in the best interests of the people that they represent. It's our expectation that we will reach collaborative management agreements. I can't say with certainty what those agreements will look like in their fine detail.

I can inform the member that we have already reached a number of collaborative management agreements for the operations of class-A provincial parks. With the first nations that we've talked to, we've made a commitment that we will sit down and negotiate collaborative management agreements for these new conservancies. There's nothing untoward there at all.

Also, just as a point of clarification: this particular amendment makes it clear that it applies not just to conservancies, but to recreation areas and parks — class A and, presumably, B and C as well. Certainly, class-A parks, as well as conservancies and recreation areas, have the potential for having collaborative management agreements negotiated, signed and applied to those areas.

**S. Simpson:** I'm going to try one more question on this particular aspect. The minister says that there can't be obligations. Well, it seems to me, for example, that when the government sits down with its employees — as it sat down with the B.C. Government Employees Union, for example — the government, through its representatives, may negotiate as tough a deal as it wants and may be as tough as it wants to be, but the

government doesn't have the option of saying: "We're not going to negotiate with you." They have the option to sit down and negotiate as tough a deal as they can negotiate and as good a deal as they think they can get for the government and the people, but they don't have the option of saying: "We're not going to do it."

The question I have here is: does the government, under this legislation, have the option — I'm not suggesting that this is what the government intends to do — simply to say, "We're not interested in negotiating an agreement with you, whatever those terms might be," in relations with first nations under section 4.2?

**Hon. B. Penner:** This government will be sitting down with first nations who want to discuss collaborative management agreements. Wherever possible and feasible, we will enter into those agreements.

[1725]

There was no legal requirement for us to bring this legislation forward in the form that we did, but we made a commitment to the first nations and the people, through the LRMP process, that we would. And guess what, Madam Speaker. We are.

**S. Simpson:** I don't disagree that there was no obligation and, quite frankly, at the end of the day we will vote for the legislation. That's not the point. The point is that we're trying to clarify what this legislation actually says. What are the obligations? We all know that there are big differences between "shall" and "may." I'm learning that. "Shall" means one thing, and "may" means something else. This says "may;" it doesn't say "shall." So I want to get a confirmation.

It's a simple question. Is the government obliged to negotiate with a first nation if the first nation wants to negotiate? The question isn't: can you get a good deal or not? The question is: are you obliged to do that? Is the government obliged to do it — yes or no?

If they're not, that's fine. If they are, they are. The question is: what is the obligation of government under the legislation? It's not a question of what the government's intention is. I accept that the government has every intention to negotiate as many of these agreements as they can, to bring all the goodwill in the world to the table. That's not at question here. The question is the legal obligations under the legislation.

**Hon. B. Penner:** I think we've answered this a couple of times in a couple of different ways. As I've already said, this is an enabling provision, and it's similar to the existing act that is not yet amended but will be, hopefully, sometime — once this bill is approved, if it is approved by the Legislature.

If I can refer the member to the existing section 4.1, it states, "The minister may enter into an agreement relating to the administration and management of matters and things referred to" in the act. With that language we have reached a number of collaborative management agreements with first nations. I've said a couple of times that I've got one sitting on my desk

right now for consideration for some parks on Vancouver Island. I hope to be able to move forward on those.

It is the intention of this government through our New Relationship initiatives as well as in discussions flowing from the LRMP process that we will sit down with interested first nations to reach collaborative management agreements wherever we can reach those agreements. I'm not sure how much clearer I can be. The reason for us wanting to reach these collaborative management agreements is because that's the policy of the government.

I can also repeat to the member that this legislation, including this specific section and these provisions, is here because of support, interest and a request by first nations involved in the process. This was the language they were looking for.

**S. Simpson:** Well I'm going to assume, because I'm not going to try this again.... I think the minister could have been a little clearer, but I'm going to assume that what I've heard the minister say, unless he corrects me, is that the government has every intention in the world to do its best to negotiate these agreements, but the government doesn't have an obligation because the wording says "may."

[1730]

I want to move, though — continuing to talk about section 5 — to talk a little bit about what these agreements might look like. Could the minister tell us: what does he envision these agreements with first nations looking like in terms of content and how they get applied?

**Hon. B. Penner:** In essence, collaborative management agreements define how the province and a first nation or first nations will work together to plan and manage conservancies and other protected areas. Each agreement is unique. Again, that's the nature of negotiations. You never know exactly what will come out of negotiations.

We will attempt to address needs as well as local issues. Collaborative management agreements can vary from simple memorandums of understanding and protocol agreements to more complex agreements which establish formal relationships between the province and first nations.

Earlier collaborative management agreements focused on a one first nation-one park basis to resolve conflicts or specific issues pertaining to a particular park and/or first nation, while some of the newer collaborative management agreements can cover a broader array of parks and a bigger geographic area and can include a number of different legal issues that may arise. It's hard to say with precision what a specific collaborative management agreement will look like until it's complete.

**S. Simpson:** The minister spoke before about first nations having been involved in consultation around 4.2 and that. Could the minister confirm: were they consulted about the writing of this particular section of

the legislation? Were they part of the writing? I want the minister to confirm that he has the support of the first nations for the language in that section. Is that what he is saying?

**Hon. B. Penner:** It's my understanding that the first nations do support this language.

**S. Simpson:** Could the minister tell us: was the Ministry of Aboriginal Relations and Reconciliation involved in the negotiation of this particular aspect of the bill?

**Hon. B. Penner:** That ministry was aware of the work we were doing with first nations in relation to the establishment of this legislation.

**S. Simpson:** Hon. Chair, we have had some discussion back and forth.... The minister has referenced the Park Act on a number of occasions and talked about the provisions in the Park Act. Could the minister tell us: what are the differences between this provision under 4.2 for first nations and the one that exists between government and first nations as it relates to class-A parks? Are there differences in what that means, what the meaning of these two clauses are between class-A parks and these new conservancy areas?

[1735]

**Hon. B. Penner:** As I said earlier, in the existing section 4.1 of the Park Act, "the minister" — I guess, for now, that's me — "may enter into an agreement relating to the administration and management of matters and things referred to" in other sections of the act. That's the provision we've used to establish the collaborative management agreements that we've reached to date with first nations vis-à-vis class-A parks.

The amendment we're debating here expands that somewhat. It creates a new section 4.2, that you'll have in front of you, and just gets a bit more specific about agreements with first nations pertaining to social, ceremonial and cultural purposes. As I previously indicated, should the Legislature approve these amendments and pass this legislation, these collaborative management agreements will be fully applicable to not just conservancies but to class-A parks, presumably other classes of parks, and recreation areas.

**S. Simpson:** Then what we'll be doing is making a complete change here, and 4.2, as it reads in the bill, will then become the standard for both conservancies and class-A parks. I see the minister nodding to that.

Could the minister tell us: what will that mean — or what does the minister anticipate or expect that that means — that a first nation will be able to do in a conservancy, or now in a class-A park, should this legislation pass, that they can't currently do in a park?

**Hon. B. Penner:** I don't expect much of a material change in the nature of collaborative management agreements compared to what we've been creating or

signing with first nations currently with class-A parks under the existing wording of section 4.1.

As the member will note, the amendment we're discussing here is a bit more explicit in consideration of issues important to first nations. Again, the wording is: "for the preservation and maintenance of social, ceremonial and cultural uses of first nations...." That is some specific language that I believe the first nations' leaders from the mid- and north coast were seeking.

**S. Simpson:** Under section 4.2, assuming the minister is negotiating with first nations and coming to agreement around 4.2.... We'll see later down that the minister has authority to sign use permits in the park to allow sustainable development. We'll get to a definition of what sustainable development is a little bit later on, but he has some authority to talk about sustainable development within these conservancy areas as well.

[1740]

Would the minister be obliged to sort of simultaneously meet the objectives, or would criteria be set by 4.2 over any sustainable development initiative that was considered under the legislation? How would that work? Would this become the test? Would what's under 4.2 become the test or part of the test for any other development considerations that the government might have under clauses later in the legislation?

**Hon. B. Penner:** The test for any economic activity is contained in a different section. That's section 6 of the bill in front of us, but if approved, it will become section 5(3.1) of the Park Act, which states: "Conservancies are set aside for...." It mentions protection and maintenance of biological diversity and natural environments and "(b) for the preservation and maintenance of social, ceremonial and cultural uses of first nations...."

I was in error a moment ago, Madam Chair, when I read that particular subsection as being in relation to section 4.2 of the new bill — what will become the Park Act. What I should have said then was that the test for collaborative management agreements and the language sought by first nations for those collaborative management agreements is being recognized in this legislation as "having access for social, ceremonial and cultural purposes."

**S. Simpson:** If I go back to 4.2(1)(a), it says that they'll negotiate to carry out "activities necessary for the exercise of aboriginal rights," including, in 4.2(1)(b), "social, ceremonial and cultural purposes." The test that the minister just spoke about.... I don't want to get ahead of myself here, but when we talk about the exercise of aboriginal rights, we may have situations where we in fact have first nations who are entering into agreements under 4.2 who want to discuss aboriginal rights.

I know that later on, in 4.2(3), I believe.... A little bit farther on it talks about how this won't constitute a land claims agreement. If there are assertions around rights here under 4.2, is it the expectation that the min-



ister will in some way be acknowledging those rights in ways that may affect the ability to do things later on around sustainable development? What is the expectation of the minister around dealing with the question of aboriginal rights in 4.2(1)(a), when we're being told in 4.2(2) that this in no way constitutes a land claim agreement, etc.? How do we deal with aboriginal rights if we're not talking about those kind of rights?

**Hon. B. Penner:** Just to be clear, we're not regulating first nations rights here. First nations rights are established under the constitution of Canada — if my memory serves me correctly, sections 25 and 35 of the Constitution Act of Canada — and various court cases interpreting those provisions since the constitution came into effect in 1982.

[1745]

Rather, what we're doing here is just being clear what kind of agreements we can enter into in terms of these collaborative management agreements. This is not a test. It's not a restriction on what kind of activities can take place. It just says the types of things that collaborative management agreements may include.

**S. Simpson:** Under 4.2(1) it says: "The minister may enter into an agreement with a first nation respecting the first nation (a) carrying out activities necessary for the exercise of aboriginal rights...."

Then, of course, later it says: "An agreement entered into under subsection (1) is not a treaty or a land claims agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982*." I understand that.

Could the minister, then, tell us what his view or expectation is about what this means: "respecting the first nation (a) carrying out activities necessary for the exercise of aboriginal rights...."

I'm asking what that is in addition to (b). Clause (b) is very explicit about social, ceremonial and cultural purposes, and (a) seems to anticipate something in addition to that, being as they are separate clauses. What was the government anticipating that clause (a) might cover?

**Hon. B. Penner:** As I understand it, these were, again, provisions that first nations asked to be included in this legislation. It anticipates that first nations may conduct a continuation of existing activities or uses of the land, but this gives the minister the authority to enter into an agreement to formalize those activities or those arrangements into a management plan.

Madam Chair, noting the hour, I move that the House now recess until 6:45 p.m.

Motion approved.

**The Chair:** The committee stands recessed until 6:45 p.m.

The committee recessed from 5:49 p.m. to 6:46 p.m.

[R. Cantelon in the chair.]

On section 5 (*continued*).

**The Chair:** The Chair recognizes the member for Malahat-Juan de Fuca.

**S. Simpson:** Vancouver-Hastings.

Just a couple more questions on section 5, and then we'll move on.

Could the minister clarify what the approval process might look like? I'll give the minister an example to make this easier, maybe, in regard to first nations and section 4.2. If a first nation was looking to start up shellfish aquaculture — an oyster farm, for example — what might that process look like in order to negotiate and get approval for an oyster farm as an example of a project that might go forward for first nations?

**Hon. B. Penner:** Mr. Chair, good to see you this evening.

I think the member is actually referring, probably more appropriately, to section 6, which sets out the tests for approval of economic activity, if any, in a conservancy, whereas section 5 really just deals with the creation of collaborative management plans.

As I've indicated already and probably will again, under section 6 of the bill we're debating, it would amend section 5 of the Park Act to establish subsection (3.1), I believe, to provide the following test, stating: "(3.1) Conservancies are set aside (a) for the protection and maintenance of their biological diversity and natural environments, (b) for the preservation and maintenance of social, ceremonial and cultural uses of first nations, (c) for protection and maintenance of their recreational values." Then there are some other items listed there as well, but I think that more appropriately pertains to section 6 as opposed to section 5.

It has been pointed out to me that another factor would, of course, be the management plans, but the more detailed listing of criteria that must be assessed is actually under section 6 of the bill.

**The Chair:** Member for Vancouver-Hastings, and I apologize. I incorrectly identified you the first time.

**S. Simpson:** Not a problem, hon. Chair.

Could the minister tell us a little bit about how he anticipates these management plans to be funded? I'm assuming that the structure of the management plans will require the government to expend some money to make them work and first nations to expend some money, probably, to make them work.

The question I have is: how do you anticipate those being funded on the first nations side, in particular?

[1850]

**Hon. B. Penner:** Approximately \$400,000 is going to be available for conservancy management planning activities and finalization in fiscal 2006-2007. I don't know if individual first nations will be bringing their

own resources to the table or not. We haven't got that far in the discussions. One first nation may have one approach, and another may not. It's hard to know.

**S. Simpson:** Is that \$400,000 to come out of the million dollars that we've heard about, which is allocated? Is that where that \$400,000 is to come from?

**Hon. B. Penner:** Yes, I believe so.

**S. Simpson:** I just want to jump back a little bit — the question around first nations. As the minister, I'm sure, will appreciate, as these plans evolve — and they have the potential for some comanagement initiatives or aspects to them, as first nations may very well want to engage in some more active part of the management of the conservancy areas. That requires the building of capacity. We know, for example, that there's now \$100 million of new relations money made available for capacity-building.

Is the expectation that that's where the dollars to help build the capacity for the first nations would come from? Or is it possibly another source?

**Hon. B. Penner:** The \$400,000 that we're talking about would be flowed through from the integrated land management bureau of the Ministry of Agriculture and Lands, as they've been involved in this land use planning process.

The \$100 million First Nations New Relationship fund, I believe, is the responsibility.... The lead responsibility for the conduct of that fund rests with my colleague the Minister of Aboriginal Relations and Reconciliation.

It is conceivable that some of those funds could end up going to first nations for capacity-building to help them enter into agreements such as collaborative management agreements pertaining to conservancies, although I don't know if that decision has been made.

**S. Simpson:** To be clear, then the \$400,000 is there to help cover government costs of this exercise, whatever the resources are that are required on the other side for first nations. I'm assuming, then, that is not a responsibility of the Ministry of Environment and not a responsibility of this agreement and may come through Aboriginal Relations or some other source that is not totally clear to the minister right now. Would that be accurate?

**Hon. B. Penner:** It's possible that some of that \$400,000 that's being flowed from ILMB through to the Ministry of Environment could be used for capacity-building for first nations.

[1855]

Section 5 approved.

On section 6.

**S. Simpson:** Under section 6 — which, as we see, amends section 5 — it talks about what the Lieutenant-

Governor-in-Council may do in the establishment of these areas. Could the minister tell us: are there a number of these areas, or portions of these areas, that are coming out of what would have been allowable cut from companies that, with the signing of the LRMPs, are now moved into conservancy areas? If so, how are these areas being compensated for the loss of that cut, and how does that relate to the work that's being done with this bill?

**Hon. B. Penner:** As I've already indicated, the legislation makes it clear that no commercial logging or mining activity is permitted within conservancies. There are a number of forest and mineral tenures that exist within the 24 conservancy areas that we're including in this first round of legislation or in the first addition to the schedules E and F.

It is a requirement that we compensate those mineral tenures. As well, it's my understanding that there may be some compensation for the forest tenures, but it's important to note that the forest companies that had the right to operate in this area were an integral part of the negotiation process over the last ten years. They sat at the land use table as this collaborative agreement was reached among environmental groups, first nations, local communities, the provincial government and, of course, industry.

**S. Simpson:** Could the minister tell us: what is the value of that compensation for the 24 areas?

[S. Hammell in the chair.]

**Hon. B. Penner:** I'm going to refrain from giving a specific dollar estimate, because I don't want to accidentally prejudice any negotiations that will have to take place, but the government does intend to enter into good-faith negotiations to reach a fair settlement. Our goal, of course, is that it will be affordable for taxpayers, but we will attempt to reach a reasonable negotiated settlement to compensate those who have held mineral tenures and/or forest tenures that are affected by this new conservancy legislation.

[1900]

**S. Simpson:** I appreciate that the minister doesn't want to compromise ongoing negotiations, and I respect that. Will the minister or the government be making that number available after negotiations are completed?

**Hon. B. Penner:** I would expect to make that information public, because it is public funds.

**S. Simpson:** In regard to the management costs of these 24 areas — and I know there are more to come in future — that are identified in this piece of legislation, my understanding is that \$1 million from the integrated land management bureau has been made available to the Ministry of Environment to offset some of those costs. The minister talked about \$400,000 of that

being put into a pot to help work out the agreements with first nations and to develop what those agreements might look like, so there's another \$600,000 available there.

There are 540,000 hectares, I believe, in 24 agreements. The question I have is: what is the expectation of the management costs for these 24 areas — these 540,000-odd hectares? What's the cost of management for those areas, and where will that money come from in the long term?

**Hon. B. Penner:** We're estimating, for the first year of operation of the conservancies, that it will cost somewhere north of \$600,000. In terms of future years, we'll have to work with the Ministry of Agriculture and Lands, as well as Treasury Board, to identify a source of funding for ongoing operations.

**S. Simpson:** If that's the case, then the ministry is saying it's \$25,000 a year, on average, to do a conservancy area. That's what it costs to provide staff resources, to provide infrastructure, to provide whatever those costs are. That's done at about \$25,000 apiece? That seems pretty cheap to me.

I have to assume, as the ministry is engaging in creating these 24 areas on more than half a million hectares of land, that it must have some idea of what the long-term costs are of managing and administering these properties. The question I have is: what do we expect that to be? Is the minister saying that we're only going to spend an average of \$25,000 per conservancy?

[1905]

**Hon. B. Penner:** It's important to note that this is just the first year of operationalizing these conservancies. In fact, they don't legally exist yet. We're still talking about the bill that would give legal effect to these conservancies. Hopefully, the Legislature sees fit to give its approval, and then it would require royal assent for these conservancies to be legally established.

It's also important to note that management plans have not yet been prepared for any of these conservancy areas. In fact, there are quite a number of class-A parks created in the 1990s that still don't have management plans completed. I'm told this is the very first time that new funds have been allocated for the protected-areas side of the completion of land use plans.

In the 1990s, you'll know, the amount of land in parks doubled, but the budget was cut dramatically. In contrast, what we're doing here is actually finding some additional dollars upfront as we're establishing new protected areas through this land use planning process.

We will work collaboratively, wherever we can, with first nations. We talked about that extensively prior to dinner — about reaching negotiated collaborative management agreements with first nations up and down the coast. We'll consult with other stakeholders as we attempt to prepare management plans that are appropriate for each and every one of the conservancies. Those management plans, in large measure, will

indicate what level of staffing resources is required and what kind of use we will expect to see in those protected areas.

There are protected areas established in British Columbia that don't have any facilities, any upgrades, any equipment, any buildings, any outbuildings, any boat launches or any roads. Those protected areas or parks that were established of that nature don't typically carry with them any additional operational costs. It's too soon to tell just what these 24 conservancies....

Interjections.

**Hon. B. Penner:** Excuse me, members. Thank you.

It's too soon to tell just exactly what these conservancies will look like on the ground in terms of their operational day-to-day use.

**S. Simpson:** I'm to understand here that the minister brings a bill forward and takes it through whatever the procedures are in cabinet. Presumably, somewhere Treasury Board must look at legislation before it comes forward to the House. It's legislation, and there isn't a price tag put on this. The government and the Minister of Finance don't look at this and say, "Okay, the cost of this down the road is \$2 million a year or \$10 million a year," or whatever that number might be. The ministry does nothing to project what the costs of this are long term. Is that accurate?

**Hon. B. Penner:** We have identified a million extra dollars to help us manage the first year of the operations of these conservancies and to help reach negotiated collaborative management agreements with first nations. The member is correct. This is different than what's happened in the past when new protected areas were established, but budgets were not identified.

We have identified some upfront money this year. We hope that through the collaborative management agreements as well as through the establishment of management plans for the conservancies, we'll have a better idea of what the costs will be on a go-forward basis for the ministry to operate these conservancies. It's too soon to tell exactly what first nations and other interested groups will suggest as appropriate in terms of the level of service for those conservancies.

**S. Simpson:** I find it interesting that the government would put forward what is a good plan to create all of these conservancies with more than half a million hectares of land, and ultimately 1.2 million hectares of land, in a hundred-odd areas, and it doesn't have any idea what the price tag will be.

I want to move to another question related to section 6. In section 6(b)(3.1), it talks about how conservancies are set aside and then lays out: "(a) for the protection and maintenance of their biological diversity and natural environments, (b) for the preservation and maintenance of social, environmental and cultural uses of first nations, and (c) for protection and maintenance of their recreational values."

[1910]

I guess my question is, particularly around point (a): would that constitute the environmental test for the ministry in terms of these conservancy areas? Is that what the environmental test is in the legislation?

**Hon. B. Penner:** In fact, there are multiple tests, and you could say there are multiple environmental tests in the legislation. I know we're on section 6 of the bill, which will be amending section 5 of the act. If you skip ahead to section 11 of the bill, which would purport to amend section 9 of the act, there are a number of considerations listed there — for example, sub (9): "A natural resource in a conservancy must not be granted, sold, removed, destroyed, disturbed, damaged or exploited unless, in the opinion of the minister, the development, improvement and use of the conservancy in accordance with section 5 (3.1) will not be hindered by it."

Then that kicks you back to the section we're currently debating, and you go through all of those provisions. So there are, I'd say, multiple tests. It could be that a first nations social, ceremonial or cultural use of first nations itself contains some environmental element. So it's an open-ended definition in terms of what the potential environmental considerations are.

**S. Simpson:** I appreciate that comment. When I had gone forward and read section 11 and read that piece, that's what brought me back, in fact, to section 6(3.1). Those categories are where the set-aside is for conservancies. I assumed when I read section 11 that that was telling me to go back and use those as my criteria to determine whether the minister could in fact approve things.

Am I correct, then, that in terms of the actual tests — because I read that further section to list some of the activities that may or may not be able to occur, which the minister may or may not be able to engage in, but the minister will make that determination based on what he understands from section 3.1 — that is the test — that (a), (b) and (c) constitute the test that you need to measure?

**Hon. B. Penner:** It constitutes some of the tests but not all. Section 6 of the bill which would amend section 5 of the act includes subsection (d): "to ensure the development or use of their natural resources occurs in a sustainable" — emphasis mine — "manner consistent with the purposes of paragraphs (a), (b) and (c)."

[1915]

In addition, if you go ahead to section 11 of the bill and look down at subsection (10):

A park use permit must not be issued to authorize the following activities in a conservancy: (a) commercial logging; (b) mining; (c) hydro electric power generation, other than local run-of-the-river projects; (d) any other activity unless, in the opinion of the minister, the activity will not restrict, prevent or inhibit the development, improvement or use of the conservancy in accordance with section 5 (3.1).

So there are multiple tests. You have to flip back and forth in the bill a couple of different places. Again, it is not exhaustive, because the reference to preserving and maintaining social, ceremonial and cultural uses of first nations may in itself impart some additional environmental considerations depending on what those traditional social, ceremonial and cultural uses required.

**S. Simpson:** We will deal with the other sections. We will come back then, maybe at this point, to deal with this part of the test that is in (3.1).

Could the minister tell us: how are biological diversity and natural environments being determined for the purposes of this section? Is there some kind of scientific, written criteria around this, or is it a general comment that the minister will use discretion on interpreting?

**Hon. B. Penner:** Perhaps the best thing is to make an analogy to the process under which an Environment Minister or minister responsible for protected areas, whether it be a he or she....

[1920]

What legislation currently applies to the issuance of permits for class-A parks. Under section 8(2) — I think I mentioned this earlier — a park use permit "must not be issued unless, in the opinion of the minister, to do so is necessary to preserve or maintain the recreational values of the park involved." There is a further reference in a statement in the legislation that would guide any minister making a decision and that's found in section 5(3) of the Park Act where — and I will just abbreviate here because there is some preamble — it says: "The parks...are dedicated to the preservation of their natural environments for the inspiration, use and enjoyment of the public." That phrase provides some additional guidance that a minister takes into consideration in making a decision about whether or not to issue a park use permit for a particular undertaking in a class-A park.

What we've got here in terms of the conservancy designation, and the new conservancy legislation, is a bit more of a holistic approach, if I could use that term. There's a wider range of considerations, including first nations being specifically mentioned and their cultural and ceremonial uses, etc. There is the biodiversity that's specifically mentioned, which is not specifically mentioned when determining whether or not to issue a park use permit for a class-A park. There are a number of other additions, too, but we've already covered some of those.

**S. Simpson:** I appreciate the minister's comments. In fact, one of the things that raises a question for me is the change in the language. In the Park Act it does talk about natural environments. This piece of legislation has chosen to add the words "biological diversity," and that's a good thing.

What I'm trying to determine is that I'm assuming that over time there must have been some measurements, some guideline the ministry used when it talked

about natural environments and what the maintenance of that looked like. My interest is in what brought about the change to add biological diversity. What does that mean for the ministry in terms of this criteria, particularly when you look at (3.1)? (a), (b) and (c) set out a criteria, and then (d) tells us that if the minister wants to allow for the use of natural resources in a sustainable manner, the minister, he or she, needs in fact to be consistent with (a), (b) and (c), which includes biological diversity. I'm trying to determine what that means because I'm trying to figure out how the minister makes those decisions when those matters are put before him.

**Hon. B. Penner:** This minister hasn't yet had to apply that particular test, because these conservancies still do not yet legally exist and won't until the Legislature makes a decision one way or the other about this bill we're debating. If it is approved here, then it's still up to the Lieutenant-Governor to decide what to do with the legislation.

Just to back up, these areas were recognized, many of them, as globally significant through the land use planning process. Presumably people sitting around that table had some set of criteria that they applied so as to agree on which areas should be included in conservancies.

[1925]

As we go through both the collaborative management plan process as well as establishing specific management plans for the individual conservancies, I'm sure there'll be some specific criteria developed about things that should be considered in assessing proposals for economic activity in the various conservancies. This will be something that will be fleshed out, I think, over time, but today we don't have a single-sentence definition for what is all included in the term "biodiversity."

**S. Simpson:** I accept that this is a broad value statement of some sort that is made here. I find it interesting that the minister is saying that as these management plans or the frameworks are developed, presumably then the ministry will go back and look at the work that may have been done in the LRMP development and the criteria that was used there to make some of these determinations — the analysis.

The question I guess I have is: can we expect, at some time in the future, that there will actually be a criteria that is made available and is public that says: "Here are the guidelines around what constitutes biodiversity, either in all of these areas or in any given area, and these are the criteria or the guidelines that the minister may use when they consider any development or use under section 3.1(d)"? Are we going to see that criteria, or is it going to be somewhat more discretionary?

**R. Fleming:** I seek leave to make an introduction.

Leave granted.

## Introductions by Members

**R. Fleming:** I'd like to introduce to the House Ms. Marilyn Erickson, who is the outreach coordinator for the Crystal Meth Victoria Society, somebody who's no stranger to the Solicitor General across the way. Apparently, she has an interest in the Park Act as well, so she's joining us here tonight to follow debate on this bill. Would the House please make her feel welcome.

## Debate Continued

**Hon. B. Penner:** I'm not an expert on these 24 particular areas, but my hunch is that there will be different biological values in the different conservancies — or at least in some of them. They're not identical, and therefore, the management plans will have to reflect the differences in terms of what biological values, what kind of habitat, what kind of flora, what kind of fauna exist in those areas. We will take guidance from what comes out of the specific management plans for those various conservancies. I'm sure they will identify clearly what the particular interests are in those given areas.

We already know, for example, that one particular conservancy has a preponderance of spirit bears. That's not necessarily the case for all 24. There are different factors or considerations, I would think, to be applied to the various conservancies.

Come next year at this time I expect we'll have another 85 to add to the 24 that we're talking today, so we'll have more than 100 different conservancies. One would expect that there'd be some biological differences between those different areas.

**S. Simpson:** I'm fine with that answer in terms of saying that each of these is a unique ecosystem, they all need to be looked at individually and they bring different things to the table. I would assume that that will also be the case around 3.1(b) in terms of social, ceremonial and cultural uses for first nations. It will depend on who the first nation is and how they see engaging those particular activities around social, ceremonial and cultural uses.

That's all good and fine. The point, I guess, that I'm trying to get to is: are we going to have a time — relatively soon, as these plans evolve — where, should a Minister of Environment be making a decision to allow for natural resource use or other activities...? As the minister said earlier, there are no limits, with the exception now of commercial logging and some major hydroelectric and that. But really, as in class-A parks, you can do pretty much anything in there.

[1930]

There aren't explicit limits, other than that there are now a limited number here, and it is a discretionary matter.

What I'm trying to determine here is if we at some point are going to have a list for those conservancy areas where, should a Minister of Environment in the

future make a decision to allow a use in there that's around natural resources or other things, they can look and say: "Okay, here are the measurements the minister used, and we can determine that yes, the minister did this in a sustainable manner, based on criteria that people get to look at." Or will it be a discretionary matter through something that's more vague?

**Hon. B. Penner:** I don't think the member was meaning to be exhaustive when he was listing two explicit prohibitions. There is, of course, a third one, and that's mining. So there's explicit prohibition in the legislation: no mining, commercial logging or large-scale hydroelectric.

I should also point out to the member that the ministry's policy is that we conduct impact assessments prior to issuing permits for economic activity, and that will be our approach to conservancies. In addition, and I think I made this commitment during second reading debate, there will be no new uses authorized within the boundaries of these 24 conservancies — or what will, hopefully, soon become conservancies, depending on what the Legislature decides — until such time as management plans are put in place.

Those management plans will involve a public process, including public input. When those management plans are complete, they will be posted on the ministry website for everyone to download and take a look at to their heart's content. That is currently our approach with the management plans that are in place for class-A parks.

**S. Simpson:** I appreciate the minister's commitment that nothing of substance will happen in these parks until such time as those plans are in place.

I'm going to try one more question here in relation to this. The minister has said that management plans will be put in place for each of the conservancies before anything of substance is decided around any other uses in there. That's the commitment of the minister, and I applaud that commitment.

Will the minister be committing that those management plans will include an elaboration or a criterion that outlines what "biological diversity and natural environments" means, what "social, ceremonial and cultural uses of first nations" means, and what the recreational values of each of those areas are, so that when this minister or a future Minister of Environment is making a determination about allowing uses there, there are clear criteria based on these values that people can look at and say, "The minister is consistent with that criteria" or "The minister is not consistent," and the public can determine that, should it occur in the future? Will the minister commit that that's what management plans will include?

[1935]

**Hon. B. Penner:** The management plans that will be prepared for the various conservancies will identify the biodiversity, recreational and other values of the areas, as well as other key features of significance within

those conservancies. I don't want to be presumptuous and say, necessarily, what those will be.

The management plans will set out the objectives for the conservancy and, more than likely, list a number of strategies to help accomplish those particular objectives. There are, give or take, about 600 or so management plans currently in existence that apply to existing class-A parks in British Columbia. We'll be busy, because with these 24 — plus another 85 conservancies coming, I expect, next year — there'll be a lot of work to do in terms of hammering out the conservancies.

The member is asking: what does the term "biological diversity" mean? At this point it means exactly what it means. I will attempt to get a dictionary definition, if that's helpful, but we will be guided, I guess, by the plain-language intent of those words, which is maintaining diversity of an array of biological attributes in those conservancies as we prepare management plans and, ultimately, make decisions about proposed uses within those protected areas.

[1940]

Sections 6 to 9 inclusive approved.

On section 10.

**S. Simpson:** Just a quick question here. Section 10, which amends section 8, makes reference to park use permits. Could the minister tell us whether there's any change in park use permits? Are they any different in conservancy areas than in class-A parks? What's the expectation of any changes around these park use permits as they affect conservancies?

**Hon. B. Penner:** There'll be no change in the test applied for the issuance of park use permits for class-A parks, class-B parks, class-C parks, protected areas or recreation areas.

**S. Simpson:** That being the case, how will they be...? It says that an interest in land in a conservancy, then, must not be granted, etc. It uses much the same language for a conservancy as it does when it references parks in the Park Act, so is there anything different about how it will be applied in conservancies than how it will be applied in class-A parks?

**Hon. B. Penner:** I understand that the process in terms of filling out an application to obtain a permit, whether in a class-A park or a conservancy, will be essentially the same. As we've discussed already, the test that will be applied by a minister in determining whether or not to grant a park use permit will be different.

The test referred to, I think, is in section 8(2) of the Park Act, currently, for the issuance of a park use permit in a class-A park. It says that it shall not be so issued "unless, in the opinion of the minister, to do so is necessary to preserve or maintain the recreational values of the park involved" — whereas for conservancies,

there are many more clauses that a minister has to read and take into account. Those are the clauses that we talked about several sections ago.

**S. Simpson:** Then, in fact, a park use permit for a conservancy will be somewhat more prescriptive, because it will have these other criteria that the minister has mentioned and that are in (3.1)(a), (b) and (c). Would that be correct?

[1945]

**Hon. B. Penner:** I think it's probably more accurate to say that there are more factors to be considered when trying to decide whether or not to issue a permit for economic activity or some other use in a conservancy rather than in a class-A park. The class-A park test is fairly succinct, and as we've discovered tonight, the list of things that must be considered before authorizing a use in a conservancy is not quite as succinct.

Section 10 approved.

On section 11.

**S. Simpson:** Section 11, which amends section 9 of the Park Act, limits development in conservancies in a number of areas unless certain criteria are met and, then, in the minister's opinion it would be consistent with the purposes of the conservancy and be sustainable. Could the minister tell us whether he believes that lodges and resorts, under the park lodges and resorts strategy that's currently being worked on by the ministry, would qualify as allowable uses in conservancies?

**Hon. B. Penner:** Before a minister would entertain such a proposal, such proposal or activity would have to be consistent, first of all, with the management plan that would be established for the particular conservancy. In addition, an impact assessment would be conducted by the ministry to determine potential environmental impacts and other impacts of the proposed activity or use. The legislation then sets out the test, which we've discussed at some length already, that the minister would consider — things such as protecting and maintaining biological diversity and natural environments; preserving and maintaining social, ceremonial and cultural uses of first nations; and protecting and maintaining recreational values of the conservancy. So it would have to be consistent with the original purpose of the conservancy.

[1950]

In addition, there's the additional section — I don't have the section number — that has another limit about how things can't be "granted, sold, removed, destroyed, disturbed, damaged, exploited, developed, improved or utilized except as authorized by a...park use permit," provided that — and I'm skipping ahead — it's consistent or will not hinder the utilization of the conservancy.

The member asked a few minutes ago about the phrase "biological diversity" and what our thinking is

in terms of the meaning of that phrase. At this point, it would probably be safe to say it's as defined by the Oxford dictionary, which defines biological as follows. It's an adjective. It means "relating to biology or living organisms." The term "diversity" is apparently a noun and means either "(1) the state of being diverse, or (2) a diverse range or a variety."

**S. Simpson:** Time is moving on; I can tell.

In relation to this section, under section 11(b)(10), it lists "commercial logging; mining; hydro electric power generation, other than local run-of-the-river projects" that will explicitly not be allowed.

I'm interested to note that oil and gas exploration and development aren't on that list. Could the minister tell us what the thinking is around oil and gas exploration or development in conservancies?

**Hon. B. Penner:** Conservancies will be managed in much the same manner as class-A parks with respect to oil and gas exploration and extraction, and that is: no surface access or surface disturbance will be allowed.

**S. Simpson:** Is that said somewhere in here? Somewhere in the legislation, is that explicit — that that is, in fact, not allowed — or is that just a position of the minister?

**Hon. B. Penner:** I'm advised that section 7 of the bill amends — or purports to amend, given the approval of the Legislature — section 33 of the existing Park Act to include conservancy in the list of things that section 33 applies to. So I guess you would say it's a consequential amendment to make the language consistent to include conservancies.

**S. Simpson:** Could the minister tell us: for any of the small, local run-of-the-river projects that are allowed under this, will there be a requirement for environmental assessments for those, as there are for other run-of-the-river projects?

[1955]

**Hon. B. Penner:** We would do an impact assessment, as we would before issuing any park use permit for economic activity within a protected area, be it a park or recreation area or conservancy. In addition to that, and I don't know this for sure, it's my expectation that the normal water use licence process would apply, which in itself triggers a number of referrals through the ministry and other agencies to assess potential environmental impacts, including fish impacts, before any such water licence would be granted to permit the operation of a small hydro run-of-the-river project.

Sections 11 and 12 approved.

On section 13.

**S. Simpson:** I notice with 13, which amends section 16 of the act around occupancy and use of park and

land restricted, that this changes only clause (e) of that section which is to establish or carry on any commercial or industrial activity or enterprise in a park or recreational area.

[H. Bloy in the chair.]

It applies the conservancy to that particular clause around (e), but I don't see where the conservancy is incorporated in (a) through (d). Am I reading this right, that the conservancy is not covered by (a) through (d) since only (e) is amended?

**Hon. B. Penner:** Section 16(a) through (d) is being amended pursuant to section 7 of the bill.

**S. Simpson:** Then maybe the minister could just explain to me, how come (e) had to be explicitly taken out and identified here as a change and (a) to (d) didn't have to be? Maybe there's something in the reading that I don't understand.

**Hon. B. Penner:** I'm told it has something to do with that arcane subject of legislative drafting protocol, and I can tell you it can sometimes be a little bit frustrating trying to understand those ancient conventions. However, section 12 of the bill states that section 12(4) of the act is repealed. The reason why is that there was a feeling that section 12(4) and 16(e) were effectively a duplication and redundant; therefore, we could get by and accomplish the same objective with stating the same thing just once.

Section 13 approved.

[2000]

On section 14.

**S. Simpson:** My question around section 14 is essentially the same question. The same thing occurs here, where (c) of section 17 is in fact changed, but there's no reference to the other components of section 17. Could the minister tell me: are we dealing with the same idiosyncrasies of legislative whatever?

**Hon. B. Penner:** The short answer is yes.

Sections 14 to 16 inclusive approved.

On section 17.

**S. Simpson:** This is more of a confirmation, I think, than anything else. The minister spoke before about the approval of permits, the transitional validation of existing permits and conservancies. Could the minister confirm that until the conservancies and management plans are in place, the government has no intention of issuing permits in these conservancy areas? I believe that's what the minister said earlier, but I'd be happy to have that confirmed.

**Hon. B. Penner:** It's important to note that this is a transitional provision, so for new uses that have not yet been permitted or for somebody who hasn't started the approval process for some type of activity, those proposed new uses would not be permitted until the completion of a management plan for those conservancies.

On the other hand, if somebody has already gone through some kind of existing approval process for some type of activity, then that would be provided for in this transitional section, section 31.1.

**S. Simpson:** Could the minister tell us: are there any such instances in any of these areas, and if so, how many? Could the minister make available that information, and if not right now, make it available in writing?

[2005]

**Hon. B. Penner:** I'm advised that we're still collecting that information, but there may well be existing uses, such as lighthouses. We've already talked about tenures for mineral exploration, and there'll be negotiations to resolve that and reach settlements, hopefully — negotiated settlements to extinguish those mineral tenures and compensate the holders. In addition, I'm advised there may well be guide-outfitting licences that have been granted that apply across these areas.

The ministry is in the process of identifying what those different uses may be. We'll put that information together and be happy to share it with the member.

**S. Simpson:** To be clear here, then, as this process goes forward.... If we assume that this legislation is going to be passed here very soon, what does the time line look like in the eyes of the ministry to begin to complete the process, so that we're no longer dealing with transitional permitting, but we're onto some more stable and long-term ground?

**Hon. B. Penner:** I'm advised it will likely take months at least to complete this process, which is modelled on the existing process under section 30 of the Park Act for class-A parks. Where class-A parks have been established in the past, that then triggers a process of identifying existing tenure holders of one form or another and issuing park use permits through that transitional process.

**S. Simpson:** I look forward to that list being made available of the existing permits and parks, both those that will be ongoing and those that may be extinguished by this agreement. With that information, I'll sit down.

Sections 17 to 24 inclusive approved.

Title approved.

**Hon. B. Penner:** I move that the committee rise and report the bill complete without amendment.

Motion approved.



The committee rose at 8:10 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### PARK (CONSERVANCY ENABLING) AMENDMENT ACT, 2006

Bill 28, Park (Conservancy Enabling) Amendment Act, 2006, reported complete without amendment, read a third time and passed.

**Hon. B. Penner:** I call second reading, Bill 31.

### Second Reading of Bills

#### PUBLIC SAFETY AND SOLICITOR GENERAL STATUTES AMENDMENT ACT, 2006

**Hon. J. Les:** I'm pleased to introduce amendments to several statutes that are under the administration of my ministry. In general, the purpose of these amendments is to make our legislation more effective in protecting the public interest in British Columbia, as well as to modernize and streamline legislation.

A number of the amendments to the Gaming Control Act are proposed in this bill that will improve the legal framework for gaming and ensure the province has the necessary authority to protect the overall integrity of gaming and horse racing in British Columbia. The amendments will strengthen the administrative aspects of the facility approval process while maintaining the requirement for local approvals and community input. They will also strengthen existing prohibitions against unauthorized gaming activities. Also, they will provide for the renewal of security clearance for key individuals involved in the regulation of gaming and strengthen existing requirements for gaming service providers to report changes in ownership or control in advance.

This House passed Bill 93, the Insurance (Motor Vehicle) Amendment Act, in 2003. Bill 93 combines the provisions of the Insurance (Motor Vehicle) Act that currently apply only to ICBC with the provisions of part six of the Insurance Act that currently apply only to private insurance companies. Bill 93 is an important element of government's decision to increase consumer choice and encourage competition in the optional insurance market.

When Bill 93 comes into force, ICBC will continue to be the sole provider of basic vehicle insurance in British Columbia, and ICBC's basic rates and service will continue to be regulated by the British Columbia Utilities Commission, and not by government. Further competition in the optional vehicle insurance market will be encouraged by putting ICBC and its competitors under a common legal framework so that consumers can compare coverage and cost to get the best optional insurance rates possible.

Some of the amendments in this bill are quite technical in nature. These changes are to address the oversights and drafting errors that occurred during the course of development of the regulations required under Bill 93. This amending bill corrects those oversights and completes the legislative process so that Bill 93 can be brought into force.

This bill will also amend the Liquor Control and Licensing Act. The change will allow the general manager of the liquor control and licensing branch to delegate inspection powers to classes of persons. This power is in addition to the current authority to delegate inspection powers to individuals. This amendment will make it much more administratively efficient to delegate inspection authority to officers of the various police forces across the province. The police in B.C. have always conducted routine liquor inspections throughout the province and are a vital and important element of the province's mandate for effective liquor control.

The purposes of the legislative amendments to the Motor Vehicle Act are twofold. The first is to allow for permanent non-expiring validation decals for commercial trailer licence plates. This amendment is in response to a request from the British Columbia Trucking Association to address the difficulties that fleet managers face in locating trailers, often across North America, in order to affix validation decals each year. The amendment will allow ICBC to issue permanent decals to commercial trailers, thereby easing this administrative burden. It is important to note that the annual requirements for licensing, insurance and inspections for these commercial trailers will remain unchanged at this time.

[2015]

The second amendment provides a regulation-making authority to allow on-board diagnostic testing in place of tailpipe testing for 1998 and for newer vehicles in AirCare inspections. As opposed to a tailpipe measure of exhaust emissions, an on-board diagnostic test is a functional test of certain emissions-control components on the vehicle and is done through on-board computers.

The on-board diagnostic test downloads information from on-board computers and identifies vehicle malfunctions that contribute to excessive emissions. This shift in testing methodology will continue to reduce emissions while increasing motorists' convenience, as the on-board diagnostic test can be done more quickly than a tailpipe test.

These are the amendments that are being proposed in this bill. With these amendments, our ability to protect British Columbians is enhanced, and their ability to comply with rules and regulations is made less burdensome. With that, I now move that the bill be read a second time.

**J. Brar:** I rise to respond to Bill 31. This bill proposes a number of amendments to the Gaming Control Act; Insurance (Motor Vehicle) Amendment Act, 2003; Insurance Corporation Amendment Act, 2003; Passenger

Transportation Act; Liquor Control and Licensing Act; and the Motor Vehicle Act.

I understand that this bill, in a general sense, is a housekeeping bill, but when I think about what the government wishes to ultimately achieve through the implementation of this bill, when I think about what the actual outcomes or impacts of this bill will be in terms of reducing harm to the community and making the community safer, then the idea of introducing this bill opens a number of questions on the lines of whether this bill will serve the people of British Columbia as the effective tool to do what it is intended to do.

The amendments to the Gaming Control Act seem to deal with search and seizure of illegal gaming operations. However, sections 5 and 6 define a non-binding dispute resolution mechanism under the B.C. Lottery Corp. that establishes host and affected municipalities and sets compensation guidelines.

We have some serious concerns with regard to these two sections, and we will deal with that when we get the opportunity for third reading of this bill. I'm sure my colleague from North Delta also has some serious concerns with regard to those two sections of the bill.

[H. Bloy in the chair.]

My understanding is that the intent of this bill is to provide the police and law enforcement agencies with better tools to deal with illegal gaming operations more effectively. My understanding, also, is that, at the end of the day, this bill has to serve the public good and reduce the negative impacts of gaming on the people of British Columbia. Those are good things. There's no doubt about that, but the more gaming activities in the province, the more the harm to the public.

My concern is that the gaming activity in this province has significantly expanded in the last four years. In 2001 this government promised not to expand gambling, but in fact, they did the opposite. The number of slot machines has doubled in the province. There's no cap on the slot machines, which used to be 300 in the past. One casino in Richmond has over 1,000 slot machines. Now the new minister has decided to install 500 new electronic racehorse tracks in the pubs and bars. Gaming is everywhere in the community as a result of the expansion of gaming by this government since 2001.

[2020]

The revenue from gambling has gone up as well — by \$260 million — since the Liberal government took over. It's clear from the expansion of gaming that, for this government, it is the profit but not the people of British Columbia that comes first.

Is it a positive change? Is that a responsible management of gaming? Does that reduce harm to the people of British Columbia? Does that make communities safer? Those are the questions we should ask when we think about the expansion of gaming that took place during the last four years — and encourage British

Columbians, specifically young people, for gaming is not a positive change and does not fit into those five great goals which this government keeps claiming almost every day in the House.

My concern is that this government continues to refuse to acknowledge the expansion of gaming, although it is very clear that gaming has been expanded significantly during the last four years.

My other concern is the issue of trouble gamblers. This government has done very little to deal with trouble gamblers as compared to all other provinces in the country. That is an issue to which this government should be paying attention, because that is a very serious issue. Similarly, this government has done little on the important issue of responsible management of gaming. Those are the initiatives we need in this province to reduce harm to the public and to make the public safer.

If the ultimate goal of this bill is to reduce public harm from gaming activity, one would ask whether the minister has done any comprehensive review of gaming to identify areas that need improvements to reduce public harm. One would ask whether the minister has done any comprehensive review on the negative impacts of the expansion of gaming by this government.

I would like to speak briefly about the Liquor Control and Licensing Act as well. Again, it's a good idea to streamline the process for delegating authority to inspect liquor establishments to the police. Again, it's my understanding that the intent of this amendment is to improve the safety of communities by reducing harm caused by liquor misuse. From a commonsense point of view, the more that liquor is available in the community, the more that harm is caused to the community.

Surprisingly, the total number of liquor stores under this government has gone up from 774 in 2001 to 1,188 as of now. It's very surprising that the number of slot machines has doubled since the government took over, but on the other hand, 113 schools were closed by this government. The number of liquor stores has also almost doubled, but on the other hand, hospitals were closed by this government.

If the ultimate goal of this bill is to reduce public harm caused by liquor, then one would ask whether the minister has done any comprehensive review on the impact of almost doubling the liquor stores in the province. One would also ask whether this bill alone will reduce the harm caused by liquor or whether more needs to be done.

We also need to look into whether the minister has done any research as to what other provinces are doing to deal with a similar situation, particularly to make the community safer, when we talk about the gaming activity and the liquor issues. I will talk about that a little later.

[2025]

At the same time we would also ask a question about the capacity of the police. We see bills after bills — introduced almost every day. That adds more responsibility and additional work for the police force we have in the province, but the capacity of the police at

this point in time cannot take any more work. Actually, they need more support to deal with the existing workload that they have.

My concern, once this bill is actually implemented, is how it's going to affect the ability of the police. Whether the police have the ability and capacity to do this work effectively or not — that is also a question the minister has to think about when introducing this bill in this House. I have no doubt that the chances of harm to the public with the expansion of liquor stores are much greater than the actual outcome of this bill once implemented.

Let us see what the other provinces have done to deal with similar problems, particularly to make the community safer. Alberta has already reduced the number of VLTs by 15 percent in the past three years and plans to further reduce those numbers. Nova Scotia got rid of 800 VLTs, or 30 percent of the provincial total, last year — a move which cost that province about \$40 million in the annual budget.

Those are the things this government has to think of and to act on. Those are the initiatives which will make the real impact when we talk about providing public safety. This bill alone will not lead us anywhere. If we talk about whether this bill alone will fix everything, the answer is no. This bill certainly is a positive step, but there are much more serious issues, and there are much more important initiatives this government should be taking in order to achieve what the government wants to achieve by introducing this bill.

Therefore, it's clear that this bill alone will not achieve the ultimate goal of making the public safer. This government must consider similar initiatives as taken by the Alberta and Nova Scotia governments if the government has a real interest in making the community safer.

I would like to conclude by saying that I generally support the bill, but that does not mean we don't have any questions. We have a number of questions and concerns. We will debate those when we go to the third reading. Having said that, I would like to once again say that we support the intent of the bill, but much more work needs to be done if we really want to achieve what we want to achieve through this bill.

**G. Gentner:** As I rise, I have to announce that we know that the Calgary Flames are one goal down, but by the end of my speech, I'm sure they're going to be ahead of the Mighty Ducks.

I rise and would like to thank the Solicitor General this evening for coming forward with the Public Safety and Solicitor General Statutes Amendment Act, 2006. It addresses some of the housekeeping aspects of the Gaming Control Act, the Insurance (Motor Vehicle) Amendment Act, the Liquor Control and Licensing Act and, of course, the Motor Vehicle Act.

I'm not going to try and re-address some of the questions posed by the member for Surrey-Panorama Ridge, but I will address, primarily, the issues regarding the Insurance (Motor Vehicle) Amendment Act of 2003. Primarily, this amendment bill is to the old Bill 93

that for the most part hasn't really been in force. Upon passing this bill, Bill 93 will be fully implemented. What the bill does is somehow cross the t's and dot the i's of the government's plan to gradually, we believe, privatize auto insurance in this province.

[2030]

Hon. Speaker, we have had a legacy under W.A.C. Bennett that saw private companies, primarily monopolies, nationalized. It was a pragmatic assessment that capital could be raised more cheaply by the state, delivered more efficiently and managed in the public interest, and integrated in a system that delivers, rather than a patchwork of private companies. Government, for a range of societal functions, primarily social and health functions such as infrastructure, hospitals, schools and even insurance, delivers many of these functions directly by government, and it's been done very efficiently.

The Solicitor General knows better than to continue along the path of privatizing ICBC. He was very much involved, for example, in municipal government, whereby he worked with the private sector. He also knew the municipal government not only partnered with private enterprise and non-profit societies, but he also understood the value of public assets.

Auto insurance is perceived as being somewhat different by many. It's interesting what this government is willing to give up and yet keep control of other things. Privatization was and still is a guiding principle of this B.C. Liberal government. They have a panacea for what is always wrong with government. To be fair, previous governments have privatized functions of government. However, the privatization notion accelerated under this government during its first term, and thus, today we have what has resulted in Bill 58 and Bill 93.

What is interesting is the Liberal government's incredible haste in attempting to ram through privatization of car insurance through Bill 58 and Bill 93. Yet, there's a glitch along the way, and here we are trying to amend some of the problems that it incurred — primarily that of the outcry of many in this province.

Two and a half years later the government is still trying to fine-tune its private car insurance agenda with further amendments to Bill 93. Some parts of the Solicitor General's new amendment to the Insurance (Motor Vehicle) Amendment Act are means to recant some of the extreme language. However, we know that today is a continued path, though now incrementally introduced and slower than the anticipated full-blown private auto insurance.

Again, in the quest of efficiency, the government will insist that privatization is necessary. Incrementally, the government is privatizing ICBC — an auto insurer that is the envy of motorists throughout all of North America. The government has opened the door for private auto insurance on the optional side with the assertion that ICBC had to increase its reserves to high private insurers' levels.

In banning compulsory auto insurance, it brings greater risk and more liability for ICBC, and conse-

quently, we are now seeing rates increase up to 6.5 percent annually for this year, and more than likely, we'll see a 10 percent increase in 2007. By abandoning compulsory insurance, ICBC is vulnerable to a market of high-risk drivers while private insurers could one day offer discriminatory rates for the good drivers.

ICBC will collapse with this mandate, which is the mandate of this government. The public car insurance program is one of the cheapest insurance rates in all of Canada. ICBC is a national success story. And really, how successful is public insurance? I've mentioned it before in this House.

We can look at the example of Lloydminster, which straddles the border of Alberta, which has private car insurance versus that of Saskatchewan which has public car insurance. We know that beer is cheaper in Alberta. Consequently, the residents on the Saskatchewan side of Lloydminster cross, and hopefully walk, over to their pub of choice in Alberta. However, when it comes down to buying car insurance on the Alberta side, the residents will go on the other side of the border to Saskatchewan and buy their public car insurance there. Somehow their cars are registered in Saskatchewan. It's funny how that works.

[2035]

I want to talk about international examples. Before 1992 Germany had a dual property insurance program. Part of the country had competition while the other half had public or compulsory. A simple comparison between compulsory monopoly and the private insurance companies prior to 1992 should have been enough to convince the EU that introducing competition was unlikely to improve consumer welfare. Public insurance was about half the cost of private. The competitive insurance company spent 16 cents per 1,000 insured of deutsche marks on administrative sales costs, while the public spent only 3.3 cents. Internationally, public insurance works, not only for car insurance but for property insurance.

As a general rule, in competitive property insurance markets between 30 to 40 percent of the premium income is regularly used to cover administrative costs and sales commissions, but Germany allowed private insurers to compete with compulsory monopoly institutions, and by doing so, a massive rise in administrative and sales costs in the level of premiums....

In Hamburg from 1992 to 1998 private rates increased by over 35 percent, and more than 60 percent of the increase was for commissions for sales. Bavaria had a 40-percent increase in rates; in Baden-Württemberg, a 75-percent increase. Compulsory monopoly institutions lost less than 5 percent of their customer base. State monopoly insurance does not have the fear of losing their good risks to competitors. It can engage in a certain amount of cross-subsidization.

As shown, ICBC, as with the German example, in an economy, through great changes, remained relatively efficient during the 1990s. A society keeps public insurance not only for cars but for property. In the case of natural disasters, by the way, the compulsory monopoly government insurers also provide, where all the private insurers cannot, for such things as when there

is a Hurricane Katrina. This is the benefit of a compulsory system: looking after the public at large.

However, I digress. The point is that the German example shows that private insurance companies cannot compete against the public compulsory rate. So the question is: why is the government continuing on its lame-brained proposal? Clearly, you can not do both. Either it's a private insurance system, or it's a public insurance system.

Bill 93 is an attempt to appease the lobby of the transnational car insurance corporations. It is only one of many steps along the reckless road of killing ICBC, even though government may deny it, and forcing higher rates onto consumers.

The Club of Rome, in a recent study, *The Limits of Privatization*, stated that there are limits to privatization, in the sense of thresholds beyond which the cost of privatization outweigh the benefits. The government grapples with privatization in various forms — privatization of monopolies; outsourcing; private financing for profit, resulting in transferring assets back to the state; and transferring publicly owned assets into private hands. Such regulating should apply to both private and public sectors in a never-ending urge to find efficiency and effectiveness.

Granted, part of the legislation regulates ICBC, but when the government succeeds in its demise, who will regulate the private auto insurance companies which are a virtual oligopoly?

Interjection.

**G. Gentner:** Thank you, hon. member.

I have to remind the minister that there is no anti-trust legislation in this country. I have to remind the minister that before ICBC there were only a few transnational insurance corporations, which acted like some cartel dictating insurance rates in spite of competition. I have to remind the minister.

Where was regulating before ICBC? Or where will it be after this government successfully dismantles British Columbia's own insurance company? I have to remind the minister that this is a company owned by British Columbians, and the actions of Bills 58 and 93 are against consumers of car insurance and the people of British Columbia.

[2040]

I have to remind the minister that since ICBC must now go before the B.C. Utilities Commission regarding compulsory car insurance.... So why don't oil companies have to do the same? Why is it that the successful, B.C.-owned ICBC has to go before the BCUC and that the consumer-gouging, rich, oligopolistic oil companies don't for their gasoline price increases?

The minister will respond that it has been tried in the Maritimes and that oil prices are still high. So why, then, regulate ICBC? We have forced ICBC to go before the BCUC to make it efficient, and yet rates are now increasing.

While ICBC rates are based on your driving record, private insurance presumes all young drivers and sen-

iors are bad drivers and therefore charge higher rates. In Texas, for example, 46 percent of all private insurers use your credit history in setting your insurance rates. Large multinational insurance companies and the Insurance Bureau of Canada are campaigning. They were campaigning in 2003, and they are once again campaigning to end public auto insurance on behalf of their 200 private property and casualty insurance corporate members.

Penalties under the North American Free Trade Agreement mean that once public auto insurance has ended, it would be nearly impossible to bring it back. Private insurance companies could file enormous claims for loss of business if a future government tried to reintroduce public auto insurance. ICBC is a good deal for B.C. drivers. ICBC delivers a quality product at a very fair price.

Let me just review for a moment the mandate of ICBC as a public insurer and the benefits it provides to British Columbia. It is worth maintaining. It provides for a non-discriminatory rating, which does not base rates on age, gender or marital status. It provides for universally available coverage and limits, whereby no risks are refused coverage. It provides for a coordinated, effective and efficient approach to road safety involving ICBC and its brokers.

It delivers through the broker's door, which has provided customers with personal, point-of-sale, one-stop convenience. Brokers are able to provide all relevant documents at one time to the consumer. It provides for efficient linkages between licensing, motor vehicle registration and basic liability coverage.

The ICBC operation, as a Crown corporation, also provides for premium-cost stability. In British Columbia we have avoided this roller-coaster once again being exhibited in other provinces — like Ontario, Alberta and the Atlantic provinces — in terms of rates and costs to the consumer, in terms of auto insurance.

The last thing about the way ICBC now operates in conjunction with brokers is that it provides an efficient collection of motor vehicle debts and fines by the broker force.

On the issue around non-discriminatory rating and setting its rates, ICBC does not discriminate on the basis of age, gender or marital status. All drivers subsidize themselves at some point of their lives.

Maintaining non-discriminatory rating in a private insurance system would not deliver the cheaper rates some people expect from increased competition. Why? Because the private insurance industry sets its rates based on its ability to discriminate, thereby giving the best customers the best rate today without being bound to give that customer a comparable rate on future policies or even to do business with the customer if it is not in their best interests to do so.

The private companies have a mandate to make a profit. ICBC has a mandate to break even, and with that is consumer protection.

[2045]

The size of the auto insurance market for ICBC, thanks to its monopoly on basic coverage and its ap-

proach to mandatory insurance, makes it possible for Autoplan brokers to operate in smaller communities. All B.C. auto insurance brokers have the same agency contract with ICBC, which ensures consistency of product and service, no matter if you're in a large urban centre or the smallest rural one.

Looking at these numbers, you might have guessed which provinces provided for a public auto insurance regulatory regime. It's provinces with the least amount of rate changes: British Columbia, Saskatchewan and Manitoba, all of which are legacies of an NDP government. However, that is now beginning to change, since ICBC had to move reserves, as dictated by the BCUC and interfered with by this government.

Private insurers hate ICBC. The private insurers say they can do it better. The problem is that the private insurers charge more when it comes to rate increases. They go for triple that of the publicly owned insurance companies.

The government also likes to go on and on about how ICBC basic rates are now regulated. Since Bill 93, optional insurance has now moved from 10 percent to 15 percent of the market, and it's going to climb. ICBC rates will continue to escalate because private businesses need higher rates in order to compete.

We believe in ICBC, and we believe that ICBC has done a stellar job for British Columbians. We are the envy of many, many provinces. We should maintain ICBC, keep it intact and continue to encourage it to fulfil its mandate to provide a service that is fair, affordable, efficient and non-discriminatory.

With those opening remarks, I conclude, and I am looking for a third reading to drill down into some of the so-called dotting of the i's and crossing of the t's.

**Hon. J. Les:** I won't hold members of the House too much longer this evening, but I do feel compelled to make a few remarks in response to the members opposite. I had difficulty, actually, understanding that they were responding to the bill that we're debating this evening, because it seemed that they suspect that somehow there's a conspiracy theory embedded in each clause of the bill. I'm looking forward to committee stage debate, clause by clause.

As I listened, particularly to the member for Delta North and his staunch defence of ICBC, perhaps he would have been useful around this place in the late '90s and the early part of this decade when the party that he represents actually raided ICBC for political purposes — shamelessly did so. They mailed out rebates to British Columbians from across the province — frankly, almost bankrupted the corporation and left it in a shambles.

Now this member this evening stands up and defends ICBC, and good for him. But the party that he represents was the greatest danger that ICBC ever encountered. While I appreciated his version of the socialist manifesto and his particular version of the Chicken Little routine, this bill actually ensures that ICBC will continue to serve British Columbians well.

[Mr. Speaker in the chair.]

It will continue to provide compulsory insurance to all British Columbians on a non-discriminatory basis, and it will continue to provide optional insurance on a competitive basis with the private sector in a very transparent way. We think that is a good thing. That is something which ensures that ICBC is going to be able to be soundly maintained in the future for the benefit of all British Columbians. I look forward to committee stage debate with the members opposite in the days ahead.

With that, Mr. Speaker, I move second reading.

Motion approved.

**Hon. J. Les:** I move that the bill be referred to a Committee of the Whole House to be considered at the next sitting of the House after today.

Bill 31, Public Safety and Solicitor General Statutes Amendment Act, 2006, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

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

Hon. C. Richmond moved adjournment of the House.

Motion approved.

**Mr. Speaker:** This House stands adjourned until 10 a.m. tomorrow morning.

The House adjourned at 8:50 p.m.

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## 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 3:02 p.m.

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

**M. Farnworth:** I just want to let the minister know that we'll pick up from where we went yesterday, and we'll continue with some of the questions around the provincial nominee program. Then we'll switch to the ITA and apprenticeship training, and we should finish by dinnertime this evening — to give the minister an idea of the layout.

Last night, or when we adjourned yesterday, I had just asked a question about the dispute resolution panel mechanism: was it binding on the provinces of B.C. and Alberta in relation to the B.C. and Alberta agreement? He indicated that it was, that it had the ability to make a binding finding as well as to levy fines of up to \$5 million.

I was asking a question about how it would work if an Alberta business, for example, felt that a B.C. regulation was impairing its ability to do business and whether they could launch a complaint. The minister said there were the tests of reasonableness to follow and that you would have to demonstrate how it impacted on you. If that were successful and you got to that stage where the panel did make a binding resolution, in that case, then, would it be fair to say that that regulation or resolution would have to be changed — that it could order the government to make a change to a regulation or to a policy?

**Hon. C. Hansen:** I think it's important for the member to recognize what the scope of the agreement is. The scope of the agreement is with regard to trade, investment and labour mobility. There is nothing in the agreement that impinges upon a province's ability to make its own regulations. We don't have to harmonize all of our regulations with Alberta. But what is required is that our regulations cannot be discriminatory in favour of a British Columbia individual or company and discriminatory against an Alberta counterpart.

[1505]

**M. Farnworth:** That's the assurance I want to get from the minister. The way it came across yesterday when we were leaving is that the dispute resolution panel is a very powerful body in the sense that it has the ability to make a binding recommendation and to levy fines of up to \$5 million. That's not a \$50 traffic ticket. That's a significant amount of money. So the question I was trying to determine is: under what scenarios could it impact on the province of British Columbia?

I would like to ask some further questions around the issue — the minister just touched on it — that we're not harmonizing. Clearly there's some desire to bring regulations into sync over a transition period. If there are regulations that are found to be deleterious, either to Alberta companies or to B.C. companies, what's the process in determining which regulation or what activity or policies have changed in the areas the agreement covers?

**Hon. C. Hansen:** In terms of the process as to where we go from here, as I mentioned last night, there

are some just super-dedicated individuals working in my ministry — but they have their counterparts in Alberta too — who have really been responsible for pulling this together and doing all of the consultations with outside bodies, and especially with ministries, to really identify where the challenges might be and how they can be properly addressed. Those individuals, those officials, within their respective governments, will continue to work on this.

In the time from now until the end of the transition period there's a fair amount of work to be done that they will be coordinating. It really is a case, as much as possible, of proactively looking at the regulations and other requirements that may be inconsistent with the agreement but also to get input from other bodies who may flag particular challenges as we go forward. We're going to have to deal with those.

Even once we get through the transition period, there is going to be an ongoing requirement that both governments have a capacity to make sure we stay consistent with the agreement, going forward. For example, as regulations are brought forward for approval by Lieutenant-Governor-in-Council or as legislation is brought forward, it's going to have to go through a lens to make sure that it is, in fact, in keeping with this new agreement.

**M. Farnworth:** I guess my concern is that this does not become a cumbersome process. I could see it becoming quite cumbersome if you're trying to look at regulations that we're passing or making here in B.C., applying that lens, and at the same time the Alberta government can be making regulations even in the same area or applying that lens. If this is going to work, you really have to make sure that that communication is taking place between not only the ministries within government but also government to government.

Given the nature of how governments sometimes work or don't work, how confident is the ministry or the minister in the ministry's ability to ensure that the lens is applied correctly and that the various ministries stick to the agreement?

[1510]

**Hon. C. Hansen:** For the last 11 years we've had the same challenge with regard to the agreement on internal trade that all provinces signed onto in 1994. It became effective in 1995. There's had to be that lens applied to make sure we stay consistent with the agreement on internal trade. This agreement, obviously, takes that agreement much farther.

I think what has to come out of it is not so much that there are only one or two people in government who are the watchdogs to make sure that this agreement is being abided by but, really, that it becomes a bit of a culture shift within government so that people recognize that this is an obligation and a priority we have as government to design regulations, legislation and other requirements, going forward, in a way that will keep us in compliance with the agreement.

The other thing is that I have no doubt that there are going to be a lot of watchdogs out there. If you take

the trucking industry today in British Columbia, I know for a fact that they watch the regulations that are going down, whether it's in Washington State, Alaska or Alberta. They watch those emerging regulations and legislation pretty closely. We have no doubt that will continue, and I'm sure they will bring to our attention any instances where they think the agreement is being breached.

Within the agreement there are actually some specific requirements for this ongoing administrative process. Article 17, for example, requires that each party appoint a minister or ministerial committee to assure implementation of and ongoing adherence to the agreement. There are also provisions in here for ad hoc working groups, where specific challenges may come up, and both parties can jointly establish a working group that can make sure we work through these challenges.

The other innovation that I think will be very helpful in resolving some of these before they become problems is our joint cabinet meetings. The one that we had in Alberta last Friday was the fourth joint B.C.-Alberta cabinet meeting. It's become a fantastic forum to allow both provinces to really look at opportunities and seize on the ways that we can work more closely together.

I'm quite confident that there's built into the system enough oversight that the implementation of this agreement and its ongoing adherence should be a fairly easy challenge for both governments.

**M. Farnworth:** What I hear from the minister is the application of this lens. He's confident because we already apply another lens, and that's to the national agreement on internal trade. So there will be two lens applied. There will have to be the one to ensure that the B.C.-Alberta agreement is being adhered to and then at the same time to ensure that what's being done also adheres to the national agreement.

While I accept the minister's explanation about the issue around working groups and the joint cabinet meetings, I'm also concerned that there is the potential there for additional red tape and extra work that may slow the process down, so we will watch that with some considerable interest.

I guess one thing that relates to that.... I know the minister said that he has a team of dedicated staff working on it, and I'm sure they are working extremely hard on it, but staff can only do so much. Is there additional funding required for the implementation of this agreement?

**Hon. C. Hansen:** No, and in fact if you look at the amount of hours that have gone into getting us to the point where we've got an agreement that's ready for signing, it has been a big load on a couple of key staff people. I know for a fact that they are actually quite excited about this agreement. It has been, I'm sure, one of the things in their public service careers that they will be most proud of, because it is a tremendous accomplishment on behalf of both provinces.

They know that there's work ahead. I think they're quite excited about that challenge, but probably in

comparison to what we've just been through over the last couple of months of trying to finalize the agreement, I think the road ahead will probably look to be fairly easy for them.

[1515]

**M. Farnworth:** Sometimes the hardest part of an agreement is the implementation of the agreement, and I hope the minister is right that the hard work has been done. I am surprised that there's not a requirement for additional funding. However, it is a lot to get through here. I'll just say that we will watch that with considerable interest, and I won't be surprised if the minister comes back for some additional funding, knowing how things work.

My next topic that I'd like to briefly ask the minister on is around the Competition Council. What's the current rate of funding for the Competition Council?

**Hon. C. Hansen:** The budget for the work of the council last year was \$500,000. In this current fiscal it is \$280,000.

**M. Farnworth:** Is there a reason behind the reduction?

**Hon. C. Hansen:** Yes. We've given the council a deadline. It will sunset during this fiscal year, so they will not be in operation for this entire fiscal year.

**M. Farnworth:** The Competition Council has presented a report to government — most recently, I guess, on the state of the forest industry. Has the ministry responded to that report? Have they taken a position on it?

**Hon. C. Hansen:** The first two reports of the council have been made public, as the member has indicated: one on the forest sector, the other on the pulp and paper sector. The Minister of Forests has given some initial public response to that, and we have asked the Ministry of Forests to lead in terms of what the appropriate response should be to the recommendations of the Competition Council. That work is currently in progress.

**M. Farnworth:** What are the other reports the Competition Council is working on?

**Hon. C. Hansen:** In addition to the wood products sector and the pulp and paper sector, there are ten others. They're manufacturing; transportation; mining; biotechnology; tourism; construction and housing; high technology; oil and gas; film and media; and professional, scientific and technical services.

**M. Farnworth:** That's quite a list. I'm interested in.... I know the minister said that the Minister of Forests has made some brief comment on the reports that are out there. Does the minister expect his ministry to be commenting on those reports, particularly as they relate to technology?

**Hon. C. Hansen:** Once these reports are received.... We anticipate that the final reports will probably come in over the coming months. As they come in, they will certainly be considered by the respective minister — or ministers, as there are in some cases — and we will get feedback from those respective ministries. The recommendations and the findings of the Competition Council will certainly guide us as we move forward on developing longer-term economic strategies for the province.

**M. Farnworth:** I guess that's one of the questions that we have and, I know, that others have. The government has invested money in the Competition Council. There's time and effort in the Competition Council. The question is: are those reports going to form the basis of government policy? Will they be received by government, commented on and actually used? Or are they something that's sort of out there — "Oh, this is nice" — and then they sit on a desk somewhere for an archivist to look at years down the road?

[1520]

**Hon. C. Hansen:** They will be very important tools to guide the development of public policy. I can't say at this point — not knowing what the council is going to recommend — that they are going to become the bases for our economics strategies. My hope is that they will, and I have every expectation, actually, that they will become the bases for the development of our economic strategies, because I think there's some real solid work that's being done.

Having said that, I don't want to create any impression that we're going to simply rubber-stamp the recommendations and adopt all of them. We will take a careful look at the recommendations and proceed in a way that makes the most sense.

**M. Farnworth:** I'd like to ask some questions now about the provincial nominee program. Could the minister outline where the program stands this year in comparison to last year?

**Hon. C. Hansen:** Just to give the member some of the stats as to where we are at, the total number approved or eligible for nominations since the inception of the.... Sorry. Actually, this is just the business program. I probably grabbed the wrong sheet here.

There are several categories within the PNP program, and one is what we refer to as "strategic occupations." The total number of nominations in that category since 2001 is 1,560, so it's actually been ramping up. Each year has been increasing, and we expect it will increase fairly significantly in the years to come. Last year, for example, total nominations in '05-06 were 721. So you can see that of the four years since its inception, about half of the nominations have actually taken place in the last fiscal year alone.

About 20 percent of the total nominations have been for jobs located outside the GVRD. We've set ourselves a target to actually increase that going forward.



The top employment sectors are health care, post-secondary education, construction and high-tech, and we're looking to broaden that in terms of the sectors.

There's also the business immigration program itself, which falls under the PNP program. There, there have been 208 approved and eligible since its inception in 2002. The total new investment committed in that period of time is \$231 million. The total new jobs created: 1,147. The total number from just last year alone was 85 and a total of \$121 million — last year. It's a program that is growing each year as we go forward, and it's becoming a very useful tool in meeting some of the skill shortages.

It's one of those programs where we are carefully trying to expand the knowledge of the fact that the program exists, because the success is in the fact that we can fast-track immigration status for a skilled immigrant or a business immigrant who's going to come in and create jobs. In order to do that, we want to make sure the program doesn't get overwhelmed with applications before we can actually staff up in an appropriate.... It is a bit of a balancing act, as we publicize the program, to make sure that we're managing the flow of new applicants in a reasonable way.

[1525]

**M. Farnworth:** In terms of the skilled immigrant component, what is the ratio? The minister said that 20 percent are outside the GVRD. How does this year, or this past year that you've got figures for, compare to the last four years? Has it been static? Has it been declining? Has that percentage been increasing?

**Hon. C. Hansen:** To date, if you combine the programs that fall under PNP since its inception in 2001, there have been over 1,750 individuals who have come to the province under the program. Over 800 of those 1,750 were from last year alone.

**M. Farnworth:** That wasn't the question I asked. It was: what percentage of people coming into the program are locating outside of the GVRD? The minister said that he wanted to see that percentage increase, and he's working on a way to get that increased. My question is: how does that — we're at 20 percent now — compare to the last four years?

**Hon. C. Hansen:** I'm still not sure that I'm going to answer the member's question appropriately, but I'm going to do my best here.

In terms of the two programs, strategic occupations, which is aimed at skilled individuals.... That's where I mentioned that last year we had 721 come in, and over 20 percent of the total nominations have been for jobs located outside the GVRD — right? I don't have the historic breakdown of that percentage. I could try to get it if the members would like me to pursue that.

The other thing is that, with the skilled workers, when they come in, we know where they're headed for their initial job. We don't know where they subsequently may be employed in the province. As we

know, there are a lot of jobs that individuals coming into B.C. — jobs in the lower mainland — are being attracted by some of the great job opportunities elsewhere in the province....

If you look at the business immigration side, over half of the approved applicants there are destined for areas outside of the GVRD.

**M. Farnworth:** To the second question, that's definitely an answer that I'm looking for. When we discussed this last time, I think the issue that came up is that it's often very easy, in the lower mainland, to be aware and to access particular programs, and it's much more challenging outside of the lower mainland. I guess my concern is: what initiatives are being undertaken to ensure that those areas, those communities and those businesses outside of the lower mainland are able to access the program and are getting their fair share?

The other is: what efforts are we undertaking with people coming who are targeting in the province, so that when they make an application, they are aware of opportunities outside of the lower mainland? I mean, there is an argument people make that we don't need quite so many people in the lower mainland, but we need a lot more people going to Kelowna, to the north Island, to the Kootenays and to the interior. We want to encourage people to recognize that those parts of the province are also great places to go to.

[1530]

**Hon. C. Hansen:** The ministry has ten individuals, regional project managers, located around the province, who work very closely with communities and with companies trying to identify what their key challenges are for expansion or retention. Actually, I had the pleasure to meet with them yesterday morning before the House met, because they were all meeting here in Victoria. They are a very dedicated group of individuals who have done some great work on making sure that the province is being of assistance and is being supportive to companies that are looking to expand or relocate to other parts of the province, and things like that.

[A. Horning in the chair.]

Each of those regional project managers, as part of their obligations, is sitting down with companies and talking about the PNP program and how these companies can benefit from it. Quite frankly, that's the one thing they told me yesterday that comes up everywhere in the province — the whole issue of skills shortage. And if it's not a real shortage on the part of companies, there's certainly an anxiety that they may be facing it, so the PNP program is becoming more relevant.

The other thing, when you talk about the regional distribution of people coming in on PNP, is that a year ago we were not facing the same kind of job opportunities in other parts of the province outside of the lower mainland. In the lower mainland the construction sec-

tor, for example, has been running on all cylinders for the last couple of years now. What we've seen in the last year is that, increasingly, employers from other parts of the province are starting to find those challenges, and we're steering them in the direction of the PNP program to help them.

But it's not up to the ministry or to government to steer an individual to another part of the province. It is actually up to their employer. The way the PNP program works is that an employer has to make a job offer to a skilled worker coming from another part of the world. That's part of the process of us being able to fast-track their immigration status, because they already come in with a job offer, and that job offer would be specific to a work site somewhere in the province.

We are reaching out to employers around the province. There's also great information on our website to make sure that everybody has equal access, regardless not only of where they are in British Columbia but wherever they are in the world in terms of how they can access this program.

**M. Farnworth:** I understand what the minister's saying. What I'm interested in and concerned about is that there's a recognition that, you know, 20 percent were going outside the lower mainland. There was an indication that the ministry wanted to see that increase, so I was interested in what strategies are taking place and how successful they are.

The other issue is around statistics. I do think there needs to be some tracking of statistics in relation to other parts of the province versus the lower mainland, and I hope the minister would continue that.

On the business investments program, the minister indicated, I think, that just over half were located outside of the GVRD, the lower mainland. Is that in part related to the fact that there's a difference in the amount of money required in the program? And has that amount of money changed?

[1535]

**Hon. C. Hansen:** The member is correct. There is a differential between GVRD and the rest of the province. In order to come in as a business immigrant into the GVRD, the immigrant has to be prepared to put an \$800,000 investment forward. Outside the GVRD it's \$300,000, so there is a definite incentive to locate elsewhere in the province. Each of these applicants has to develop a business plan, and then they have two years to fill the objectives of the business plan.

Interestingly, there have been 44 companies that have now gone into the program and have been there for the two years. All of them — all 44 — have completed their obligations. There has not been a single failure in the business immigration category, which I think is a great tribute to the energy and dedication of these new immigrants and what they're putting into their companies.

**M. Farnworth:** I think that's great that a number of them are succeeding and haven't failed. Does the min-

istry keep track of the types of businesses that are being started?

**Hon. C. Hansen:** The short answer to the member's question is: yes, we do. Each of these companies develops a business plan, and that is reviewed by ministry staff to really get a sense that in fact this is a viable prospect that is being proposed. We don't at this point try to steer the business investor into any particular type of business, although that's something that may be considered in the future. We really just look at it from the perspective of viability, but the answer is: yes, we do track that.

**M. Farnworth:** Is the ministry able to provide a list of the different categories — for example, percentage in manufacturing, percentage in tourism, let's say, percentage in restaurants, hotel?

**Hon. C. Hansen:** That kind of information could be tabulated. I don't have it at my fingertips, but if the member wishes us to, we could pursue that.

**M. Farnworth:** I would appreciate that. I get questions in my office in terms of how to access the program, what types of businesses would be recognized. I also know, and this is an issue that I would just like to flag for the minister, that we are now starting to see a growing number of people who call themselves consultants, who are marketing themselves overseas — China, Korea, Japan, other nations — purporting to have expertise in how to access the program and the types of businesses that would be most suitable. I'm wondering if the ministry is aware of this practice and if they monitor it at all.

[1540]

**Hon. C. Hansen:** I don't think this is new. I know for a fact that, going back to my Asia Pacific Foundation days, there were immigration consultants who were very active. I think it was a growing sector 25 years ago, 20 years ago. I don't particularly see any evidence of it growing today, although I think there are lots of individuals in British Columbia who are engaged as immigration consultants.

[H. Bloy in the chair.]

It is a practice that I think the federal government has paid some attention to in terms of how these firms may represent themselves overseas. I'm sure that, like most professions, the vast majority of them are up-standing and honourable and making a constructive contribution.

I know there have been a few cases where there have been questionable practices, and the federal government has tried to step in and ensure that some practices would not continue. We don't get directly involved in it from a provincial government level, but we're certainly aware of some of the oversight role that the federal government has played.

**M. Farnworth:** I appreciate the minister's comments. I raise it because in the last six months I've now had three cases come across my desk. It's not so much the immigration consultant part, but it's more the business consulting part where people have not been happy with the outcome. I haven't seen that before.

In part, I think it's related to the increasing popularity of the business immigration program and the fact that we're encouraging it. I'll be happy to provide the minister with some information around that. We don't need to get into it in detail here this afternoon.

Is there an expectation over the next two, three, four years out on the expansion of the program and how the ministry sees it growing?

**Hon. C. Hansen:** The short answer is yes. We are looking to expand this program over the coming months and years because we think it really does fill a very important need in the B.C. economy. We are not yet at a point where we can say that this is how much it's going to expand by. We're looking at some options there.

The other thrust that's sort of part and parcel of this is that we're also trying to find ways that we can streamline our own processes. We've got a great staff in the ministry that are working to do this work that's necessary. We're looking internally, in terms of paper flow and those procedures, at how we can actually streamline our own internal work so that we can get more throughput of nominees through this program, because we are anxious to expand it. We anticipate that there will be a growing interest in this program in the years to come.

**M. Farnworth:** Noting the time, I know that my colleague from Maple Ridge-Pitt Meadows has a couple of questions, and then we'll be switching to skills training. So I'd like to thank the minister and his staff on the parts of the ministry we've covered to this point. I'd like to ask the minister.... There's some information I've asked him to provide. If he could get that to me, that would be great.

With that, I'll turn the floor over to my colleague from Maple Ridge-Pitt Meadows.

[1545]

**M. Sather:** I wanted to ask the minister a question about a business from my constituency. I want to find out if he has any familiarity with this business. It's Gas Protection Systems Inc., which was formed in the mid-'90s. At that time the first work they did was on designing a system to monitor gas leaks and noxious gases, dangerous gases, in homes. They've since gone on to developing an energy monitoring system for any sort of building, and they have this system in a number of buildings, as I understand it. The first system, I believe, is in about 500 buildings in British Columbia.

They have met, I know, with the Minister of Energy, Mines and Petroleum Resources. I don't know whether they have met with this minister.

GPSI did win a government of Canada Energy Efficiency award for building products and energy man-

agement technology and was runner-up for the Globe 2004 Corporate Award for Technology Innovation and Application.

According to Mr. Steve Gibson, who's the gentleman from the company that I've talked to, they can achieve up to 25 percent or better energy savings in buildings with their maximization system — the Energy Supervisor, as it's called. In a time like this, when we're experiencing an energy crunch in terms of our requirements, it seems that this is a good technology to help us — it's a green technology — to provide energy conservation.

I just wanted to bring that to the minister's attention, if he wasn't aware of the company. If he has met with them, I'd be interested in knowing about that; if not, if he has any information, or if he feels that this is something that he could support.

**Hon. C. Hansen:** I just asked the staff that are with me. They have not heard of the company. It rings a bell for me — the name of the company. Whether I have met any of the people involved with the company or it's just something I read in the newspaper, there's something back in my brain that tells me that I perhaps have met with this company, but I don't recall any of the details.

I think what the member says sounds interesting, and I think it's an example of the kind of expertise and skill that we have right here in this province in developing new technologies. I'm pleased that the member says they have met with officials in the Ministry of Energy, Mines and Petroleum Resources. There may be, as well, an interest on the part of Labour and Citizens' Services in terms of their responsibilities when it comes to the operations and efficiencies of government buildings.

**G. Robertson:** I would like to start with some questions related to community economic development before we dive into skills training specifically.

I'll just note that B.C. is not renowned in this country as a leader in community economic development. I'm curious if the ministry, right now, has dedicated FTEs and budget specifically around community economic development.

[1550]

**Hon. C. Hansen:** Actually, there's a whole division within the Ministry of Economic Development that is devoted to community economic development. That's what we refer to as the economic competitiveness branch. There are 48 FTEs in that branch.

As part of that, as I mentioned earlier, we've got ten officials located around the province who are regional project managers. They're working on a daily basis, really, with economic development officers at the community level, community economic development associations, industry associations as well as with individual companies.

**G. Robertson:** I'm curious after discovering recently that the Canadian Economic Development Net-

work carried out a survey across Canada of all the provinces and their support for community economic development. B.C., along with the Yukon, was at the bottom of the list in terms of programs.

It's interesting to hear that there are people dedicated to it, and regional project managers and that. Evidently, that doesn't score well in comparison. I know that in provinces such as Quebec, where there's very robust investment in community economic development, there are large capital investment funds for social enterprise. Manitoba has been a leader, as well, and Nova Scotia. Regardless of political stripes, here are three provinces, at least, that have made very significant investments and, in terms of tax incentive tools, have led the way.

I'm curious whether, at this point, there are any specific tools. I'm referring to capital funds to help build community economic development, for building the social economy — if there are tax credits or capital funds available currently from the ministry.

**Hon. C. Hansen:** I'm not familiar with that particular study, but I'll bet they don't include the \$185 million that this province put into the northern development initiative. One of the principles behind that was that instead of having decisions made in Victoria or out of Victoria with regards to what's in the best interests of regions of the province, we actually have empowered and funded these funds around the province so that they can make their own decisions at a local and regional level in terms of what their priorities are for community economic development.

There's \$185 million that has gone into the northern development initiative, another \$50 million that has gone into the North Island-Coast Development Initiative Trust and another \$50 million that's gone into the Southern Interior Development Initiative Trust.

The member asked about capital funds. I think the most important thing that a government can do to stimulate business creation and business development around the province is our tax system. The model that is used by most other provinces in Canada — and was used, actually, by the previous administration in British Columbia — was that you would go in and provide grants and funds to individual enterprises.

As a small business owner, I would be highly offended if government came in and funded one of my competitors with my tax dollars. So we as a province have made a very conscious and deliberate decision that we're not in the game of giving out subsidies to individual enterprises in the province. We will devote those resources, instead, to making sure that we have a competitive tax regime.

Today, for example, we've got the second-lowest income tax rate for small businesses. We've eliminated sales tax on equipment and machinery in British Columbia. We've eliminated the capital tax in British Columbia, which was a real disincentive to growth and investment by companies, regardless of whether they were located in an urban centre or in smaller communities around the province.

If you're asking if we have capital funds that are there to support individual companies, the answer is no, because we think there are better ways of accomplishing those same objectives.

[1555]

**G. Robertson:** I was referring specifically to pools of capital that are available to community enterprises, to cooperatives, to non-profits — social enterprises that are working within communities. Not specifically for-profit businesses but referring more specifically to pools of capital that are available for what are considered social enterprises working in those communities.

I understand the initiatives in terms of the pools of capital created by this government, and the concern there being who's in control and where that money is going to be invested in the communities. What measurements, in terms of social outcomes, in particular, and community building are being carried out within those regions?

I'll ask again. Are there any specific initiatives for social enterprises in communities in terms of tax credit financial support from this government?

**Hon. C. Hansen:** No, there are not specific funds, capital funds, that would be available. Certainly, any social enterprise in the province would be eligible to make application to the various development initiative trusts that we have in the province.

The member said he had questions in terms of who makes the decisions. Those decisions get made by people who actually live and have elected responsibilities in those regions that are intended to benefit from them.

**G. Robertson:** The minister is stating that there is nothing currently available for social enterprises. I'm curious if the ministry or the government generally has considered RRSP-eligible investment tax credits for social enterprise specifically so that these enterprises, which employ a great number of people in many of the communities around the province, are able to attract investment from people in those communities who can invest RRSP eligibly and support social enterprises and not just for-profits.

Has this been considered by the ministry or the government?

**Hon. C. Hansen:** Maybe I need to ask for some clarification. The member referenced RSPL programs. If he could clarify for me what that is?

**G. Robertson:** RRSP-eligible.

**Hon. C. Hansen:** Thank you. My apologies. That would be a question.... In fact, I'm not sure that would even be a question for the Minister of Finance in this province. I think that may be a question for the Minister of Finance federally, because certainly out of the Ministry of Economic Development, we have no control over what is or is not an RRSP-eligible firm.

**G. Robertson:** I know in other provinces.... Nova Scotia, for example, does have a program that enables RRSP-eligible investment in community social enterprises. I will pursue that, maybe, with the Minister of Finance. I would encourage the minister to consider it in the array of options for building in communities economic development initiatives that are more strategic in terms of social enterprise.

I would like to shift over into skills training and start off with some questions on career technical centres, the CTCs, which are partnerships, as I understand, of this ministry as well as the Ministry of Education and the Ministry of Advanced Education. I have canvassed both those ministers in estimates as to the details, and I had lots of my questions referred on to the Minister of Economic Development.

[1600]

Specifically, I'm curious in terms of ownership and maintaining these CTCs, the programs that do exist right now. There's a great emphasis by this ministry on the new ACE-IT programs, which have come into play in many communities around the province.

However, we do have existing CTC programs at seven different school districts, seven separate communities that have grown robustly over the last few years, with the exception of one program. The balance of the programs, the other six of them, have had over 20-percent growth from '04-05 to '05-06. However, there is a lot of anxiety among the partners, post-secondary and school district partners, that these programs may not be funded going forward.

I'm curious what this ministry's commitment is to support the CTCs and encourage their growth with additional funding going forward.

**Hon. C. Hansen:** First of all, I'll start with just a bit of background on the CTC programs. The ones that I have had a chance to learn about, I share the member's support for them, because I think that they provide some wonderful programs.

The CTCs that developed around the province were really developed not as initiatives of the provincial government but rather as initiatives between the colleges and the individual school districts in those respective communities, so there was never any direct funding that flowed from the province for that purpose. Granted, the school boards got funding from the province and the colleges got funding from the province. They then, in turn, made decisions to use some of that funding to establish these CTCs.

The ACE-IT program is a big success story. We see more and more interest around the province — more school boards coming, signing on to the ACE-IT program and more students signing on to that program, which is great news for the future.

[J. Nuraney in the chair.]

The ACE-IT program is flexible enough that it does actually provide for increased funding from the Industry Training Authority to go to those school boards. So

in those communities that have CTCs, they, in most cases, are able to use their ACE-IT funding to actually provide a new source of funding, which now does come from the province in a more direct way, and specifically target that to the CTCs in their communities.

**G. Robertson:** So there is funding available specifically from this ministry for ACE-IT programs; however, there's nothing directly for the CTC programs, which are also skills training programs. It's upon the school districts and colleges — specifically, the school districts — to apply that funding from the ACE-IT program over to their CTC programs if they have them?

**Hon. C. Hansen:** For the ACE-IT program, there is a requirement that it actually will result in the student achieving a level one of their apprenticeship program by the time they complete grade 12. If there is a CTC program in a community that achieves that same objective, then there is absolutely no reason why the school board can't make the decision themselves to direct their ACE-IT funding towards that existing CTC.

[1605]

One of the things that I think created some of the anxiety going back last fall was that previously when the ACE-IT program was expanded, it was done for new programming. If there was an existing program in a school district that had, let's say, 50 students participating in it, the ACE-IT program had to be incremental. We changed that policy this spring to allow for funding to go.... Basically, what we were doing was short-changing those communities that had already taken the initiative earlier, in previous years, to get a program off the ground themselves.

We changed that policy this year, and now there is actually funding provided for all high school-level students who are engaged in apprenticeship training, providing it meets the objectives of the ACE-IT program. There is nothing today that's preventing school districts from dedicating their ACE-IT funding to a pre-existing CTC, providing it meets those criteria.

**G. Robertson:** Am I correct in assuming that in order to qualify for the ACE-IT funding, to then apply to their existing CTC program, they actually have to create an ACE-IT program? Or is it a flow-through vehicle, at this point, right straight to a CTC program?

**Hon. C. Hansen:** No, the school district would simply have to apply to be part of the ACE-IT program. They would then get funding, and they could then make the choice as to whether or not they wanted to continue with the CTC program they had in place or whether they wished to direct that money to the more conventional model of ACE IT, as we have seen emerge in other school districts.

**G. Robertson:** In terms of the ministry's support, my sense from the minister is that he fully supports these CTC programs carrying on as they have been. They were ahead of the curve in developing these pro-

grams locally, and the ACE IT is purely a funding vehicle in order for these schools to carry on their good work.

A concern more specific to the ACE-IT program, as I understand it, is the requirement that the teachers who are teaching the trades, all of whom are journeymen, do not have teaching certificates. The challenge that goes along with requirements that journeymen teaching in these programs don't have teaching certificates: is the minister aware of this challenge?

**Hon. C. Hansen:** This is exactly why most school districts in the province, in fact, partner with a post-secondary institution. If the school has teachers who have trades credentials as well, then they can obviously offer those programs within the high school system, but most school districts develop a partnership arrangement with a post-secondary institution so that they can have access to the qualified post-secondary teachers to provide that educational service.

We are developing programs — I understand that this is being done through the Ministry of Education — to try to expand the number of teachers that actually have those kinds of trade certifications so that they can offer those programs directly to the students within the high school environment.

**G. Robertson:** Is this an initiative that the ITA is involved with directly? You mentioned the Ministry of Education pursuing this path. Is the ITA directly involved in supporting it so that there are an adequate number of journeymen who have teaching credentials?

[1610]

**Hon. C. Hansen:** We're working closely with the Ministry of Advanced Education in that regard. I think officials at ITA have regular contact and coordination efforts, not only with the Ministry of Education but also with the Ministry of Advanced Education, to advance these kinds of programs.

**G. Robertson:** Is there any funding dedicated to that from the Ministry of Economic Development?

**Hon. C. Hansen:** There is a very specific program that's being developed at Thompson Rivers University. It's a bridge program for individuals who have trades credentials to get their teaching certification. The Ministry of Economic Development has put \$200,000 towards assisting that program.

**G. Robertson:** Now it sounds like the Ministry of Advanced Education is involved, if Thompson Rivers is the program delivery institution. Is the \$200,000 purely a cash transaction, or are there FTEs? Is that a value ascribed to FTEs? Are their staff involved in supporting this? What is the measurable outcome expected by the ministry?

**Hon. C. Hansen:** There has been a committee established that is developing this program. The contribu-

tion from the ministry is cash, and there are also staff from the ITA who are actively involved in serving on this committee and assisting in the development of this program.

**G. Robertson:** Are there targets in terms of the number of tradespeople who will have teaching certificates — for example, in this year or next year? Is there an expectation in terms of graduates of this program?

**Hon. C. Hansen:** That would be the responsibility of the Ministry of Advanced Education, but that will come out of the work that is currently being done. Those targets have not been developed but will be developed by the time the development of this program is completed.

**G. Robertson:** I'll turn my attention now to entry-level trades training. No doubt the minister has heard concerns around the province related to the shift to standardize the programs around the province and bring entry-level training programs down to, roughly, a 20-week term — modularizing that training, if that's not stretching the definition of that word too far.

I've certainly heard lots of concerns from rural B.C., where the quality delivery of these programs is really a concern for students, institutions and employers, with programs which are greatly longer than 20 weeks — that are 40-plus weeks in length — and the impact this has in terms of the calibre of training and the market value of a new worker coming out of entry-level training after only 20 weeks.

The fact is that these workers may then leave the province to seek further training in another jurisdiction that provides a higher degree of skills, particularly a more proven path to Red Seal, and compromise the safety on the worksite when there are only 20 weeks provided. Will the minister please allay the concerns of the many people around the province who are concerned with standardization down to 20 weeks?

[The bells were rung.]

**The Chair:** I call the committee to adjourn as we need to go to the big House for voting.

The committee recessed from 4:15 p.m. to 4:25 p.m.

[J. Nuraney in the chair.]

On Vote 23 (*continued*).

**Hon. C. Hansen:** First of all, British Columbia is one of a very few provinces that even offers funded entry-level trades training programs. In most provinces in Canada where they have entry-level programs, they are funded by the student and not by government.

What we found was that we had programs around the province that had exactly the same outcome, if that's the right word.... In fact, the credential that the student would achieve at the end of the program

would be the same regardless as to what college or what institute they had gone to, but the length of time and classroom hours varied dramatically throughout the province. You could have one program where a student might be in 21 weeks of a program and receive a credential at the end of that; another student would go through 40 weeks and receive exactly the same credential at the end of that program.

What we did was approach the colleges and institutes around the province and said we need to standardize this. We didn't go in and impose that time frame on them. We didn't say that everyone had to adjust to what the shortest time frame was. What we said was: "Let's come up with the appropriate time frames, and let's actually have a standard that is mutually agreed to by the various institutions around the province so that there would be some consistency."

We've now worked through that with the various colleges, and we've come up with a standardized approach, which will mean that students will be treated fairly and have the same classroom expectations in one part of the province as there are in another part of the province.

**G. Robertson:** My sense, in travelling around the province and meeting with institutions, colleges and student groups, was that the rationale here was faulty and that the expectation that every program could come down to a standard was overdoing it in terms of trying to set a model in place for a whole range of trades. As one would expect, the required training, the required expertise or knowledge going into the program, all varies, and the ability to pump students through in exactly the same number of weeks everywhere, in every program, is an issue and is of concern.

One element of the concern is with the reduced length of the programs. As I understand it, almost all the programs — the vast majority — are being reduced in length. The student intake, which is expected of these colleges in order to continue to fill the slots and keep the faculty busy and fully employed, changes. If they're unable to meet the goals of a larger intake, then programs could get cut, as the colleges can't fund them all the way through.

Is the minister concerned that some of the training programs around the province could go by the wayside because they're unable to meet student intake requirements?

**Hon. C. Hansen:** I think there's some really questionable logic behind the member's question. I would be very concerned if I heard that institutions and colleges were lengthening their programs for the students, which actually adds tuition expense to the student. Yes, we do fund these programs, but the student still has to pay for a portion of it.

If they lengthen these programs simply to keep their faculty employed, that's not the logic that I think should drive it. We need to drive it by what the needs of the students are and by the length of classroom time

that is appropriate and necessary for them to achieve the skills that are required.

[1630]

I do not accept the member's notion that there is no need for standardization. If I want to hire a pipefitter to come into my house, I don't want to have to ask the pipefitter: "Well, did you do the 21-week program at this institution, or did you do the 44-week program at another institution?"

I think that we expect that someone who has the credentials for a program has passed the required training programs and that they have the skills necessary for that certification. I would say that there is a requirement and a need for those to be standardized, regardless of where you are in the province.

**G. Robertson:** I'm stunned to hear that the minister would rather hire a tradesperson who has been through a 20-week program to get qualifications rather than a 40-week program. If you look at the rationale that everything can be shortened to 20 weeks and the outcome will be the same and that all of these programs that have been developed over generations and have been adjusted to the content required, the outcomes expected.... The quality of training, which has been of the highest standard here in B.C. over the last five years, has been called into question all the way through our training system, from entry-level all the way up to Red Seal, by other provinces and by people around the world who once looked to B.C. as a leader in terms of quality trades.

We have real concerns when we're shortening all of these programs which have been designed, built, implemented and taught for many, many years at different lengths. Assuming that they can all be shortened down to a 20-week program is oversimplification. I have real concerns about the safety implications of that in trades, where there's public safety and public liability involved and everything is geared to a rationale that we have to fit this into a modular training program.

This is entry-level trades training. This isn't giving anyone a Red Seal. The importance of that entry-level, the importance of those tradespeople coming through entry-level with the right qualifications and with an adequate amount of time to learn their programs, is absolutely critical. My concern, particularly regionally here, is not in trying to keep faculty employed.

My concern is that when all the programs are shortened to 20 weeks, all of these schools that carry programs and take a certain student intake into their programs to run through entry-level trades training are unable to maintain all of those programs. When they're all shortened down, they will be required to bring in more students to make sure that they are able to keep all those programs going year-round, or they'll have to go to some part-time system.

I think these are concerns that are coming from the communities. These are coming from employers in those communities. They're coming from colleges and the students that attend those colleges in those com-

munities. They're concerned that they're going to lose the programs in regions.

We already have a big enough drift of students, of people, leaving their communities in rural B.C. to come to wherever they can get the training. Oftentimes it has to be in the lower mainland, where these programs are available.

My concern is: what is the minister going to do to ensure that all of these different, varied training programs, which have been customized by region in some places, are still available in those regions and we don't lose the people seeking training there?

**Hon. C. Hansen:** Judging by a lot of the things the member is saying, I would say that he must have done his consultations at a time when this system was going through transition. I think there were a lot of people in the system that were setting their hair on fire, quite frankly, about changes. Now that we've actually worked through those with agreement from colleges, and as people have gotten through this, they've realized that it's not that difficult, at the end of the day. I think there is certainly a lot greater comfort level around the province, on the part of the colleges and others that are directly involved, with the way this system is unfolding.

When he says that all of these programs are being shortened to 20 weeks, the member is, quite frankly, wrong. What we're doing is finding the appropriate length for these programs. If I was a student and I wanted to go through and get a credential as a pipefitter, let's say, and somebody says to me that they are going to keep me in a classroom twice as long as is necessary for me to get the competence and the skills required, I would take umbrage at that.

[1635]

I think what this process has been is to say: "Let's make sure that we have the right length for these programs to make sure that the necessary skills can be acquired." I can tell the member that there were some in various parts of the province who were saying that programs were going to get shut down because of this. In fact, there has not been the loss of any ELTT programs in the province, despite what some of the earlier fears and concerns may have been.

**G. Robertson:** Let me bring up a more specific case and concern in Vancouver. VCC, with the auto technician program there, which has been a 50-week program, has primarily drawn new Canadians into the program and had challenges with new Canadians in terms of getting through the auto technician program with some language barriers, with a lot of challenges related to being new Canadians.

This program for auto mechanics is being defaulted down to the 20-week model, and there are real concerns there in Vancouver for this program. Again, it's an issue where.... Who wants their car to be worked on by someone whose training has gone from 50 weeks to 20 weeks with the stroke of a pen?

Is the minister concerned — in a specific case like this, where a program that has been 50 weeks long and

deemed necessary, given the intake of the students and the particular needs of those students, who are then working on vehicles where public safety is a factor — around the decision to shorten this program?

**Hon. C. Hansen:** The VCC program is.... The member said it was being shortened to 20 weeks. It's not. That is still under discussion, as to what the appropriate length of that program should be. VCC, in fact, has two programs. One is for ESL; another one is for non-ESL. Yet both of them have previously been at 50 weeks.

What we are saying to the colleges is that if there are other challenges over and above simply the industry training component of the education, then they can access Advanced Ed moneys for the other components.

For example, for an ESL program, there may be some additional requirements to that program that can be added to address ESL issues, and those could be funded out of other sources.

[1640]

**G. Robertson:** My understanding was that the ITA was looking to shorten this program to 20 weeks and that feedback from the process participants.... The spokespeople that have been involved and consulted around this were agreeable to moving from 50 down to 40 weeks, but the 20 weeks was a non-starter, given the technical nature of the training.

At this point, that has not been determined and the negotiation is still underway? That's my sense of what the minister is saying. When is that decision going to be made around finalizing the length of that program?

**Hon. C. Hansen:** We expect that will be finalized in the coming month. But I would put a question back to the member as we talk about this. Would he recommend, for example, that the ESL class be more weeks than the non-ESL class at VCC? Going back to his original argument, it seemed to me he was arguing that because there was an ESL component, it needed to be a longer program. Is he arguing that the ESL and the non-ESL programs should perhaps be at different lengths?

**G. Robertson:** I thought I was the one asking the questions here.

There are two programs in place, and I think the approach of having ESL included is a smart one as long as the funding is available, again, and people aren't excluded from pursuing these in conjunction. Auto technician training is very technical and hands-on. I think the primary challenge, and what created a 50-week program, was the fact that most people entering that program needed hands-on, did not have the hands-on background — particularly younger students — and needed the time just to get their hands dirty.

The ESL side of that, I think, has been integrated into the program well, but challenges related to it certainly continue to need to be addressed. By shortening the program, you create two problems here — one of



them being less hands-on time fixing cars and learning how to do that, and less time for students learning English at the same time to absorb that. So there's a combination of factors there.

I'm hopeful that there is a compromise, that the spokespeople or the stakeholders involved in this process of determining the appropriate length of time are heard and that this program is not shortened down beyond the 40 weeks that they have compromised to.

My question is: are there other ELTT programs that are still in negotiation in terms of term length, or is this now the last one to be decided on?

**Hon. C. Hansen:** There are apparently five ELTT programs that are still outstanding where the standards have not been finalized, and all of them involve the automotive sector.

**G. Robertson:** I'll shift over here to questions specifically related to the \$90 million in training tax credits over three years that was announced with this budget. I'm curious as to the structure to this. To this point I haven't heard any detail on how the ministry is moving forward with this, what the program is, who can qualify or how that process is evolving.

**Hon. C. Hansen:** As this is a tax measure, it is being led by the Ministry of Finance. We are contributing our suggestions and our input to that. There have been no decisions made in terms of how that tax credit program should be developed, so it's actually an ideal time for the member to put forward his ideas or any suggestions that his colleagues may have. I know that the Minister of Finance would welcome those suggestions.

[1645]

**G. Robertson:** It has been a concern for someone coming from the business community and a concern, particularly, for small businesses, who have a very difficult time attracting skilled workers. There are great shortages affecting small businesses, and many of those small businesses don't pay much in tax, so tax credits don't end up benefiting small businesses.

That is a challenge that I'm curious how this government will reckon with, given that the structure of this as a tax credit would automatically support more directly larger businesses who are able to write down their taxes in order to meet demands for skilled workers.

Is there a component of this tax credit that has an outcome for the ITA, specifically for skilled workers and their training?

**Hon. C. Hansen:** Actually, in the last two years we've seen a significant increase of the number of employers with indentured apprentices around the province. The number has gone from about 6,700 two years ago, when the ITA was first established, to about 8,700 today. My expectation is that this new tax credit program will make it even more attractive for employers to take on skills training initiatives within their companies.

It will have an impact, obviously, on ITA because it will result in more employers being willing to take on apprentices and will create more opportunities for apprentices. Part of the goal that we have set for ourselves is to increase the number of apprentices in British Columbia to 35,000 two years from now — or the end of 2007, I guess, is the goal. This measure will certainly help us to achieve that.

**G. Robertson:** Turning now to the ITA service plan, I was alarmed to see, in terms of the goals and performance measures, the training and apprentice program completion rate. We have talked. The minister and I have exchanged views a number of times related to the difference between registrations and completions and the real concerns that B.C.'s completion rate has plummeted in recent years — completion rates dropping by over 40 percent, in contrast to Alberta, where completion rates have been steadily increasing and are now double what we see here in B.C.

The service plan performance measures do not have any information available for '04-05. For '05 and '06 establishing a measure and a baseline is what's in here, and there are no targets for the ensuing three years for training and apprentice program completion rates.

I'm curious when we can expect to see completions as a meaningful performance measure and some targets set.

**Hon. C. Hansen:** The member may be getting two things confused here, because when we talk about the apprentice completion rate, that's the percentage of individuals who complete....

[1650]

If you look at the total number of individuals who start an apprenticeship program, it's how many actually complete the program — what percentage of them complete the program at the end. That's what we're looking at in terms of completion rates. It's really a measure of to what extent there is a dropout from the program, going forward.

Probably the more relevant number is the number of ITA credentials that are awarded. As the member will note from the service plan, that is indicated here. We have set as a target for ourselves in the current fiscal year the number of 2,414 completions. In fact, we're well above that. As of February 28 of this year we have seen an increase to 2,713 in credentials of completions, and of course, there was still a month to go in the fiscal year when that number was tabulated.

When we talk about the number of completions.... That is something all provinces have been challenged with, and it is a direct correlation between the state of the economy and the number of certificates that are granted, so there are a couple of things at play here.

First of all, we wind up with apprentices who are taking longer to complete their programs because they're so busy working. I know, anecdotally, of cases where apprentices are making some pretty good money, and they're putting their coursework aside. That's going to take longer for completion.

Also, we are going to see an increase in the number of completions as a direct result of the number of new apprentices going into the program. With the significant increase in the number of registered apprentices in the province.... Two years ago we were at 14,676. Today we're at over 26,000 registered apprentices. As we see those apprentices work through and complete their programs, which in some cases can take four years, we will then start to see the number of certifications granted increase, to reflect the significant increase in new apprentices that we've seen over the last two years.

**G. Robertson:** Well, I think it's a troubled story over these last five years in terms of seeing the numbers plummet. We have less than half the number of completions right now. We're well, well below Alberta. The last number of Alberta registrations that I heard was over 45,000. They, again, are ahead of their targets. Alberta continues to set a pace well beyond B.C., primarily because of the lack of investment, the lack of support and the lack of structure over the last four years for our trades training programs.

I will correct the minister. The completion rates are not down in every other province. Other provinces are not struggling with this. They're up in Alberta, Saskatchewan and Manitoba. The other three western provinces have completion rates that have been increasing steadily, which is not what we've seen here over the last several years. It's encouraging to see them rise.

It's curious to hear the rationale that in a strong economy, it's hard to attract apprentices and hard to get them to complete. Yet several years ago when we did not have a strong economy, the numbers were all in the tank.

I'll suggest that it's more directly the support that's available to those apprentices. When the system was gutted of its support — of its counsellors and regional offices, which were closed down in communities around this province — there was no support for apprentices, and it's no surprise that the numbers faded away.

I understand the difference here in terms of the completion rate. I'm just curious why the ministry is not focused on what completion rates are appropriate. Certainly, there have been struggles in many apprenticeship programs across the country related to completion rates. Why is the ministry not focused on establishing targets for completion rates?

**Hon. C. Hansen:** Let me pick up on a couple of threads from the member's question.

When the member compares B.C. and Alberta, he needs to acknowledge the fact that Alberta does not fund any entry-level trades training.

[1655]

If you look at all of the money that we're spending on trades training in British Columbia today, about half of it is spent on entry-level trades training. Alberta does none of that. I think that when you try to draw

comparisons, I think you need to tell the whole story, not just half of it.

The member is not correct. When it comes to credentials granted, we do have targets, and not only are we meeting those targets, we're exceeding them, and we intend to continue to drive up those targets going forward.

**G. Robertson:** Again the minister is misunderstanding my question or not responding to it directly. There are no targets set for completion rates and what that appropriate percentage is. There are targets for the credentials awarded. I don't see anything specific to Red Seal, which is the national standard and which this government does not seem to put a whole lot of emphasis on, which is unfortunate and is a big concern of other provinces.

We're not seeing any targets here. There are no goals, no performance measures related to program completion rates. That's what I'm asking the minister about. Will he please respond to that question?

**Hon. C. Hansen:** I am informed that there actually have never been targets set for completion rates in this province. If you go back to the 1990s and the days of ITAC, there were never any completion rate targets set at that time. We are establishing those. In the service plan we've actually looked at apprentice completion rates, which, as I mentioned earlier, is the percentage of apprentices who have completed their program six years after they started their program.

Let me just read the footnote from the service plan, which really explains the measure that is being established:

Adopted a similar standard used to determine completion of degree programs —

It's a measure after six years of registration

— extracted the cohort of newly registered trainees from fiscal 1999-2000 on a quarter-by-quarter basis; compared each quarter to the same quarter in fiscal 2004-2005 to determine the status of the trainees six years after registration. Results are rounded up to the nearest percent with no decimals. The result for the 1999-2000 cohort is a 42-percent completion rate.

That is the base measure we have established, and we will now, from here, set some specific targets going forward, which will be the first time in the province's history that such a measure has been established.

**G. Robertson:** It's encouraging to hear some solid numbers coming into play there.

I would like to hear the minister speak to the importance and the relevance of the Red Seal certification. In my travels to other provinces there have been many concerns raised about the state of B.C.'s trades training and the quality of our graduates, in particular from Red Seal programs.

[1700]

When B.C. shifted, this government took apart the trades training system four or five years ago. There was a skills conference that brought all the provinces to

Vancouver to look at Red Seal certification, and there were great concerns voiced by other provinces then as to the restructuring and the lack of funding being invested. Given that the Red Seal is the national standard and given that it is what we as a province and our tradespeople are measured by, relative to the other provinces, why are we not seeing the Red Seal referred to in the service plan in terms of goals and performance measures?

**Hon. C. Hansen:** The Red Seal program is very important to us. There is nothing in terms of the changes we've made in industry training programs in this province that in any way diminishes the importance of the Red Seal program.

[H. Bloy in the chair.]

Today 90 percent of all of our apprentices in the province are on Red Seal programs. There's a total of 170 programs all together that are run by the Industry Training Authority or overseen by the Industry Training Authority; 45 percent of them are Red Seal programs, but as I mentioned, 90 percent of the apprentices are, in fact, in that program.

I'm actually surprised that this member would question the qualifications of young British Columbians who are coming through Red Seal programs, because they meet, and in many cases surpass, national standards. I do not believe that our Red Seal graduates in British Columbia need to have their skills questioned in the way that the member did in stating his previous question.

If you look at the annual report of the Industry Training Authority — actually, on the inside back cover — it will show the graphs for some various Red Seal professions and the pass rate by British Columbia students compared to the national average. For example, in the case of electricians, the pass rate was in excess of 90 percent compared to a national average of about 55 percent. Carpenters in British Columbia had a pass rate of about 65 percent compared to a national average of about 55 percent. You look at auto service technicians: a pass rate of just under 90 percent compared to a national average of 70 percent. So if you look at example after example, in terms of British Columbia as compared to the national average, our apprentices in British Columbia are second to none.

**G. Robertson:** I will agree: second to none in terms of their appetite or desire to succeed. No doubt, students in B.C. have undergone a lot of challenges these last few years in terms of not having any counsellors to support them, not having support from this government to ensure that they complete.

We have seen real challenges in terms of tuition and a whole suite of challenges to students and apprentices in not being supported — their costs increasing and their support decreasing. So I'll hand it to those students who have made it through, whose pass rates are significantly higher than many of the students

around the country. There's a lot of heart, a lot of determination from those students. They are succeeding despite the lack of support from this government, so I hand it to them for that.

I would like to talk about the ITOs; specifically, the targets related to the number of industry training organizations in operation. We currently have three in place. The target for this year is to hit six. I'd like to know how we're doing towards that target, what those next three are going to be and when they are going to be in place.

[1705]

**Hon. C. Hansen:** The fourth ITO is now in the process of being set up, and that's in the ICI construction sector. There was a very successful meeting held — I'm trying to think of how many weeks ago it was now — with industry representatives who came together and who came to a consensus on how that ITO should be developed.

The other two that will be set up in this fiscal year.... There are recommendations that are going forward to the ITA board with regard to those additional two. That has not yet been finalized, but I expect those two new sectors will be identified by the end of the summer, and all three of these new ITOs will be up and operating by the end of this fiscal.

**G. Robertson:** It sounds a little uncertain as to what they're going to be and whether they are going to be in operation by the end of the year. My concern magnifies when I look at the goal of ten to 15 next year and whether the process is in place, whether the ball is already in motion on another half-dozen ITOs — to put it in the middle of that goal — so that they are set up in '07-08. Has the minister already got in motion on the next half-dozen ITOs beyond the three that he expects to have in place this year?

**Hon. C. Hansen:** There is no uncertainty that there will be three ITOs up and operational in this fiscal year. The announcement of the fourth, fifth and sixth ITOs and what industries they will focus on will be made at its appropriate time once the board has had time to approve it. It would certainly not be appropriate for me to share with the member publicly the staff recommendations that are going forward to the ITA board until such time as they've had a chance to review that.

Once these six ITOs are up and operational, that will in fact cover about 80 percent of all of the apprentices that are in the system. The next wave of ITOs that will be established in the subsequent fiscal years will be easier in the sense that the industries involved probably aren't as big or have as many apprentices. There have already been some preliminary discussions with some of those industries.

**G. Robertson:** The fourth goal of ensuring high-quality program standards and high levels of client satisfaction with services provided by the ITA. The performance measure around the number of industry

training programs updated to establish industry, provincial and Red Seal standards was.... Five is what was forecast for '05-06. Has that been achieved, and are we on track for the ten programs being updated by the end of this next fiscal year?

**Hon. C. Hansen:** The target for last year was five. We in fact achieved nine, so the ITA actually exceeded their targets. The target that's been set for this fiscal year is ten, and they are very confident they will achieve that.

[1710]

**G. Robertson:** I'd like to turn to some questions related to the industry training system in New Zealand. As the minister knows, a delegation from the British Columbia Construction Association, who are now directly involved in setting up a new ITO for industrial and commercial construction, made a trip to New Zealand to check out their industry training system. As I'm sure the minister knows, there has been a great deal of concern about the industry-led training system that was established in New Zealand many years ago under somewhat different circumstances. But New Zealand shifted to a model similar to what this government has adopted here several years ago.

I note that there were no Industry Training Authority people involved on that trip with the B.C. Construction Association. Was there a rationale for no one from this government going with that delegation to see how the industry training model in New Zealand was functioning?

**Hon. C. Hansen:** The reason was because the head of the ITA, the CEO of the Industry Training Authority, was in New Zealand a year earlier. Actually, we have learned from the experiences in New Zealand. I think they obviously had some challenges, and we learned from some of the challenges that they had and made sure that ours was set up in a way that would address some of the issues that surfaced in New Zealand.

**G. Robertson:** The head of the ITA, then, I guess, is fully aware of the many challenges New Zealand has faced with their model and the overhaul that's been necessary to rebuild their public system, which was decimated through the years of trying to create an industry-led system and trying to drive apprenticeships through that program. The findings from the B.C. Construction Association trip were such that the infrastructure for trades training within the public system in New Zealand was lost. The amount of investment that has been required since that time to rebuild the system has been very significant — many times what we're investing here in B.C.

Relationships, obviously, through the training system in New Zealand have been strained to the max, and I think the sad reality is encapsulated by the former Deputy Prime Minister of New Zealand, the Hon. Jim Anderton. The quote is that he feels "with the changes that New Zealand has put its training system

through over the past years, the country and the training system have lost a generation of people."

My hope is that the findings of this ministry will lead us down a different path, despite the fact that the structure has been shifted to mimic the New Zealand model that has, by New Zealand's own admission, failed. The apprenticeship program here, though, does have many remarkable similarities to the New Zealand system.

Starting around the governance of our industry-led model here with ITOs, a question on governance, specifically around preordaining a number of ITOs and removing the ability of the industries themselves to self-organize and determine what their roles are and how they're governed. The large number they had in New Zealand was horribly inefficient. There was a lot of overlap and wastage. Granted, that number is a lot more than what is envisioned here, but the question would be: why has the ITA decided here on specifying a number of ITOs and taking the ability away from industry or employers to determine what belongs in an ITO?

[1715]

**Hon. C. Hansen:** I think the point the member raises is exactly why we have learned from some of the problems that New Zealand encountered. The large number of ITOs they had in New Zealand in fact became the problem, and it was pretty obvious to us that it's not the model they were looking at that was flawed. It was how it was implemented.

We are providing more direction in terms of how many ITOs there should be and what the scope of each of those ITOs should be. I can tell you that when it came to setting up the industrial, commercial and institutional construction sector ITO, there are many of those industry players that had very diverging views. I think that if we had followed the New Zealand model, that in itself would have resulted in a plethora of ITOs.

What we did, through a lot of diplomacy and a lot of work by the ITA, was work with those various industry organizations and eventually get them to a place where there could be unanimity in terms of how the ITO should establish, and that's exactly what we've been able to achieve.

**G. Robertson:** My understanding from the creation of this new ITO was that it's the first of the initial four now where there was some diplomacy and where, again, the voice of labour was welcomed back to the table — which has been notably absent in the last several years around the overhaul in skills training. "Industry-led" meant industry only, so it's encouraging to hear that with labour back at the table....

Certainly, labour has been a leading voice and a leading force in apprenticeship programs around the world and in developing them and encouraging people to pursue education and training for the trades. It's good to know that the involvement of labour and the diplomacy around that has had a much more successful outcome.

I'm curious how the ITA defines a sector. Going forward with all the remaining envisioned ITOs, how is the ITO defining a sector and prioritizing the creation requests for different ITOs?

**Hon. C. Hansen:** We've not targeted a specific number of ITOs, but the intention is that we want to keep that number, certainly, low compared to the experience that New Zealand went through. We are looking, really, at industry by industry in terms of where they make sense, so it's not sort of a predetermined formula to guide that. We're really looking at it on a case-by-case basis.

In terms of the initial ones that were set up, the priorities we initially set up.... There were some small ones set up because they were prototypes and we wanted to make sure we could get the model off the ground. Generally, we've been guided at this phase by what are the industries where there are the large numbers of apprentices. Hence, I mentioned that by the time the first six are set up, we expect that to cover about 80 percent of apprentices.

[1720]

But I was surprised that the member said he didn't feel that labour representatives or labour had a significant voice in the development of the ITA model. I think, in saying that, he does a discredit to one member of the board who brings some very well-respected credentials, and that's Allan Bruce. He's currently the international representative with the International Union of Operating Engineers for the Canadian regional office. He's the past chair of the B.C. and Yukon Territory Building Trades Apprenticeship and Training Committee. He has nearly 30 years of experience in the construction industry and is a current member of both the Canadian Operating Engineers Joint Apprenticeship and Training Council and the Canadian Apprenticeship Forum. He has been a very valuable and respected member of the ITA board.

**G. Robertson:** No doubt it's a great benefit to the ITA to have Mr. Bruce on the board. I'm curious. Are there other board members who have a strong labour background comparable to Mr. Bruce, or is he the only one?

**Hon. C. Hansen:** There are others that bring other skills and experience to the board, and in setting up a board of this nature, one of the things the board resourcing office strives to do is to have a mix of expertise and skills that come to the board.

**G. Robertson:** That's a very creative way of saying no.

My understanding is that at this point, Mr. Bruce is relatively a lone voice of labour on that board, and I was referring beyond that. I'm glad the minister pointed out that the balance on the board is a question, and the labour representation on that board is well below where it should be, given labour's critical role around apprenticeship training and, certainly, in addressing the needs that we face with the skills shortage.

I was referring specifically to the ITO creation process, to the existing ITOs and how they came together and the fact that labour has not been at the table in a meaningful enough way to form these ITOs.

Getting back to the question I asked around creating ITOs, I was curious how the ITA defines a sector. There is a significant number, ten to 15 being the range of ITOs that are anticipated. How will the ITA define a sector and prioritize ITO creation requests that come along?

**Hon. C. Hansen:** The ITOs are being created.... The decision around ITOs is really being driven by what are sort of some of the obvious economic sectors in the province, and in some cases we wind up with industries that are coming to us suggesting that they may be appropriate for an ITO. But we're seeking that input and, obviously, welcoming it, but the ultimate decisions will be made by the ITA board itself.

Just to give an example of what some of the obvious industry sectors would be, we've been approached by the marine industries. They feel that they may be an appropriate ITO. We've also been approached by the roadbuilders. They feel that they may be an appropriate ITO. The ITA staff and board will be looking at each of these recommendations to see if they make sense within the context of us ultimately having ten to 15 ITOs.

[1725]

**G. Robertson:** Is there anticipated, in those ten to 15...? My assumption would be that the board has roughed out what those sectors may be. Is that the case, or is it left completely wide open to all the stakeholders in B.C. to assemble their forces and pitch ideas to the ITA board?

**Hon. C. Hansen:** There has been considerable work done around the next two ITOs that are being proposed, which will come forward to the board for approval. Then there is still work to be done with regard to what the remaining ITOs might include or the scope of their coverage, and there is still input that is being sought and an opportunity for input from interested parties.

**G. Robertson:** I'm concerned seeing ten to 15 industry trade organizations created here. It sounds like a whole lot of bureaucracy, a whole lot of administration that's required. I would assume that even a nimble administration required for an industry training organization would require \$150,000, \$200,000 a year in terms of a budget just for core operations. When you multiply that out, you get a whole new bureaucracy created in this layer.

I have a couple of concerns here, one of them being between governance and mandate, approval authorities between the ITA and the ITOs. There are a lot of questions around who's invested in it, but who ultimately has control. My understanding is that the ITA has ultimate control in terms of governance, setting

mandate and having approval authority, and yet the ITOs are all expected to create everything below that and be at risk below that and we create a whole infrastructure and bureaucracy at that level and costs associated with that.

Does the minister have the cost of administering all of these ITOs as they're built into the budget right now? Are all the costs of the administration factored in, in terms of the ministry's budgets?

**Hon. C. Hansen:** The answer is yes. The administration cost of the ITOs is built into our budget going forward.

I was quite surprised when the member was talking about this growing bureaucracy to administer this. Just to put it in perspective, ITAC had a staff of about 140 FTEs; the ITA has 18 FTEs. In addition to the staff at the ITA, there are an additional 20 FTEs through Service B.C., who actually provide some of the one-on-one services to apprentices around the province.

**G. Robertson:** The real difference here is that the great majority of those ITAC employees were counsellors supporting apprentices, making sure that apprentices completed their programs, making sure that employers and apprentices were matched up and serving a function in many communities around the province to make sure that there was not a skills shortage — or at least that there was a direct effort to ensure that in many communities young people pursuing education were able to hook up with employers and pursue apprenticeships.

My concern here is that we're creating a whole new bureaucracy. We're not directly supporting apprentices in the field. We're not supporting students, apprentices and employers and hooking them up directly. We're actually creating a whole lot of office infrastructure and administration that's required for ten to 15 new organizations to administer all the paperwork here rather than putting feet on the street and supporting the apprentices and the employers directly.

[1730]

My question is around these budgets and the cost of administering these. I see the ITA total budget is a flat line for the ensuing three years, and yet we have a whole new set of ITOs coming on stream every year. Does that mean that there are cuts elsewhere in the ITA in order to accommodate increased spending for the new ITOs?

**Hon. C. Hansen:** The administration cost of this particular model, the ITO model and the ITA, is significantly less than the old ITAC model. I think we have more flexibility, and there is actually much more efficient administration of this particular model.

The member, I think, fails to recognize that we are adding \$13 million a year for industry training to the ITAC budget in this province. It's going up to \$91 million a year from \$78 million, and even the \$78 million was a record in terms of the most money ever spent for industry training in a budget by the province in history.

Now we are increasing that by \$13 million a year. That probably works out to about a 15-percent increase in one year alone, and then that increased level will be maintained for the subsequent years. We're going to see a record level of spending on industry training of \$91 million, and that will be maintained for the subsequent two years.

**G. Robertson:** My response to the minister in terms of budget: it's about time. It was very disappointing to see four straight years of \$10 million being cut out of the industry training budget and the accumulated deficit for those years when the skills shortage was hitting hard and was certainly not recognized by this government. Finally, there's recognition. Finally, the funding is being increased in a meaningful way. We just have to hope that it's not too late, that we haven't lost too much ground here and that we'll have to resort to a whole lot of catch-up spending, which some of this surely is.

Let me shift now to a question around the ITA and assessment, the role of the ITA in assessment versus the ITO's role. What expertise will the ITA have to approve and maintain the industry-based standards that are required of all these trades?

**Hon. C. Hansen:** There is a standard template that has been developed by the ITA. It's similar, I am told, to the template that would be developed for Red Seal certification, but we are looking to industry, really, to lead in terms of what those standards should be. It is industry that is going to be providing the jobs to these individuals, and it's those needs that are being filled. So, through the ITOs, we expect that industry will be developing those standards within the context of a standardized template.

**G. Robertson:** Let me move on. It sounds like we're getting into too much technical language to know exactly what all that will mean on the ground, but I will register a concern about this industry-led structure of the ITA needing to assess, approve and maintain standards, when ITOs are actually the expertise and are actually charged with delivering these programs.

[1735]

A question specific to the ITO on the automotive sector council. My understanding is that with the ITO that was formed a little over a year ago, the automotive sector had no input, no involvement, from the United Auto Trades Association of B.C., which is the small and medium independent automotive businesses in B.C. Can the minister confirm that the independent automotive industry was not involved and continues to be not involved in that ITO?

**Hon. C. Hansen:** I am familiar with the association. I met with representatives of the association a number of months back and heard their concerns in this regard.

The auto trades ITO was a prototype. It was one of the very first ones that we set up. There was certainly an effort to try to get the various industry associations to agree. There is an opportunity to re-evaluate the

makeup and structure of this ITO in about a year's time. We will, at that time, try to address other concerns that come up. Hopefully, we can find an opportunity for all industry associations to be represented or to feel that they are part of the work of the ITO.

**G. Robertson:** My translation of that is that the independent auto trades are not currently involved in that ITO for the automotive sector. What is the budget for that ITO specifically, and what progress have they made in terms of establishing programs?

**Hon. C. Hansen:** This ITO oversees about 30 programs altogether. We have expectations of them that this year they will update the three Red Seal programs that they oversee. Auto service technicians, collision repair and auto parts are the three Red Seal areas that they will be updating this year. They have an annual budget this year of \$300,000.

**G. Robertson:** Have they had additional funding to their annual budget? Was there startup funding involved in the creation of that ITO, and is that typical of all of the new ITOs?

[1740]

**Hon. C. Hansen:** Yes, startup funding is provided for these ITOs. Last year this particular ITO spent about \$200,000. Part of that was for recruiting their new executive director and getting their office space organized and up and running. Each of the ITOs will go through a similar process.

**G. Robertson:** The minister spoke previously about the opportunity for this ITO to renew its board — that's my understanding — in terms of including the independent auto trades so that they're able to play a role in this ITO. What precludes this ITO from opening up to independent auto trades and including more players in the industry today versus having to wait until next year?

**Hon. C. Hansen:** As I understand it, this ITO originated from what was then a pre-existing auto-sector council, which was already in place. The independent auto trades association was not part of this pre-existing council. That council, or the auto association members of that council, became the basis of the new ITO when it was set up.

There's actually nothing that would prevent that ITO from making a decision that they wish to bring in the independent auto trades association. Really, what it would mean is that the independent auto trades association would have to sit down with some of the existing members of the ITO and sort out what role they would plan to play, but that's something they would sort out themselves. There's nothing to prevent them from doing that today.

**The Chair:** Member for Vancouver-Fairview, noting the time.

**G. Robertson:** Noting the time.

Thank you, through to the minister, for that. I would encourage.... As the ministry has, no doubt, played an important role in bringing ITOs together and will continue to do so, there may be a constructive role here in ensuring that all of the stakeholders in any given industry are involved and have access. That may involve some diplomacy or ambassadorship in this situation, where there have obviously been some challenges between different stakeholders in the industry. No doubt, the ITO would be stronger with all of its various industry groups present and involved and driving this important agenda.

I will just wrap up with one comment related to the CTCs and ACE-IT funding. We talked about this earlier this afternoon.

[1745]

I'll just bring to the minister's attention that the B.C. school trustees, in their annual general meeting last weekend, passed a resolution calling on the provincial government to fully fund grades-ten-through-12 students enrolled in these programs — in career, technical and the programs that are encouraging kids and supporting them through trades training with the colleges. Their findings were that the funding currently available and transferred is actually about half of what's required to train those students.

I'll encourage the minister, as a voice for apprenticeship and the importance of the skills shortage right now, for the province to play a role in ensuring that the Ministry of Education and the Ministry of Advanced Education both come to the table and ensure that the school districts and colleges are appropriately funded so that we have more and more students getting involved in trades training through their high schools.

Noting the time....

**Hon. C. Hansen:** Just one last little thing before we wrap up. I undertook to the member for Port Coquitlam-Burke Mountain to get some stats for him. I'll just read those into the record.

These are the business immigrants that have come through our provincial nominee program broken down by the particular sectors: 23 in restaurant and food services, 45 in the service and retail sector, ten in processing, 20 in manufacturing, 25 in transportation and distribution, 30 in tourism and resorts, 17 in high-tech, five in agriculture, three in senior housing, 13 in education and one in film and media, for a total of 192, which in fact may be an update from the number that I was able to give the member earlier this afternoon.

Vote 23: ministry operations, \$309,328,000 — approved.

**The Chair:** Committee A will now stand recessed until 6:45 p.m.

The committee recessed from 5:47 p.m. to 6:49 p.m.

[H. Bloy in the chair.]

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

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

**Hon. R. Coleman:** Yesterday the member opposite asked questions on the public record with regards to TFL 44. As the House knows, or you may not know, I have five siblings. One of them happens to be a forester. So there have been instructions given.

Because we're in the little House tonight, the member opposite is actually allowed to ask a question that can be posed to me — and, member, you should get this clear — and I can defer the question to my deputy. I want us to lay down a couple of ground rules, though.

[1850]

If the question is flavoured with any political rhetoric at the front end of it, I will simply defer to my deputy and then tell you that we will give you an answer in writing. The reason I say that is because it would be unfair to put a professional public servant in a political position to answer a question. Factual questions with regards to it are welcome, but the preamble and that sort of thing I would suggest we keep at a minimum in those cases and save those for all the shots you want to take at the minister, after we move past TFL 44.

My suggestion would be that we start with that so that we can lower my deputy's blood pressure, as he is sitting there saying: "How did I get into this? Now I have to stand up and answer the odd question."

Yesterday in estimates there were three requests made by the critic. One was about deletions and proposed deletions of private land from coastal tree farm licences. I have these. I have the proposed and the completed. The completed are in a number of areas. They're in TFLs 46, 47, 39, 44, 46 and 38. They were completed anywhere between 1999 and 2006. TFLs 47, 6, 19, 25 and 54, which have application dates ranging back to July 12, 2004 — I'm going to give you a copy of this in a second — through to December 31, 2005....

Then there's some private land and TFLs on the coast that are not deleted or proposed for deletion. We have a list of those, too, in TFLs 10, 26, 37, 43, 45 and 57.

I'll give that to.... If I could get the Clerk to....

Also, active log export OICs. What we've done is taken all the active wood log OICs from both the coast and the interior. Some of them are in places, small ones, like for the Adams Lake Indian band and that sort of thing. There is a list of them. Then, basically, I believe it says "regional manager...."

Then the log exports and harvest off of coast public lands. I will read these into the record. In 2003 there were 968,611 cubic metres exported off Crown lands out of a harvest of 11,089,000. In 2004 there were 678,005 cubic metres off a 20-million-cubic-metre harvest — below that, the member will see the sawlog harvest, because it's included in the data — and then in

2005, 1.25 million exported off Crown land in a harvest of 15.4 million. So the harvest has been fluctuating over the last number of years.

You asked for three years of data, so we got you three years of data.

That's all I have. Now we can get started. Thank you, Chair.

**The Chair:** All questions will be put through the Chair to the minister, and if the minister defers to the deputy minister, I'll recognize the deputy minister.

**B. Simpson:** I appreciate the circumstances that we're under, and I will constrain myself to tighten the questions as best as possible — in fact, in general for this evening, given how much we still have to cover in this file and the desire to finish this off by tomorrow, including Housing. We'll try and keep the questions as pointed as possible and just get the data that we require on the public record.

I will explore and canvass the issues that I have around TFLs and log exports and Cascadia. Then I'd like to finish the questions on first nations from where we closed yesterday and then come back to what I had indicated I'd like to canvass tonight.

Thank you very much for this data. That will be most helpful.

[1855]

With respect to TFL 44, one of the things that's unclear in the discussions around TFL 44 is whether the private lands have, in fact, already been removed or not. I see from the list of completed deletions that on 44, the private lands have been removed. If that's the case — and I know that there's some pending litigation, but my understanding is that the litigation has been put on hold pending negotiations with first nations — what's the nature of the first nations discussions, then, if the land has already been removed? What we're getting from Port Alberni is a concern that this is a due process of the lands being removed, and what we're finding out today is that the lands have already gone. Just what's the nature of the dispute around the first nations, so that we may understand that better?

**Hon. R. Coleman:** Yes, the removal was done on TFL 44 on July 9, 2004. The court determined that the Crown had failed to meet its legal obligation, ordered the Crown to engage the first nation in consultation and converted the terms and conditions set out by the minister to Weyerhaeuser into a court order.

The court did not quash or suspend the decision to allow the removal of the private land. The court held that where the Crown administers a regulatory or administrative regime that permits the Crown to make decisions that may affect aboriginal interests, a duty to consult arises, regardless of the underlying status of the land.

The Ministry of Forests and Range is undertaking steps to consult with the Tseshahat regarding the decision to remove the private land from TFL 44. The Crown has decided not to appeal the decision. In May



2005 the Tseshaht First Nation filed a petition seeking, among other things, a declaration quashing the minister's decision on similar grounds to those advanced by the Hupacasath case. On February 21, 2006, during a hearing of the petition, the parties adjourned to June 5, 2006, in order to allow consultation to take place. The ministry is now undertaking steps to consult with the Tseshaht regarding the decision to remove certain private forest lands from TFL 44.

**B. Simpson:** With respect to the removal of that land, we've been informed that the Franklin River crew, which worked in that area, is being replaced because the land was changed from the public company to the private land company. The Franklin River crew is looking for compensation because of their loss of work as a result of a government policy decision to allow the private land to come out. They've asked for compensation under the Forestry Revitalization Trust. Again, will the minister consider compensation for that particular crew — because it is the result of a government policy decision — under the Forestry Revitalization Trust?

[1900]

[R. Cantelon in the chair.]

**Hon. R. Coleman:** The Franklin River crew is with Hayes, as I understand it. Our information, checking on it today, is that this was normal business streamlining for Hayes. However, we do know that the Franklin River crew is definitely.... I'm told there's definitely not a trust issue — not applicable — but the deputy has undertaken to look into it.

**B. Simpson:** I appreciate that the deputy will look into that issue. It is a highly contentious issue, because not only is Port Alberni impacted as a result of some of the forest policy changes, but now contract crews who don't live in Port Alberni are coming in to do the logging and then going away again. So they're losing that local revenue and the capture of that in the form of salaries and benefits, etc.

With respect to all of the private land removals, let's segregate it. The 1999 removals on 46 and 47. Was that a trade for land that would then go into parks — with, as a resulting trade-off, the removal of public lands from TFLs? Or was there some form of compensation to government for those two on here that were removed in '99?

**Hon. R. Coleman:** My understanding is it might have been a partial trade-off or a trade-off. I don't have the information. It was the previous government, and it was well before our time. I wasn't even doing estimates debates from that side on this file in those days.

**B. Simpson:** It's my understanding, as well, that it was part of a big trade around some of the land use issues and decisions that were going on at that time.

Subsequent to that, the rest are from 2004 onward. Has the government been compensated in any way or

with any trade in kind for the removal of those private lands, or has anything occurred with their removal?

[1905]

**Hon. R. Coleman:** I believe there was some to and fro and some other stuff. But the minister of the day, it was very clear.... I believe it's on the public record that private lands should be allowed to be private lands. It would have been a decision made by the minister of the day — to allow it to happen.

I'm not going to try and couch it that there was a big trade-off or anything. There was a little bit of tinkering, but my understanding is that they were allowed out because they were private lands. The position at the time was that private land owners have a right to the operation of their private lands, and they were allowed out of the TFLs.

**B. Simpson:** The logic behind that is a bit troublesome, historically, as to why we gave TFLs, what the trade-off was in bringing public lands into TFLs. If you brought public land into a tree farm licence, you often got more access to public land, and you brought them under the guise of the public stewardship model. You protected them from property taxes. You protected them from lots of the costs of the private land. The commitment was that you brought them underneath the public stewardship model. The minister may or may not be aware that a briefing document was prepared for the previous minister, by one of the ADMs who happens to be sitting beside him, in which all of this is explored in detail.

The conclusion at that time — and this is with respect to TFLs 39 and 46, and I see that 39 and 46 were both removed — was that the removal should not occur. The recommendation from staff at that time was recommendation three: "Defer consideration of Weyerhaeuser deletion request. Advise Weyerhaeuser the government is not prepared to consider its deletion request at this time."

Part of this discussion is around compensation. With respect to the future proposed deletions — and I see there are 29,000 hectares — will there be any discussions in there with respect to the public controversy that is now brewing around what's already done and what's already going to happen? As I've indicated in the previous discussion, this government is forcing people to the streets because of their frustration. Will there be fair compensation and fair consultation with the public about the remainder of these removals?

[1910]

**Hon. R. Coleman:** First of all, I'm not going to go into history, because I don't think that accomplishes anything. I can't really comment on that. I can tell the member that there are lots of times a briefing note will come in on one issue in forestry and hit the desk of ministry, and some other things can be at play. It could be another area that's being dealt with on some trade-offs — or whatever the case may be — that could

change the mind or the direction of the minister from what the briefing note initially did.

Sometimes it can be a case where staff get new information and may adapt, may change things. Or it can be a case where there's discussion, and the decision is made differently from the note. I guess that's the position of the minister on those types of decisions.

In our case, my staff will provide me with the information and the recommendations as these things come through. I will take into consideration what consultation has taken place and what feedback we have with regards to it and their recommendations at the time, which could take six months, a year, two years, depending on what the urgency.... Well, the urgency, I guess, is not the issue.

When the application gets processed to a point where it would come to me for discussion, I will use the best knowledge available at the time to make a decision. If I don't think there's enough information at the time, then obviously what I do, as I've done in the past, is say: "Could you get me more information or check on some more things for me?"

Obviously, since we have the court case, our whole consultation process is different than it was even just a few years ago. I would think that we're going to be a bit more public on these things than we have been in the past.

**B. Simpson:** What troubles folks on the coast just now is the fact that companies were compensated for 20-percent takeback on their annual allowable cut. At the same time the historical relationship around tree farm licences — both appurtenanced licences to mills and the relationship between bringing private lands under the public domain — was also broken without due compensation, as far as these communities are concerned.

The companies get compensated for public land takeback, but the communities and others don't get compensated because of Forest Act changes this government has made for the removal of private lands, which now come under the Federal Surplus Test and which may be removed — and also of appurtenanced mills which were closed. In terms of the public domain, I would suggest, again, and I would hope, that the consultation process going forward is more robust.

Having said that — and just because of the need to move forward — let's deal with the Cascadia situation. The way that the Cascadia issue has been addressed to me.... I've seen the correspondence going back and forth. I saw the submission from the Truck Loggers Association to the minister asking for the minister's intervention, and it was very specific. It asked for the minister's personal intervention in this circumstance.

In the discussions I had with folks who were involved in that, the way that they couched how Cascadia was dealing with the Forestry Revitalization Trust — and I quote from somebody who was involved in it: "Cascadia is abusing the legislation and using it to replace union contractors with non-union contractors." Another individual, who was in a position where Wey-

erhaeuser had indicated that they were going to stay, heavily capitalized his company. He's referred to by many as the salt-of-the-earth-type contractor. That caused his removal by Cascadia from operating in the Powell River area.

That caused the truck loggers to respond to the minister. Why did the minister choose not to personally engage and prevent the Cascadia situation from going to litigation, as the truck loggers had asked him to do?

[1915]

**Hon. R. Coleman:** This is a question my deputy could answer if it was put as a question. But having read what could be hearsay or other information out of other correspondence in phrasing the question, I would ask the member to just put the question — the factual question. Then my deputy may be able to answer it, or else you're going to get an answer in writing.

**B. Simpson:** Again, my apologies. I thought it was a factual question. Here's the factual question: why did the minister not respond directly to the truck loggers' desire for the minister to be involved to prevent this particular situation from going to litigation?

**The Chair:** Deputy minister?

**D. Konkin:** The ministry did respond. We responded in the sense that there was due process in the regulation and in allowances for arbitration. In fact, that arbitration has occurred, and a decision was made as of, I believe, the 28th in terms of if there was a proper vote. So the arbitrator has ruled on that.

In addition to that, if the contractors choose to, they can actually ask for another arbitration in regard to if the process was fair. So the response of the ministry was that the process allows for these disputes to be resolved and that they should follow that process.

**B. Simpson:** With respect to the arbitrator's decision, my understanding is that it went from arbitration to, now, a legal action. Is that correct? Is it still before the courts?

**The Chair:** The Chair recognizes that the minister has deferred to the deputy minister.

**D. Konkin:** I don't have knowledge of a specific legal action. There is a public arbitration decision as of the 28th day of April, and that is a matter of public record. That's the only knowledge I have.

**B. Simpson:** It shows you how quickly things change. My understanding is that part of the claim to the minister was that the minister could direct the trust and could in fact intervene — that the minister had the right to intervene. That was what the truck loggers had indicated.

As I read this into the report last time, the Auditor General also believed that this account is still under the

government's direction and control. For the sake of the record, the Auditor General indicated that the finances of the revitalization trust account should be accounted for in the government's books because we think the Auditor General thinks that this trust still operates under the strategic and operating decisions of the government.

So was it possible for the minister to use his office to intervene to prevent it from going forward in litigation?

[1920]

**Hon. R. Coleman:** Our understanding — and I'm responding in a general sense, just for the member to know — is that we cannot intervene regarding the trust, and that advice comes to us from the Ministry of Finance.

**B. Simpson:** Hence the Auditor General recognizes that he and the government don't agree over this particular issue.

I have one question. It may be sensitive, but again it's out there. I understand if it creates some issues, and we'll have to deal with it, but I want it on the public record. When Western Forest Products takes over Cascadia and when disputes like this occur, will the minister still have to recuse himself? That has a substantial impact as they ramp up to 42 percent or 44 percent of the land base.

In instances like this, if contractors or others have disputes with Western Forest Products, will the minister still have to recuse himself from those discussions and defer to the deputy minister?

**Hon. R. Coleman:** I want to be clear about this, because I know the member might be going to say that nothing can happen to Western, the minister can never act on it, and we've got 40 percent of the land base.

Only where it would directly benefit my sibling, and only where it would be something that he would be directly involved in within the company that would give a direct benefit to the sibling — that's the only place. That's my advice from the Conflict-of-Interest Commissioner.

On the operational side and all the other things that would affect that company, no, and on the sale of it, no. It would really be no different. I guess today we don't know what role any individuals have on the transition of this company. It will be something that I'm sure we'll define as time goes forward.

**B. Simpson:** I apologize if the question was uncomfortable, but it's a question that, again, as critic, comes across my desk as well.

A final question on this, and then I'd like to move back to first nations for a brief period. According to a B.C. Stats report published in February of this year... It tracks the log exports and indicates that they come more from private lands and so on. As we see, a large number of private lands were in the public domain and now have been flipped back into the private domain.

They're on the rise. Since 1996 we've seen a 1,000-percent increase in log exports from the coast. That's B.C. Stats.

Does the enormity of the volume of log exports leaving the coast...? Does the fact that the minister signs off in order for first nations to do what they need to do in the midcoast, that we've got OICs available...? Is that seen by the minister and his staff as a problem that needs to be addressed on the coast, or is it just the way that the coast has to go because of the conditions that it's in?

[1925]

**Hon. R. Coleman:** I don't like the log exports. Let's be clear about that. I don't like the growth in the amount of them. I'd much prefer that we had an infrastructure on the coast where we could compete on the manufacturing side with all logs. It's certainly something that will be engaged in our discussion as we come through the competition report and the meeting with the Coast Forest Products Association and all these guys with regards to these issues — including the truck loggers, frankly.

I don't have a solution to the member's concern today. As the member knows, Notice 102 is a federal statute. But we certainly want to create the environment where we see competitive investment on the coast. A competitive log market in British Columbia is good for our manufacturing sector, even on the lower mainland, even in the smaller manufacturers on the Fraser River. It's a concern identified. The member has identified it correctly, and we're going to do some work on it.

**B. Simpson:** With respect to the truck loggers' position, the truck loggers have a formal position on whole log exports with respect to generating jobs for their members.

There will be a poll released tomorrow from the Port Alberni area, which indicates that the sensitivity around whole log exports is making a dramatic shift. They explicitly ask the question that the truck loggers use as a rationale, which is: do you believe that we should be exporting logs simply to get the jobs that we get from that? At least it's better than nothing. Seventy percent of the respondents said no, that is not a sufficient argument anymore.

Again, we canvassed the coast recovery group yesterday. I argued for the inclusion of communities and workers. I hope it does evolve into that to prevent the coast from having to do what they're doing.

With respect to whole log exports, will this challenge be put to the coast recovery group to figure out how to prevent us from sliding even further, so that next year's numbers aren't up yet again?

**Hon. R. Coleman:** It's part of a bigger puzzle. The charge I think we have on that group is not just to look at the log export side but how we could get the whole underpinning economy so that we don't have anybody that wants to export logs because they all get manufac-

tured here. It is a bit of a chicken-and-egg at this stage in the evolution of the coast because of its competitive nature. My hope is that we can find solutions together on both of those as we go forward.

**S. Fraser:** Thank you to the minister and his staff for being here tonight.

We've switched venues. We're in the Douglas Fir Room, so my first question is: where was this Douglas fir harvested, and was it in compliance with the Forest Practices Code? This is a bit of levity. I'm so sorry. I'm being mindful of the time too.

**A Voice:** Say it again, Scott.

**S. Fraser:** I was suggesting that we're in the Douglas Fir Room, and I was asking the minister where the Douglas fir was harvested from and whether it was done in compliance with the Forest Code Practices.

**A Voice:** It came from Port Alberni.

[1930]

**S. Fraser:** Cathedral Grove — I hope not.

I'm going step back a bit. We're dealing with some first nations issues, and despite my introduction, I'm trying to be quick because I'm mindful of the time constraints.

A year ago Madam Justice Dillon ruled on the Huu-ay-aht case, and the Crown appealed the judgment and then withdrew in March. Formally, the appeal has been abandoned, so the judgment stands. As we were discussing when we closed last night, the ministry is still signing forest and range agreements, FROs. On the website for the ministry, the strategic policy document is still in place.

I'm just going to continue from there, because I think we established that yesterday. The court has said that the province has a legal obligation to have a proper policy in place before operational decisions are made. The court has also said that the FRAs and FROs are clearly contrary to the law in the ministry or government's rule of adequate consultation and accommodation. So how does the minister reconcile still working with the same strategic policy documents post-court decision?

**Hon. R. Coleman:** I'm going to do this in two tranches for you. Basically, the province has notified the Huu-ay-aht First Nation that it's abandoning its appeal in keeping with the spirit of the New Relationship and as a gesture of good faith to illustrate its willingness to work together. The province also continues to be of the view that the case was wrongly decided but wishes to build a new relationship with first nations that is constructive and collaborative.

Abandonment of the appeal is consistent with this New Relationship. The parliament wishes to move forward in a positive manner with the Huu-ay-aht First Nation through negotiation and collaboration rather than litigation. The Huu-ay-aht First Nation is in the

last stage of treaty negotiations, and the province wishes to conclude the treaty to fully reconcile the Huu-ay-aht First Nation's interests and at the same time provide certainty for all British Columbians. Abandonment of the appeal will allow the province and the Huu-ay-aht to focus entirely on making progress at the treaty table.

Despite the appeal and all of that, the province signed a one-year interim measures agreement with the Huu-ay-aht that expires May 31, 2006. The interim measures agreement provides \$2.5 million for resource revenue sharing, restoring watersheds and implementing the agreement. The agreement also provides for a meaningful consultation process and a cedar management strategy, and commits the province to pursue with the federal government two treaty-related measures to cost share: one, the purchase of private forest land on a willing-seller, willing-buyer basis; two, early access for the Huu-ay-aht to timber on proposed treaty settlement lands.

The province is currently reviewing its options of how to proceed once the interim measures agreement expires. Regardless of whether or not a renewed INTMA — that's an interim measures agreement — is put together, the province will continue to fulfil its legal obligation relating to consultation on the forestry decisions with the Huu-ay-aht. So that's that part.

In the Huu-ay-aht decision, the Justice found.... We were of the understanding that Madam Justice Dillon's decision has not changed the forest and range program or the per-capita approach. The province can continue to offer these agreements and accept the accommodation offered, if they choose. Because it's a choice of the first nation to take it, it's therefore not imposed.

[1935]

There was some discussion in the Huu-ay-aht as to how it was intertwined into this process. The province has accepted the court's conclusion that if a first nation declines to enter into an FRA, the province must ensure that it is consulting with the first nation with respect to forestry decisions that may impact on the first nation's assertive aboriginal rights or title.

If we don't get an FRA, we can go down a different path of consultation and accommodation and discussion, which could be lengthier. But we're allowed to just stream over to another stream versus not being able to sign these anymore. We're confident we're meeting our constitutional obligations regarding consultation with the Huu-ay-aht First Nation on forestry decisions, and abandoning the appeal has no effect on the province's commitment to satisfy those obligations.

**S. Fraser:** Thanks to the minister — a lot of material there. Is there any other program available to offer tenure or revenue-sharing besides the FRAs and FROs?

**Hon. R. Coleman:** We've done 29 direct awards of timber allocation to first nations under other agreements. This whole thing takes many shapes because there are different, I guess you could say, interests for different first nations with regard to what they see as

their economic opportunities on the land base, whether it be forestry or not. At the same time, some of them have different geography and what have you, so we try and work within the processes that are available to us.

We've got the Ministry of Aboriginal Relations and Reconciliation trying to get to interim agreements towards treaty. Sometimes on those things, there will be discussions about land use and also some fibre that's going to be switched over when the treaty gets done, if it gets done — that sort of thing. I couldn't describe it as anything other than a pretty changing file, because each agreement brings with it, in some cases, other people's expectations changing. You know, some people have unreasonable expectations, and you can't get to the table with them; others, you can. Some are quite happy with an FRA as part of the package for the economic measures; others want something else. So although we've done 29 direct awards, there's no cookie-cutter here, I guess you could say.

[1940]

**S. Fraser:** I appreciate that, and I appreciate the minister's response. I'm mindful of the challenges on this file and in dealing with individual cases, because they are individual cases. The court finding showed some pretty serious flaws in the FRA, FRO program — one being, it's population-based. It represents a complete failure, really, to base things on the value of the resource being extracted from a traditional territory.

There is a formula there. It's a head-count formula. It's not one that's been in keeping with.... Certainly, the first nations that have raised it to me, as far as any kind of appropriate formula.... It's some of the worst of the old relationship — doing a head count and then arbitrarily arriving at a formula for compensation.

Also, I think it's in keeping with the reasoning of the court decision of Madam Justice Dillon. In her decision I think she was quite clear that the population approach represents a complete failure of consultation, based on the criteria that are constitutionally required for meaningful consultation. While a population-based approach may be a quick and easy fix to respond to the duty of accommodation, it fails to take into account the individual nature of the claim. When we're dealing with individual claims, as the minister pointed out, that's quite challenging. But the very nature of the FRO program has a cookie-cutter approach, and that formula seems to be etched in stone. Is that a negotiable formula?

**Hon. R. Coleman:** As I said before, although we abandoned the appeal, we didn't necessarily agree with all that was in the decision. We understand the criticism, and we've always been prepared to look at alternatives. That process is taking place collaboratively with the first nations leadership, which is ongoing now.

In the interim, though, we need to keep moving forward with those who desire to have a forest and range opportunity. We're not changing the formula. We've changed some language in the agreement at the

request of the first nations leadership. One portion actually has some disagreement within that group as to what the language would be, so we'll have to work through that. We'll look at how we can do things in the future with that. That was the whole New Relationship to begin with — to work with that leadership council.

In the interim, we still have first nations contacting us and saying: "We want one." So in the meantime, we'll continue to accommodate those that are interested with agreements, if they wish them. We will be looking at alternatives in the future. We'll work with the leadership and what it might look like in the future, but we're not going put a stop on this and not allow a first nation that today wants that economic opportunity in the interim. They will be allowed to continue to sign them.

Like I said yesterday, there are 104 of them now — 104, with 178 eligible. Something is actually attractive to a number of first nations with regard to these.

**S. Fraser:** Thanks to the minister for that answer. The forest and range agreements — the FRAs, the FROs — are a choice, and I understand that. However, the alternative is often not acceptable, so the choice is made.... I don't know if "under duress" is putting it too strongly, but I've heard it equated with a gun to the head.

[1945]

I'll put this as the last question to the minister because I'm out of time, so my colleagues can get some time in here. Is there a case where a first nation has not signed an FRA or FRO because they do not agree in principle with the head-count method — the compensation is adequate, in keeping with the court decision that the minister may or may not agree with — where there has been any stopping of that resource being harvested from their traditional territories?

**Hon. R. Coleman:** Not a lot — that I understand. I couldn't give the member a number.

I will say this. I've done a number of these now, where I've been to signing ceremonies with first nations. I don't think the first nations in Powell River would have given me a hand-carved mask and asked me to join them in traditional dance if they felt they were having a gun put to their head.

They were very receptive to the entire forest and range opportunity, but we signed it that day. We signed some other things where we also did some other interim measure things with them for some other funds that went to them. It was a terrific day, frankly, with those folks, and the same thing with the signing with the 100th one, which was done in Vancouver.

I'm not going to even entertain a discussion that the government is putting a gun to anybody's head, because these are voluntary. They're an offer if you want them. You can ask to be a participant if you want them.

If you don't want to do an FRA, we still have to do the consultation and accommodation on the land base. So it doesn't matter. We still have to do it. We have to do it in order to meet the other court obligations we

have, which are very extensive consultation and accommodation arrangements — not just from the Ministry of Forests, of course, but from the government itself. The other ministry, which does a lot of that, tries to get to interim measures and all of those things to get us to interim agreements and then through to different stages in the treaty process. It is a very long, very complicated, very consultative process.

I hope that with some of the changes we've made in trying to accomplish things within the New Relationship we'll see, hopefully, some more progress in shorter periods of time, so we can get some of these things done. I think it's very frustrating on both sides, first nation and non-first nation alike, the length of time it takes to get to a treaty and finality and certainty. Hopefully, our processes will allow us to get there over the next few years, and we can see some real successes. In the meantime, I think we still need to have some opportunities while we're trying to accomplish that.

**B. Simpson:** One last point on this — first nations. The ministry publishes an update of the first nation, the volume of timber and the cache. It would be helpful to us if someone could take that and also put the first nations that have actually accessed that volume. It's a table that is of interest because it goes to the whole issue of a promise that was made: that the 20-percent takeback wouldn't end up in a black hole of unrealized logs into the marketplace.

We're being told that virtually no first nations have actually accessed their logging, or if they have, what they're finding is that they're not economically viable. They're not going to be able to continue with it, because the timber allocation is not large enough. So that we can track that and make sure that we're not creating a black hole, we would like a table — the same table, but with a final column on it that indicates which first nations have actually accessed the fibre and how much fibre has been accessed. Is that possible?

**Hon. R. Coleman:** Yes, I think it is possible. We'll look into doing it. I don't know. It's possible. Everything's in the art of the possible.

**B. Simpson:** Thank you. Leadership is the art of the possible, I think — right?

[1950]

As I said before, we have a number of things to canvass because of the nature of this file, so I'd like try and go through some of them quickly. I'd like to talk very briefly about two key points on forest worker safety. The first is an update and the ministry's intent with respect to the Allman report.

**Hon. R. Coleman:** The report was done. It has been sent to WorkSafe B.C. and to the Steelworkers for comment. We've asked them to give us feedback on what they think of the report, to comment on it and to also give us feedback on what further they think we need to do. Then we will take that into consideration as that consultative process completes.

**B. Simpson:** In a meeting with the Steelworkers the minister indicated that it's possible to use the Inquiry Act to examine the implications of policy changes since 2003 forward on safety in the workplace for forest workers. Does the minister intend to actually look at doing that, and initiate an inquiry under the Inquiry Act?

**Hon. R. Coleman:** I was in the meeting where that came up. I do understand that the Minister of Labour is looking at that. That particular piece of legislation is in his ministry. I'm not sure whether it is actually in his; it may be in the Attorney General's.

What I said at that meeting was that I would like to do more. I said I would get back to them in a week. In a week we said: "Here's the Allman report. Give us your feedback, because we want to keep a collaborative relationship going with you."

They have contacted the ministry this week. Unfortunately, the deputy has been a little tied up with this exercise that we're going through. I would suspect that once we are finished estimates, he will make contact back to them. We may be ready to get their feedback and move forward.

[1955]

**B. Simpson:** My understanding is that they wrote quite a lengthy letter back with some detailed comments on the Allman report already. Hopefully, they don't have to replicate that process.

With respect to WorkSafe, has WorkSafe responded?

**Hon. R. Coleman:** Evidently I need to correct myself. It went to the Forest Safety Council, not WorkSafe. WorkSafe is a member of the Forest Safety Council.

No, we don't have a response from them. We're not aware of the letter the member describes. It has not reached us yet. The member may be aware that they've written a lengthy letter, but we don't actually have it.

**B. Simpson:** That was the indication to me, that they had responded.

Again, we're going to have to canvass some of these things fairly quickly and not do proper service to them. With respect to B.C. Timber Sales and safety, I know that there have been appointments and that those kinds of things have been done. There's only one point I want to canvass — that is, a comment or a statement the minister had made that BCTS will not have an unsafe company work for B.C. Timber Sales. So with that comment.... My understanding is that B.C. Timber Sales puts out bids and that it's the highest bidder that gets the bid. So how can B.C. Timber Sales ensure it's a safe company if it's only a highest bid that's the process for awarding the sale?

**Hon. R. Coleman:** What we want is that whoever's operating on the land base is a safe company; they have qualified workers that are trained properly, that meet the criteria of the SAFE Companies initiative.

In a case that somebody could have bid on the wood — there are some people that bid and actually never log — it will be a condition of sale and a condition of their contract that they have that: whoever's actually doing the work on the land base is a safe company. If they don't do it, then we'll take the sale away. It's that simple.

I mean, there's really not going to be room for, in my mind as a minister, any movement in this. As we come through with a SAFE Companies description and initiative, which we think everybody will be in a position to start initiating this fall, our expectation is that B.C. Timber Sales be the first one out of the gate, putting that in place. We will have it as a condition of our sale that she will be a safe company. We will only allow safe companies to operate on land base.

**B. Simpson:** Does that end up precluding new entrants for B.C. Timber Sales bids, then?

**Hon. R. Coleman:** No, but any new entrant will have to be qualified. As long as they can show us that they're a qualified SAFE company and that they're going to operate safely on the land base and meet our level of criteria, anybody can bid. But what we're not going to do is have people operating on a land base that are not safe, that are not meeting these criteria.

[2000]

I believe I said from the very beginning, when we started talking about this and when I went to the first meeting of the B.C. Forest Safety Council last fall, that we should be the leaders in this, because we're the Crown. If we're going to do bids, we're going to have people meeting criteria, and we're going to be the first ones out of the gate saying: these are the rules.

**B. Simpson:** Just for context, I have an ongoing dialogue, as the minister is well aware, with the Forest Safety Council. I was the co-chair of our corporate safety council for Wildwood and know some of the traps that I believe they're falling into and deal with them directly.

A quick question on the Forest Safety Council. They've issued their workplan. They want input into and feedback on their workplan. The workplan targets four areas: the ombudsman, the advocates and then two areas that — the feedback to me is — are troublesome to some. One is drug and alcohol abuse rather than fatigue, which the previous task force indicated was probably the leading problem. The other is the global training program for the industry — beyond safety: technical training and everything else.

This is not a question on the details of that, but will the ministry be giving feedback on the workplan? Who sort of controls...? Or is there a control over what's in bounds and out of bounds for them to determine as their workplan? They are getting money from Work-Safe B.C. Is somebody saying to them, "Hang on a second. This thing is more appropriately done by another agency," or in the case of drugs and alcohol: "We be-

lieve that fatigue is more of a primary cause and should be looked at"?

Does the government, either through this ministry or another ministry, still have some control over the actual workplan and sign-off of that workplan for the Forest Safety Council?

**Hon. R. Coleman:** We're members. Both the ministry and B.C. Timber Sales are members of B.C. Forest Safety Council, so we're giving feedback just like other members would. It's our intention to work within that sort of collaborative relationship we have established with everybody from the steel workers through to companies, small and large, and then, obviously, with different organizations like the truck loggers and all of those affected groups that are at that table.

[V. Roddick in the chair.]

It's been an interesting evolution to watch, actually. As the member says, it may have some pitfalls as it goes along, but it's sure nice to see the people that are operating on the land base in B.C. and who are responsible for land base in B.C. in the same room.

**B. Simpson:** Moving along. A little bit around alternate-use licences and value-added. Could the minister update my community when we might see an OSB plant or a pellet plant? Joking aside, what is the possibility that we will actually see an OSB plant out of those licences in either Prince George or Quesnel?

Now, for context again, I asked for a briefing on this from the local district manager and was told that I had to get a briefing on this from the minister's office. The same with C.H. Anderson. What's the status of those licences? When might we realize plants?

[2005]

**Hon. R. Coleman:** First of all, I can't tell him whether it's going to Quesnel or not. I've met with Ainsworth, and they are looking at a number of locations for their OSB plants. A number of factors affect that: transportation where the fibre access is the best; where road access is going to be best and those sorts of things; and obviously, I would suspect, where there's industrial land available, at what price and all of those things. I know they're doing that work.

The last time I met with them.... They have one plant they're finishing somewhere, that I think they're just opening somewhere else in Canada. When that's done, I believe their intention is then to focus their mind on the next one in the north, in the Cariboo. It is conceivable there could be two OSB plants or two co-located on the same site. They haven't made that decision yet. There are some things with regard to their licence we're working out, with regard to term and references and some things like that.

On the C.H. Anderson side, they've signed their licences. They're in the planning stage. They're into their first nations consultation phase right now. They have two years to start to construct, I believe, their first

location, so they have to construct a pellet plant with a minimum input capacity of a million and 50 cubic metres by November 1, 2007, to comply with the terms of the licence. That's where they're at, and I know that they're moving along with their European partners.

That's where it's at with those guys. These are big undertakings, particularly the OSB. I don't think the pellet plant so much, but I do know that for the OSB plant, not just in its construction but then in the working-through phase to actually get to where you're fully operational, it's probably 30 months, maybe 36 for some. I'm going to open one up in Fort St. John in the not too distant future, and that plant has had some initial startup challenges. I guess it's just as you work out your equipment and things like that.

I can say this: having spoken with and met with the Ainsworths, I don't think there's any doubt.... There's no doubt in my mind that their intent is to move forward and to build these plants.

**B. Simpson:** The minister indicated that there's sort of a trip time frame for the C.H. Anderson. The question in my community is: does the same apply to the OSB licences? As minister and his staff are likely aware, Canfor and West Fraser and Dunkley are getting a little bit nervous about that wood losing shelf-life capabilities for sawlog.

Certainly, the approach to me was a concern around: "If we don't have a time frame in which there's a go-no go decision made, then maybe we'll lose the opportunity to use those logs as sawlogs." Just with respect to the OSB one, is there a go-no go date before the licence is repatriated and made available for other uses?

[2010]

**Hon. R. Coleman:** On the Ainsworth side, we're just finalizing the details of the licence. When that gets signed by Ainsworth and the clock starts ticking, I think it's two years.

**B. Simpson:** Again, a quick question to the minister. Will that be made public knowledge in some form of announcement to the communities involved to answer the question that's spinning out there?

**Hon. R. Coleman:** When the licence is signed, it will become public knowledge, so they will know.

**B. Simpson:** The city of Williams Lake has recently passed a very comprehensive motion with respect to the forest industry. I'm just curious whether or not that has come to the attention of the minister yet.

It talks about considering direct awards for different value added; for driving partnerships between primary and secondary manufacturers; considering a fee on all low-grade lumber to ensure that local manufacturers get access to it — that sounds like a John Brink insertion; granting new tenures to companies that have clear proposals to add further value; and so on. Has that motion come forward, and is the minister aware of it to date?

**Hon. R. Coleman:** The member did say Williams Lake — right?

**B. Simpson:** Yeah. I think they consulted.

**Hon. R. Coleman:** Just when you said Mr. Brink, I thought he was in Prince George.

Well, no, we don't have it. If I could be clear about one thing: we'll listen to local communities, but the local communities aren't going to decide forest policy in B.C.

**B. Simpson:** That may be so, but no matter where I go, the question that's buzzing, and it's in this resolution, is: how do local communities get a bit more control over what's going on? There's that sense that they're losing control. It's wrapped up in the corporate concentration. It's wrapped up in what's happening in the global marketplace.

This is another one of those indicators that because there isn't a mechanism or a venue for communities to have an ongoing input, you get resolutions like this. I will make sure that the minister's staff gets a copy of this resolution, and hopefully, we can have some response to the city.

With respect to interior log grades, very briefly. We're going to move as fast as possible here. Now, I got a briefing from staff, and I appreciate all those briefings very much. It helps me to do my job much better. The interior log grades have been set. We talked yesterday a little bit about the buzz around the cost implications of that.

There was also the possibility of pushing into greenwood as a result of those changes, and the cost implications that maybe.... I know it was one of the dynamics in the decisions. How do you prevent people from going into greenwood and bypassing the dry dead?

Once we get back into full logging season in the interior, how will the minister be monitoring the ongoing impacts of that change over the near term, particularly, so that some changes can be made and adapted if necessary?

[2015]

**Hon. R. Coleman:** We have a team of people in place from companies, etc., but we also have a team of people in place within the ministry that'll be monitoring this. We have a comprehensive data collection system now that spits out data daily, so we'll actually have very good data and very good information. We will know what's being logged and how, when, where and why.

We've said all the way through this, as we built this log grade system with the companies and the industry, that we're going to be monitoring and we're also going to be flexible. We're going to be adaptable. We're going to make sure this works. Everybody — I think all the partners on the land base — recognizes that it's going to be a bit of an adjustment, I guess, but as we go through this and we go into MPS, I think it's important.



As we do it, we also have to make sure it's adaptable and works on the land base. We're going to be flexible to make sure it works, and we will monitor it very closely.

**B. Simpson:** I don't envy the staff on this one because of the public pressure against the two-bit stumpage not deriving enough benefit to the Crown versus the operational considerations of this with respect to how you prevent people from going to greenwood and so on. I think staff is doing a very good job of trying to manage through what is a very difficult, difficult process, so I look forward to seeing how this thing flows out. I'm glad that it will be tracked closely.

I want to go on, I guess, to the main two things that we're going to canvass in about half an hour or so related to climate change: the whole issue of fire and the mountain pine beetle.

But before I get in there, I just want to come back to the waste issue again. We canvassed it on the coast, but it's also an issue in the interior. In the briefing that I had with staff, I raised this issue. Quite frankly, my concern is that we are making ourselves very susceptible on the take or pay and on the extreme nature of the salvage that's going on to a market backlash if anybody starts posting pictures on the website of what's happening out on the land base.

I have a quote here that kind of captures my question, and I have the permission of the author to use it. I'm sure the ministry knows him: Fred Marshall from down in the Boundary area, an RPF and head of the Boundary Woodlot Association. What he's indicated is: "How will the public react to this" — he's talking about the waste volumes — "once such waste becomes known to them? What about increased fire hazards, regeneration delays and negative wildlife impacts related to huge volumes of waste? The waste from the residuals from the interior are on the verge of overwhelming us, and even more increases in waste are looming."

With respect to that, in the Quesnel TSA.... Let me just find it here quickly. The analysis of the Quesnel TSA indicates that salvage logging is already impacting biodiversity. That's a ministry document.

So my question on the public record is the same one that I asked in the ministerial briefing: how are we managing this? How are we looking at these questions? How will we make a decision, as quickly as possible, on whether this take-or-pay program and the waste allowances are appropriate for the long-term health and sustainability of our forest resource?

[2020]

**Hon. R. Coleman:** Just before I go to the answer here, I just wanted to allay a fear that he expressed in a previous question with regards to monitoring and whether we're moving to green versus others. We've monitored lodgepole pine, other coniferous and deciduous over the last ten years, and this is the licensee side of things. In 1995 we were taking 46 percent in lodgepole pine and 53 percent in other coniferous. In

2005 we were taking 74 percent in pine and only 26 percent in coniferous. We're monitoring that pretty closely on that side, and that's the kind of data we're going to be working with.

With regards to the other, we do have controls with regards to, as the member knows, fire and reforestation. We leave some coarse wood debris in the forest. We want to make sure that we have the right planting areas, and we monitor that. We do have a concern with piles along roadsides, which seems to be one of the problems we have. We're working with our licensees on that.

We also have a challenge, as the member knows, in that particular area of the province, where there's just a lot of wood. We've started a project with the Ministry of Energy and Mines with regards to looking at whether we should be looking at all this debris as a bioenergy product for creating electricity.

It came out of the pellet discussion, frankly. When I sat down with C.H. Anderson and their European partner in a meeting one day, they were talking about their licences — I had a meeting with them on their licences — and I said: "Well, what do you do with the pellets?" They said: "We actually have a patented process. We make them. We ship them to Europe. We burn them in coal-burning power plants and offset some Kyoto credits and make money." Of course, you're sitting there thinking: "I've got this basic mountain and river of wood; why am I not making power with it in B.C.?"

That led to a discussion with the Ministry of Energy and Mines. We now have some people working on the biodiversity side. Obviously, OSB's a big part of this as well, because it will use some of this stuff.

At the same time, we recognize the concern. We have *Post-Harvest Residue in B.C.: Current B.C. Forestry*, and this is a term of reference for a review of potential forest management implications. It's a discussion document that was produced on March 31, 2006, so you wouldn't have got that in your briefing. We will provide you a copy of that.

**B. Simpson:** I appreciate that. Is that table also available in the public domain? It is one of the questions that's spinning out there.

**Hon. R. Coleman:** For free, I can provide that to the hon. member.

**B. Simpson:** I could say something about MLA pay raises and whatnot, but I won't at this juncture, because I can't afford to buy any.

[Laughter.]

Interjection.

**B. Simpson:** No, I don't. But it's late. I'm tired. I'm there.

Let me move on again. We're moving through this quite quickly. One of the concerns with respect to

waste — I'm sure the ministry staff are aware of it — are cases like the Gillson case in the Quesnel area, where you have waste allowances and the way the waste is being left behind that impacts range licensees.

[2025]

I'm being told by folks in the Cattlemen's Association that if we're not careful, we're going to have more of that. Is the ministry engaged with the Cattlemen's Association on that particular issue and how to manage that?

**Hon. R. Coleman:** First of all, yes — the short answer, to some degree, is that. We have just located our range branch in Kamloops. We have an ADM that's now responsible for the range branches up and running. This same document that I mentioned earlier includes the whole discussion about reduced mobility and potential danger to cattle. We will be engaging through that process as we go through this discussion document to lead us to some solutions. So, yes.

**B. Simpson:** Is there the possibility in this, where range operators have lost cattle — broken legs, cattle that have starved — because it looks like a maze? They go in, they can't find their way out, and they end up starving. There is documentable loss of cattle in the Gilson case. Is there any scope for compensation in those cases?

**Hon. R. Coleman:** There's no compensation fund for this, but the whole notion of bringing range into the ministry was to get that meshing of the plans so that people would understand where it's important for the cattle. That's the intent here, to try and work through that. There's a pretty good working relationship, as I understand, through some of our regional offices and the Cattlemen's Association. We try and concentrate particularly on the ranchers who have grazing leases to make sure we're accommodating their needs and concerns. But as far as a compensation fund, one doesn't exist here.

**B. Simpson:** Again jumping around, I'm being told they would like us out of here sooner rather than later. So with that, there's a couple of pointed questions I want to do on mountain pine beetle. I think it's because they have bills going on in there that they're wrapping up.

With respect to the mountain pine beetle, I have two pointed questions that I want to ask on the record. Then if I could get a briefing on that, outside of this, I can cut through a lot of that stuff, because I have a lot of questions. The more pointed ones are.... I was confused, in the service plan, by the communities covered by the mountain pine beetle socioeconomic adjustment plan. In the body of the service plan, on page 34, it's to be determined or not applicable.

In the appendix they have a different metric that's community diversification and stability — the number of community associations established with business plans for mountain pine beetle mitigation. They have a

different metric there. They've got two in '05-06, zero in '06-07. You know, it just seems like they're kind of interesting metrics. They bounce all over the place.

[2030]

I'm not quite sure why you would put a metric in of a socioeconomic adjustment plan and not have some sense of what you want to accomplish. Anyway, it strikes me as odd that it's in there without a definitive target. So why wasn't a target set? Secondly, is this the same as the work that's being done by the Ministry of Economic Development? Because my understanding is that up in my area the Ministry of Economic Development has engaged in a socioeconomic impact analysis. So two questions.

**Hon. R. Coleman:** On the first, the reason for that is that in '06-07.... We think that's a transition period, at least my understanding is it's a transition period, where we're going to see the beetle move, at a level that gets to be a bigger concern, down into the southern interior — into the Kamloops and the Thompson-Okanagan. That's why it's reflected.

We're not at the stage where the impact is like it is up in your particular area and those areas, so the community business plan probably isn't applicable at this point. That would probably be our next one.

On the other side, with the Economic Development side. I guess the notion would be that Economic Development is actually part of the emergency response team. So the ministries within government have been brought together and said: "We're not all going out like this." Forestry is the lead on the beetle file at this time. Economic Development collaborates with the emergency response team — that group. We're part of it together.

What we will see, I think, as time goes on, as we manage the attack from a forestry perspective, is a morphing off, where the lead will move into Economic Development and Community Services. There's going to be a point in time where we say: "Well, we're at the point where we know what the level of the attack and the resource impact on forestry is going to be. We now know what the volume constraints are going to be five, seven, ten years out. We now know our piece of this puzzle." Today it's the most critical one because we're trying to get as much out as we can.

As we get to handling our piece of the puzzle, there'll be a point where we'll say to the other ministry: "Okay, we've still got the team, but now you're running the team because you have to get on the ground at this level now, because our economic impact is coming at you."

That's why we've done it the way we have, so we can actually do a.... Within government, we want to have a seamless ability to move through the issues as they change. You'll have socioeconomic issues that will hit communities when the cut goes down. You'll have changes when the whole industry changes, depending on how dramatic it is.

The reason we're not doing that transition now is because science is actually starting to.... Some of the

scientists I've met with are not saying it's as quick and as bad, today, as maybe we thought. But, then, we don't know. Because we measure it again, we fly it again — we'll check it.

It was really important to me as a minister. — that's why I suggested the emergency-response-team-type approach to this — that we have a coordinated approach within government. What I didn't want to see was money coming into government for beetle being pieced-off with no coordinated approach to its results. That was very important to me, and I think it was important to government, so that's how we've done it. So far the cooperation we've had from the other ministries has been very good.

[2035]

**B. Simpson:** With that, the federal government just announced \$400 million. People have picked it up as pine beetle. It's not. It's pine beetle; it's worker adjustment; it's the forest sector — issues across Canada. Does the minister know at this juncture how much of that is actually targeted for mountain pine beetle?

**Hon. R. Coleman:** No, we don't, actually, to be fair. We've contacted the federal government. Clearly, a lion's share of this is targeted for pine beetle. I was pleased to see the other stuff put in it, though, frankly.

As the member knows, one of the concerns going into 2007 on the coast is whether there's the ability to do some worker adjustment in that industrial sector of manufacturing. I think that may recognize some of the presentations that were made in Ottawa by the Coast Forest Products Association and other industries across Canada. I know that Quebec and Ontario had some industry representation on that as well.

It's always been my understanding, anytime I've talked to either government, that it's a billion dollars — \$100 million a year for ten years — so my expectation would be that, at a minimum. I will be in contact with the minister responsible in the next few days. I know we've done the official thing already, but usually it takes a few days after the budget comes out to sort of suss it out.

There are a number of things we need to suss out in this, but I do think there's a clear recognition in there about the mountain pine beetle. There's a clear recognition about that worker and industrial adjustment, and I think that's good news for the sector in both ways.

Did you want us to rise and report now?

**B. Simpson:** No, if I could.... One thing on fire and then....

One quick question on this — hopefully yes or no: did the ministry submit a proposal for funding on mountain pine beetle to the federal government?

**Hon. R. Coleman:** Yes, and we're going again. We expect to be there again within 30 days, because as governments change and staff change, you've got to sort of stay on top of those type of files. But yes, we did make an additional proposal, and we did go back with

first nations as well. So we are moving in the direction we said we would be moving in at that stage.

**B. Simpson:** Fire is another huge issue of the ministry, and unfortunately these are the two things we never got to canvass very well last time. I guess I need to manage my time better. With respect to fire — just very quickly, again, on the record — I know lots of work has been done around protection, and there are questions out there around prevention. Is the minister comfortable that we are prepared for the 2006 fire season, whatever it brings us — not from the protection perspective, but that we've done enough fuel management work in critical areas to mitigate impacts of a catastrophic fire event?

**Hon. R. Coleman:** We learned in 2003 that we have a big project ahead of us, and we've made some very good progress. I don't think you'd say it's all done. If we kept at the present rate, we could probably be done in seven to ten years. But the Filmon review really identified fuel management as one of the key issues, with an estimated 400,000 hectares in the interface needing attention under provincial strategy.

[2040]

We've taken activities and put strategies in place with regards to that. Our provincial strategic threat analysis puts it at 1.7 million hectares as possibly threatening communities. That analysis was made available to all the communities: 74 community wild-fire protection plans are underway and complete now; 24 pilot projects are underway or under construction. There are 47 operational treatment projects that were initiated in 2005. Within the provincial strategic plan for fuel management, 460,000 hectares are affected or potentially affected by mountain pine beetle.

We're dealing with that under an investment that we've made on the land base. Under Filmon, \$15 million has gone in, and that is over '05-06 to '07-08. There is \$21.8 million under the federal mountain pine beetle, which is 10 percent, and is targeted for land adjacent to first nations communities. There's a significant contribution from local governments and the forest industry, in addition to the provincial funding in the activities.

In addition to that, we've actually also written a national wildfire strategy, which British Columbia has a lead role on now on a national basis. It's one of those things. The member said: "Are you ready for a catastrophic event?" As best we can be. We've added more tankers. We've added more crews. We've added more teams. We've added the ability to react better than maybe we did in certain phases, but we were very good at it when we had the fires hit in 2003.

We had a park, for instance, in the Okanagan, where the fuel on the ground in that forest was unbelievable. We were living in an environment at that time where people said: "Don't touch anything in the park." I think some changes had to be made in the human psyche, too, particularly in the electorate, with regards to fire.

I think we're in better shape than we've been in a long time. Like I said to the member the other day, I liked how much snow was still in the mountains when I flew over them the other day, because the whole thing that drives this is whether we're dry or not, and then of course when we get a fire, whether there's wind, if it's an interface fire or not an interface fire — the different strategies you employ with regards to that.

I would like to not have the Solicitor General go through the 2006 fire season that I went through as the Solicitor General in 2003, so my hope is that the water table and all that help us out there. I do know that it's a real, live part of the operation. We see it all the time. We've done a lot of things, from Filmon onwards, and improved on our ability to respond dramatically in the last couple years.

**B. Simpson:** Let me ask this last question here quickly.

I don't dispute any of that. The fact that we've been very good at fire protection has caused us all kinds of grief, one would argue, with respect to the mountain pine beetle and other pests on the rise. That's not the issue I was addressing. It was more proactive.

There's a stumbling block here, and again, we can't canvass it at length. I'm sure the ministry is well aware of that. That is the cost plus to municipalities for actually implementing their plans. Filmon was pretty explicit that a couple of things needed to be done. That is, amending allowable cut determinations in fire-prone ecosystems, particularly in the wildland-urban interface. Look at alternatives to stumpage, or no stumpage, in some way, so that you don't add an additional cost to municipalities where they have to do the 50-50 cost share, plus the costs of logging, plus the costs of ongoing maintenance, etc., and then the liability issue.

This is a big issue, but my question is very explicit. Given the Logan Lake situation.... The mayor has come forward and, I think, captured that issue very well. Will the ministry be engaging, whether at the UBCM

level or individual municipalities, on how to fix this, and fix it in short order? We're now in the phase where we need to do the fuel management work in incremental circles — two, five, ten kilometres. Whatever we go to, that ain't going to happen if we don't make these fixes. It's just not going to happen.

When might that conversation be engaged in, that work be done and those Filmon recommendations be implemented this time?

[2045]

**Hon. R. Coleman:** After all that — yes, we're working on it. We're working with UBCM, and there are challenges in that it's probably going to take a lot longer than this to wrap this up. Maybe we can do that through a briefing.

Noting the time.... I would like to defer to my colleague from Cariboo North, who would like to wrap this up.

**B. Simpson:** To the minister and the minister's staff, thank you very much. I think the minister has lots of reasons to take pride in the staff that he has. I wish the minister all the wisdom to take that advice and act on it, and to show the kind of leadership that we need in this field. It is a huge and important industry, and we have a forest land base under assault as a result of climate change that presents challenges the likes of which we've never seen before.

My congratulations to staff, and hopefully, next time maybe we'll take the whole estimates, and we'll all join it together.

I move that the committee rise, report resolution and completion of the Ministry of Economic Development, and progress on the Ministry of Forests and Range and Housing, and ask leave to sit again.

Motion approved.

The committee rose at 8:48 p.m.

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