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THE HONOURABLE BILL BARISOFF, SPEAKER

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LIEUTENANT-GOVERNOR  
His Honour the Honourable Steven L. Point, OBC

**FOURTH SESSION, 39TH PARLIAMENT**

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THURSDAY, NOVEMBER 24, 2011

The House met at 1:33 p.m.

[Mr. Speaker in the chair.]

### Routine Business

#### Introductions by Members

**Hon. M. Polak:** I am pleased to introduce to the House this afternoon some guests who on a daily basis do some pretty amazing work on the behalf of the Ministry of Aboriginal Relations and Reconciliation. They are Lloyd Roberts, our executive director of implementation and legislation; Lincoln Heaney, implementation director; and Charles Hunter, implementation director. Would the House please make them very welcome.

**Hon. I. Chong:** In the gallery today we have several supporters of the Premier's initiative to create an office of the auditor general for local government. Our guests include Bruce Carter, David Marshall and Sasha Angus from the Victoria Chamber of Commerce; also, no stranger to this building, Shachi Kurl from the Canadian Federation of Independent Business; as well, David Saunders, who is the current mayor of Colwood but soon, unfortunately, to be the former mayor as he did not seek re-election.

I want to say thank you to all of them, because I am very appreciative of their support as we work towards the establishment of this office. I would ask the House to please make them all very welcome.

**K. Conroy:** It gives me a great deal of pleasure to introduce an old friend from the Kootenays, who now lives in Vancouver. Gentil Mateus is CEO of Community Social Services Employers Association. Would the House please join me in making him welcome.

**M. Stilwell:** I rise to introduce three special guests today: Latchmi Reddy, who is the mother of Brandon Reddy, legislative assistant for the B.C. Liberal caucus; and his sister, Shiva Reddy. Will the House please make them feel welcome.

[1335]

**Hon. N. Yamamoto:** I am very pleased to introduce my significant other, Fred Pinnock. He's very supportive and understanding, and I feel very lucky to have him in my life. I'd also like to introduce his daughter, Julia Pinnock. She's in grade 10. She's a student of Carson Graham high school. She's a rugby all-star and is a very high achiever academically. Would the House please make them welcome.

**Mr. Speaker:** Minister of Education.

Interjections.

**Hon. G. Abbott:** Yeah, I'm used to being referred.... I'm acting Minister of Health, and I thought you were calling on me for something else — but thank you.

In the gallery today are representatives from a youth advisory group that works closely with the Representative for Children and Youth, Mary Ellen Turpel-Lafond. The Ministry of Education had the pleasure to meet today with the students, with Ms. Turpel-Lafond and with guests from the Vancouver Foundation and the Immigrant Services Society to speak about immigrant youth and the experience they have with our education system.

I also had the pleasure of joining them for lunch and hearing about their experiences, their challenges and indeed their ideas for improvement in the education system in their adopted province and adopted land.

With us today, and they're all in the Speakers gallery.... I'd love the House to join me in making them welcome. They are Diego Cardona, Josiane Hounbo, Nkechi Okanta, Tiba Al-Humaimidi, Abdullah Abdullah, Marlio Lira, Jorge Salazar, Alejandra Lopez, Maria Escolan, Nathalie Lozano, Mark Gifford and Vi Nguyen.

Before we give them a tumultuous round of welcome, I want to note that a couple of weeks ago this group and indeed a much larger group met together at the Wosk Centre to talk about the experience of immigrant and refugee youth in British Columbia, in particular their experience in the education system. One of the suggestions they brought forward to the ministry was to change the name of English-as-a-second-language program to English language learning.

I am happy to advise the House that we have embraced the suggestion that they made. I want to not only welcome but congratulate all of the young people who are with us today.

**J. McIntyre:** I want to introduce someone special that keeps me very well organized and scheduled — my legislative assistant, Kellie O'Brien. I can't see her, but I understand she's in the gallery today, behind me.

I just want the House to make her feel welcome. She's seeing us in action. We were very lucky when she came to the east annex from the minister's office in March. She does her work with a great attitude and a wonderful sense of humour. I'd like the House to welcome her here today.

**K. Krueger:** I also am pleased to introduce my new legislative assistant, who has just spent her first time in session with us. Her name is Sarah O'Connor. She's very experienced with Youth Parliament and a great promoter of the organization and its activities. She comes from the Fraser Canyon, and it's been great to have her with us. Please give a warm welcome to Sarah O'Connor.

**M. Dalton:** In the gallery today is my wife, Marlene. We've been married for 26 years. I thank her for her love

and support. She comes with her lifelong good friend, Vicky Jones from South Surrey. She was a bridesmaid in our wedding. Would the House please make them both feel welcome.

**D. Black:** I'd like to introduce a group of young people from New Westminster who are visiting here today to see democracy in action. They are a group of 16 grade 5 students from the Urban Academy in New Westminster. They are accompanied by six adults who are taking them through this precinct. I'd like the House to please make them most welcome.

**L. Reid:** I have three sets of introductions today. The first is a lovely colleague, Antoinette De Wit. It's her birthday today. She's the director of the Premier's correspondence branch. I'd ask the House to please make her very welcome.

[1340]

Directly opposite me in the gallery are individuals from the Victoria Foundation. Sandra Richardson has joined us, the CEO. Sandra Scarth and Geord Holland are co-chairs of the Lex Reynolds adoption and permanency trust fund, which is held at the Victoria Foundation. Sandra is also president of the Adoption Council of Canada. I'd ask the House to please make them welcome.

Also in the gallery opposite today, my family has come to visit from Saskatchewan. The woman who was my matron of honour at my wedding, Christina Hall, is here; and her husband, Glen; their daughter Amanda; and my mom, Kathy Reid. I'd ask the House to please make them welcome.

**J. Horgan:** Joining us in the precincts today are three representatives and their friends from Citizens for Safe Technology Society — from Langley, Una St. Clair; from the West Shore, Sharon Noble; and from the Saanich Peninsula, Walt McGinnis. They're assembled here today to make a point about the issues that are important to them. Would the House please make them welcome.

**N. Letnick:** In the House today I have my legislative assistant. He's sitting up in the gallery, apparently so he can hear the heckles. So I encourage the members to heckle loudly just for Ryan Pineo.

Interjections.

**N. Letnick:** And it's started already. Let's hear it.

**S. Chandra Herbert:** I, too, would like to welcome the youth here with the Representative for Children and Youth. I know that my partner, Romi Chandra Herbert, has had the pleasure of working with many of them, and what he has said to them about me isn't true.

**D. Barnett:** We have a beautiful, young redhead who works as my legislative assistant and a few others, and

who does a great job for us. I'd like to thank her and welcome her — Lyndsey Easton.

**N. Simons:** Accompanying the young people from Vancouver is a former student of mine — I'm not sure I should mention that — Mark Gifford, who's with the Vancouver Foundation. We'll see whether he liked the marks I gave him, whether he comes down later and says hello or not. Would the House please make him welcome.

**R. Hawes:** Just further to the introduction of Ryan Pineo, one of our legislative assistants, Ryan is a finalist on *The Bachelorette*. He's waiting to get word whether or not he's on the show. I hope the House could, first, wish him good luck.

But if he doesn't make it, if there are any young ladies out there, he's obviously looking. Perhaps — Ryan Pineo is his name — you could give him a call.

**Hon. I. Chong:** Today we're also joined by Mr. Stephen Filbey, who is representing a constituent of mine, Dr. Peter Pommerville. Dr. Peter Pommerville is a urologist and, as I say, a constituent of mine who is working closely with Maureen McGrath, RN, and the B.C. chair of the Canadian Nurse Continence Advisors Association and the North Shore and Vancouver prostate awareness support groups.

What Dr. Pommerville and his colleagues are doing is trying to raise awareness and increase recognition of a medical condition that is not very easy to speak about and is extremely challenging. To that end, he is working diligently towards a possibility of having November being acknowledged as Incontinence Awareness Month.

I hope, as he and his colleagues travel around and meet with MLAs, they will be receptive to his idea and approach. I applaud their hard work on such an under-recognized medical condition, and I ask the House to please make Mr. Stephen Filbey welcome.

[1345]

### Introduction and First Reading of Bills

#### BILL 20 — AUDITOR GENERAL FOR LOCAL GOVERNMENT ACT

Hon. I. Chong presented a message from His Honour the Lieutenant-Governor: a bill intitled Auditor General for Local Government Act.

**Hon. I. Chong:** I move that Bill 20, Auditor General for Local Government Act, be introduced and read a first time now.

Motion approved.

**Hon. I. Chong:** The Premier made a commitment to set up and provincially fund an office of the auditor general

for local government. This bill would provide for the province to establish that office.

The auditor general for local government would conduct performance audits — what we often refer to as value-for-money audits — on a number of local governments each year and make those results public. The purpose of a performance audit is to review the economy, the efficiency and the effectiveness of a local government's implementation of programs, services and other activities. By creating an office of the auditor general for local government, this bill is intended to support local governments in their stewardship of community assets.

The auditor general for local government would provide neutral professional advice about how local governments can strengthen their practices. The position would also provide another measure of transparency and accountability for taxpayers.

I know we will have an opportunity to discuss this at length in second reading, but I would encourage members on the opposite side to support what I believe British Columbians and taxpayers feel is a very important measure going forward.

I move that the Auditor General for Local Government Act be placed on orders of the day for second reading at the next sitting of the House after today.

Bill 20, Auditor General for Local Government Act, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

### Statements (Standing Order 25B)

#### HIGHWAY OF TEARS SYMPOSIUM REPORT RECOMMENDATIONS

**G. Coons:** On Wednesday, November 9, the North Coast Transition Society in Prince Rupert hosted a vigil for the victims along the Highway of Tears. The turnout was impressive and demonstrated the importance of honouring the lives of missing women in this province and supporting initiatives that spread awareness about this critical issue.

The evening was opened by the North Coast Ceremonial Dancers, who performed traditional songs and spoke about the important role that women play in carrying on culture, identity and self-esteem. The evening was sombre and touching as Vicky Hill — the MC for the evening and the daughter of a Highway of Tears victim, Mary Jane Hill — read out the Sisters in Spirit statement.

In 2006 the Highway of Tears Symposium, attended by over 500 people, put forward 33 recommendations regarding victim prevention, victim family counselling and support, emergency planning and team readiness, and community development and support.

The common contributing factor for young women disappearing along the Highway of Tears is poverty and the lack of services for youth. One of the report's recommendations was to erect billboards in each community along Highway 16 from Prince Rupert to Prince George with a prevention message.

The Highway of Tears vigil attempted to advance this recommendation by announcing the winner of a poster contest judged by First Nations leaders, local elected officials and active community members. The intention behind the contest was to use the winning entry as a design for a billboard to be put up near Prince Rupert to create awareness about the dangers of hitchhiking along Highway 16.

While the evening did support one or two of the symposium recommendations, there are several recommendations that came out of the symposium report which are a provincial responsibility. At this point in time, essentially, none of the recommendations have been followed up upon.

Residents in northern British Columbia expect our government to act on these recommendations — recommendations that took a lot of time, a lot of resources, a lot of tears to create. I look forward to working with the ministries responsible for delivering these initiatives.

#### VICTORIA FOUNDATION FUNDRAISING CHALLENGE

**L. Reid:** Seventy-five years ago this Legislature passed the Victoria Foundation Act, thereby creating Canada's second community foundation. Since then, the Victoria Foundation has granted more than \$100 million to organizations working to strengthen B.C. communities. Last week, as part of its 75th anniversary celebrations, the foundation hosted a 75-hour challenge.

During the challenge, 15 charities raised money for their endowment funds that are managed by the foundation. These charities carry out work in the capital region and on Saltspring Island in the social services, health, environment and arts sectors.

In 75 hours they raised just over \$140,000. What's more, the Victoria Foundation is adding \$75,000 to the total. That's \$215,000 to boost the permanent funds of charities working to enrich our communities. These organizations are to be commended not only for the good work they do but for increasing their capacity to continue to do good work long into the future.

[1350]

Please join me in congratulating them and in wishing the Victoria Foundation all the best as it continues to serve our province for the next 75 years and beyond.

#### RIDGE MEADOWS RECYCLING SOCIETY

**M. Sather:** The Ridge Meadows Recycling Society, in partnership with the district of Maple Ridge and CLBC,

is the employer of 29 individuals with developmental disabilities doing real work for real pay at the recycling depot in Maple Ridge. Monday to Friday these men and women work extremely hard to provide valuable recycling services. These workers are proud of the work they do and consider themselves fortunate to have such meaningful jobs.

The Ridge Meadows Recycling Society's supported-work program is over 20 years old — its longevity an indicator of its success. Kim Day, executive director of the society, is a firm supporter of the program's continuation for the mutual benefit of the developmentally disabled, who work together with other employees at the recycling centre.

There is a unique integration between all the workers as they contribute to each other's positive work experience. Some of the program's employees are hired as union swampers on the door-to-door recycling pickup. According to Kelli Speirs, the former executive director, the supported-work program is the heart of the recycling depot and is a perfect vehicle to address some of our community's social needs.

We need more of these programs throughout the province, not less. That is why it was such a shock for everyone in the program in our community when we learned in September of CLBC's decision to terminate the program in a month's time. That deadline was extended to December and, later, for one year. Uncertainty remains about the future of the program in a year's time.

Our community is determined that this valued program be continued. Thank you to all in our community who believe in the vital contribution of the recycling society's supported-work program to the lives of people in Maple Ridge with developmental disabilities.

#### ARTS COUNCIL IN BURNS LAKE

**J. Rustad:** Arts can enrich people's lives and strengthen communities. This is especially true in small rural communities. In Burns Lake the Lakes District Arts Council has been doing a great job building a strong arts community. Founded in 2006, the council is completing its sixth successful year. This year's productions have included Valdy and Gary Fjelgaard, Pavlo, Company Jump, Mary José Lord and the Northern Symphony Orchestra, Elmer Isler Singers and the Dennis Chang Quartet. Productions are always well supported with an average attendance of 250 per show in a community of under 3,000.

The arts council keeps a focus on local talent. The council showcases visual arts from the community at every event and presents local musicians at fundraiser events, free summer concerts at the Spirit Square on Canada Day and at the Lakes District Fall Fair.

The council focuses on youth, providing financial support to the drama and dance program at the Lakes District Secondary School and then an annual scholarship to a Burns Lake high school graduate. Almost 500 young people

and their guests have attended arts council performances free of charge, thanks to the arts for youth program supported by the local businesses. A young man who attended an arts council show recently said: "It's nice to come to something with my dad, other than a hockey game."

Life on the road is tough for travelling musicians. Dedicated arts council volunteers work hard to make visiting performers welcome and their stay memorable. Artists respond that the Lakes District is a friendly and welcoming place to visit, and they'd be happy to come back again. The arts council is proud of its success, proud to be a part of the Lakes District community and proud to be a 100 percent volunteer organization.

Please join me in thanking the volunteers of the council, especially John and Sandra Barth.

ROBERTA TAYLOR

**M. Karagianis:** Today I'd like to tell the House about a remarkable woman who lives in my community. Roberta Taylor was chosen as 2011 recipient of the Elsie MacGill Northern Lights Award. It was presented in Unionville, Ontario, last month. The award recognizes Canadian women who have demonstrated determination, enthusiasm, courage and personal accomplishments in the aviation or aerospace industry.

Robbie, as we all know her, has been a trailblazer for more than 45 years, and her leadership has opened doors for women, particularly in aviation but also in the wider community. She began her career as a commercial bush pilot in northwestern Ontario and served as an air search and rescue pilot, a fire patrol pilot in the Canadian Rockies, a ferry pilot and a test pilot for the family aircraft business in Cranbrook, B.C. Robbie has been recognized as *Chatelaine's* Woman of the Year. She was a co-organizer of the first Canadian Women in Aviation Conference.

[1355]

Our community is grateful for her decision to relocate to the south Island and pursue equity and social issues through her work at the University of Victoria's faculty of human and social development. More recently, I've appreciated her advocacy and passion to ensure a safe operating environment for paddlers and rowers and all users along the Songhees waterfront in the port of Victoria.

I know firsthand of Robbie's commitment to make a difference. I have seen her stand in the face of adversity and fight for her principles in her community. She inspires with her exceptional example, and I am proud to call her a neighbour and a constituent. I hope all members of the House will join me in congratulating Roberta "Robbie" Taylor on this well-deserved national recognition.

#### CONTRIBUTIONS OF VOLUNTEERS IN SURREY

**D. Hayer:** The true heart of the community is its volunteers. In my community there are many. Without

volunteers, elders would not be well cared for, pioneers would not be remembered and heroes would not be honoured. The assistance provided to the province and its citizens by those who volunteer and give so generously of themselves and their time is priceless. I doubt that our economy could ever generate the funding to adequately pay for the services that the volunteers give from their hearts.

In my riding there are hundreds of volunteer organizations who count among them thousands of volunteers. Some of the key volunteer groups in my riding include the community association of Port Kells, the community association of Fraser Heights, the community association of Tynehead, the community association of Fleetwood, the Guildford Community Partners Society, the Surrey-White Rock Senior Support Services Society, the Surrey Crime Prevention Society, the Serpentine Enhancement Society, the Tynehead Women's Auxiliary, the Dogwood Anti-Poverty Society, the Fleetwood Seniors Planning Committee, SEYVA and the Sanjha Vehra Women's Association.

I am always amazed at the services provided by the volunteers in Surrey. I meet regularly with groups who are driven by the contributions of volunteerism. I was gratified to see the tremendous response from more than 450 people attending the province's Non-Profit Partnerships Summit being held tomorrow in Vancouver. This will bring together prominent thinkers and leaders representing the non-profit volunteers and businesses sector in B.C.

This recognition of the value of volunteerism to our society by our government is very important. I commend the Premier and the member for Surrey-White Rock for making this outstanding event happen. The occasion provides B.C. and its citizens, by those who volunteer — to make sure they are recognized and we appreciate all the work they do and that their value and volunteerism is worth more than gold.

Please join me in thanking and recognizing all those volunteers who each day give so much of their work in each of our constituencies.

### Oral Questions

#### COMMENTS BY JUDGES AND COURT SYSTEM FUNDING

**A. Dix:** For many months we have been hearing story after story about the impacts of Liberal cutbacks that are hurting our justice system. Judges have felt compelled to raise their views publicly and their concerns publicly.

For example, associate chief judge Brecknell, after granting a stay of proceedings in Prince George, said the following: "The fact that an unrepentant drug dealer who has been convicted of possession of cocaine for the purposes of trafficking and, while involved in the trial of

this matter, has been charged with further like offences should now be able to be free of the consequences of this very serious offence because the judicial system could not accommodate his trial within a reasonable time should alarm and concern the community" — as indeed it does, hon. Speaker.

My question to the Premier is this. Is she willing to heed the warnings and advice of judges and address the crisis in our court system?

**Hon. S. Bond:** In fact, we've had this discussion a number of times in the Legislature, and we've made it clear that anytime there's a stay of proceedings in a courtroom in British Columbia, we're very concerned about that. That's why we have, over the last two years, appointed 14 new judges that will be located on benches right across the province of British Columbia.

[1400]

Of course, when there's a stay of proceedings we're concerned. We're adding additional judges, and we will continue to consider how and when we can add to that complement.

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

**A. Dix:** Well, as the Premier will know, we're down net 17 judges since 2005, and stays of proceedings are up dramatically. This is the fact of the matter, and it's a serious concern. It should be a serious concern, and I know it's a serious concern for the Attorney General, as it is, I think, for all people in the province.

If judges on the Provincial Court raise the alarm, I say it's unusual. If the Chief Justice of the Supreme Court of B.C. does it, it's an unusually powerful indictment. In a speech last Saturday to the B.C. branch of the Canadian Bar Association, Chief Justice Bauman described B.C.'s justice system as "threatened, if not in peril." He went on to say: "The stability and integrity of our courts and judicial system are being slowly eroded by the lack of funding." These are the words of the Chief Justice of the Supreme Court.

My question is, therefore, to Premier. Is she willing to heed the warnings of the chief justice and properly act to address the crisis in our justice system?

**Hon. S. Bond:** In fact, both the Premier and I have met and had very constructive discussions not only with Chief Justice Bauman but with the other chief justices in the province as well. We very clearly outlined the fact that we have added 14 judges over the last two years. And we had a discussion with the chief justices about how we would continue to look at not only additional resources in terms of how we can add judges....

In fact, we've actually, on this side of the House, decided that there are other ways we can help the justice

system. In fact, that's looking at reform. It's looking at making sure that where resolution to issues can be done outside of courtrooms, that's exactly what we're going to do. That's why yesterday we were delighted to see the Family Law Act changed for the first time in three decades.

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

**A. Dix:** I'm glad that the Attorney General is having meetings, but while she's having meetings, there's a crisis in our justice system.

Interjection.

**A. Dix:** Well, what are the results? The results, if the Minister of Finance is aware of the situation, are a dramatic increase in stays of proceedings. The results are fewer court clerks, fewer registry staff, fewer prosecutors. The results are justice delayed and justice denied.

The chief justice concluded, in fact, with a call to arms. I think these are fairly unusual comments from a chief justice. He says — and I'm quoting directly from his remarks — that we need to "bring this issue to the attention of our fellow citizens and take whatever steps you can to defend and protect our judicial system." It's remarkable that the Chief Justice of the Supreme Court should feel compelled to use those words.

So, yes, meetings, but what's required here is action. We've seen a reduction in the number of judges and a reduction in the number of resources, and the consequences are real in our justice system. So when is the Attorney General really going to act to address this real crisis as identified by the chief justice of British Columbia?

**Hon. S. Bond:** In fact, the fact that we have decided to take action was demonstrated on the front lawns of the Legislature yesterday. We decided to take a different approach in British Columbia, and despite the controversial approach around immediate roadside prohibitions, we're very proud to say that not only are those cases being moved out of courtrooms to save resources; more importantly, 45 people went home to their families because of action taken by the government.

**L. Krog:** The Attorney General well knows that to have a judge of any court speak on an issue that may be seen as remotely political is not only unusual; it's unprecedented that it be the chief justice of British Columbia. The numbers, hon. Speaker, are awful: 58 judicial stays in 2010; 73 already as of September this year, and who knows what it's going to be by the end of December; 17 fewer judges than in 2005 — the only province in Canada to have fewer judges over that period.

We have drug dealers walking free. What's next? What's it going to actually take before the Liberal government understands the seriousness of this problem?

To the Attorney General: when is she going to persuade her cabinet colleagues and the Minister of Finance that we have a crisis on our hands and provide the funding that is needed?

**Hon. S. Bond:** Well, in fact, what we've decided to do as a government is to actually look at systemic change that makes a difference for families and people who need resolution in British Columbia. In fact, the member opposite and I spent two full days in this Legislature debating a bill that will actually see situations move out of courtrooms in British Columbia, where we should be looking at things like dispute resolution by looking at mediation, for example.

We've taken a new approach to impaired driving in British Columbia. The throne speech also speaks to the fact that we're going to look at how we take, for example, traffic violations and make sure we deal with them in a way that frees up court time. We're interested in innovation in the justice system as well as looking at additional resources — something, apparently, the NDP are pretty uncomfortable with.

**Mr. Speaker:** The member has a supplemental.

**L. Krog:** Well, I'm sure the 73 accused who walked free are very interested in justice reforms as well, and I'm sure British Columbians are a lot happier knowing they walked out of the courtroom without being successfully prosecuted. On one hand, the Premier takes the stand to increase the burden and costs of our court system. On the other hand, she refuses to acknowledge that there is a crisis.

Again, very simply, to the Attorney General: when is she going to get the funding to make sure our justice system functions effectively so that more criminals don't walk free?

**Hon. S. Bond:** The member opposite, who, I understand, is a member of the bar, full well knows that all stays of proceedings do not relate directly to courtroom resources. In fact, there can be disclosure issues, availability of witness issues. There's a variety of issues.

Let's talk about what we are doing — 14 new judges in two years. We also just saw the largest class of sheriffs graduate in recent history, brand-new sheriffs that are going to be in courtrooms. We're also adding 55 new court clerks and administrative personnel.

The member opposite is right. Not only are we going to add resources and personnel, but we're going to look at innovation and some sort of progressive change in the justice system in British Columbia.

#### COMMUNITY LIVING SERVICES REVIEW

**N. Simons:** The public and the opposition have raised concerns about the sorry state of Community Living

B.C. The Liberal government admits that it forced people from their homes, that programs were cut and that CLBC lost its way. The board chair called criticisms outside noise, and the minister downplayed those concerns. We thought CLBC would promote accountability, openness and community inclusion, but instead we've seen denial, we've seen secrecy, and we've seen heavy-handedness.

Wouldn't the minister agree with the self-advocates, the service providers and the general public that it's time to do something real, to call an independent review of the entire system?

**Hon. S. Cadieux:** For a number of weeks now I have been explaining what we are doing to take a serious look at CLBC because, indeed, I am concerned with the stories that have been raised and the issues presented to me by way of letter and meeting with people with developmental disabilities, their advocates and family members around the province.

[1410]

In September a deputy minister working group was appointed to look at the issues related to how ministries across government are supporting individuals with developmental disabilities, especially through that transition period. An internal audit team has done a very thorough internal look at CLBC of how they're using the \$710 million that the government provides to provide services to people with developmental disabilities, and to look at how they are assessing and prioritizing need in making the decisions around how they use that money.

I have already committed that all of that work will be made public after I have had time to review it.

#### WAIT-LISTS FOR COMMUNITY LIVING SERVICES

**M. Karagianis:** Community Living B.C. is broken, and the minister has done nothing meaningful to bring solutions forward — nothing meaningful. The minister has said that 63 families living with developmental disabilities have come forward; 21 of them have had their issues looked at; and only 13 had any resolution to that. Yet we know that over 2,800 people are waiting on a waiting list — individuals with developmental disabilities looking for services.

My question: as this session ends and we move through the new year, when are the B.C. Liberals going to put these families first and find solutions for those 2,800 people on the waiting list?

**Hon. C. Clark:** The government has taken quite a number of steps. I'm happy to talk about what they were. I know that the minister has talked about them a number of times, and I know the member knows the answers, but she doesn't want to admit them. I will, nonetheless, go through them again, because the issues that she's talking

about are vitally important for those families. It's incredibly important that we make sure that their interests and their families are put first. It's incredibly important that we make sure that we find some solutions for them.

What the minister has done is.... We found an interim CEO to take over — a new CEO to take over at CLBC. We have released the board's interim review report, and we did that despite the fact that it's critical of the board and it's critical of government. But we did that in the spirit of open government. We did that because people in communities and in families need to understand where this is going and where it's at.

We will also release the final report. When we do, we are going to make sure that we fix this. We are going to make sure that we fix this problem.

I don't think the member opposite is listening to his leader. At UBCM he promised that he would be positive, that he would offer alternatives, that he would say how he would pay for them. It's the last day of session. We're still waiting.

#### AUDITOR GENERAL REPORT ON FINANCIAL REPORTING BY B.C. HYDRO

**B. Ralston:** The Auditor General recently reported that the misuse of deferral accounting at B.C. Hydro "creates the appearance of profitability where none actually exists." The Auditor General went on to say in his report: "The effect of rate regulation in 2010-11...has been to increase the net earnings of B.C. Hydro and thus reduce the annual deficit recorded by the province by \$447 million."

The Minister of Finance is in the beginning stages of preparing his budget for next year. Will he commit to present to the public the true state of the books at B.C. Hydro and, therefore, of the public accounts of British Columbia?

[1415]

**Hon. K. Falcon:** Actually, the member opposite raises an important issue. I think the member opposite would know that the rate-regulated accounting and the use of deferral accounts are entirely consistent with the Public Sector Accounting Board rules. I think the member would know that they're entirely consistent with government's GAAP compliance. I also think the member would know that it's entirely consistent with the utilization of a transmission system that is North America-wide.

We do think it is very important, and we always take into account any concerns the Auditor General has, particularly in terms of the use of the quantum utilized in deferral accounts. But let's be clear about this. When B.C. Hydro adopted the IFRS — the international financial reporting standards — they were silent on the issue of how to treat rate-regulated utilities.

They were silent because that's not a common use outside Europe, where IFRS is more commonly prevalent.

But in North America, where we do have rate-regulated utilities, what we did is we bolted on the same rules that apply in the United States to apply here in British Columbia, just as they do in other provinces, just as they do in the private sector, to ensure that we are all operating in a common standard. That's exactly what has happened here in British Columbia.

#### GOVERNMENT SETTLEMENT WITH BOSS POWER CORP.

**J. Horgan:** It's interesting that here on the last day of the session we're still wondering if we're ever going to get any answers to the Premier's questions about Basi-Virk and the corruption trial. No, we're still waiting.

We're wondering if the Energy Minister, who made a commitment to review the self-sufficiency policy at B.C. Hydro that has driven our hydro rates up to the double digits.... Is it going to be reformed? No, we're still waiting.

Tens of thousands of people have signed petitions to see that the B.C. Utilities Commission will review the smart meter program, as it was supposed to before the Liberals changed the law. But we're still waiting.

So here's a nice, easy, simple lob ball for the Minister of Energy. A month ago you promised this House that you would release the independent evaluations of the Boss Power boondoggle that sent the costs of that settlement on the courthouse steps up to \$30 million. Will the minister table that report today, the independent evaluations, or are we going to still be waiting?

**Hon. R. Coleman:** There are a number of comments and questions in the member's remarks, so I'll try and deal with them. I said we would deal with the critical water versus average water on the self-sufficiency issue by the end of the year. We will.

In addition to that, the member also brought up smart meters. I actually know the member opposite supports smart meters, but I know he wants to bring it up because he wants to make a political issue out of it. It is about modernizing a grid so that we can keep rates down for current customers and we can find out where our load loss is at the most modern electrical system in North America. We're investing in a system that they refused to invest in, in the 1990s, to make it modern and make it cheaper for our customers and keep the rates controlled for people, the citizens of British Columbia — to keep them down, hon. Member.

When legal services branch has done the work that allows us to release information with regard to that particular Boss Power issue, we will do that as well.

#### DREDGING OF FRASER RIVER AND FLOOD MITIGATION FUNDING FOR DELTA

**V. Huntington:** Last Friday, at yet another meeting to discuss the future of the Ladner waterways, it became ob-

vious that the federal government is perfectly prepared to let the historic river reaches in Ladner turn into "a swamp." Port Metro Vancouver, a federal Crown, is openly willing to literally strand hundreds and hundreds of people, businesses, the fishing industry, commercial and private marinas, and millions of dollars in float home assets.

My community needs a sign that this government is going to step in and help its water lot tenants develop a sediment management plan. Will the Minister of Transportation tell me today that he will personally move this cause along in his ministry and champion among his colleagues the need for dredging assistance?

[1420]

**Hon. B. Lekstrom:** Thank you for the question, Member. We've had the opportunity to discuss this issue. I've made the commitment that we will work with the member, as well as her constituents that are affected by this.

The dredging is obviously a very important issue. It has, I think, led to some significant concerns that you've raised. There are ongoing discussions right now. I'm very confident that we'll find a solution not only by working together but with Port Metro Vancouver as well, as we move this ahead.

**Mr. Speaker:** The member has a supplemental.

**V. Huntington:** Well, it's not quite that clear to those of us who attend the meetings. It is an issue of money, and that's the problem around here, of course.

Perhaps I could ask the Solicitor General about her plans for the impending, perfectly avoidable, natural disaster occurring in Ladner. The Solicitor General has a formal sediment management plan for gravel extraction. She, understandably, is worried about flooding along the tributaries of the Lower Fraser. The plan, I believe, applies to most of the ridings represented by her colleagues on her side of the House.

Yet when Delta applies to her ministry for flood control funding — funding that would go toward a desperately needed dredging budget — Delta is turned down flat. Will the Solicitor General commit to reviewing Delta's funding application and start to give us some of the assistance so urgently needed?

**Hon. S. Bond:** The member opposite knows that there is an appropriate grant program. In fact, in partnership with the federal and the provincial governments and municipalities, we've invested millions of dollars in flood mitigation across British Columbia.

I would suggest to the member opposite that there's a fair and appropriate process by which those grants are determined. As we would with any application, those grant applications would be considered fairly, along with all of the other proposals that are presented.

PUBLIC CONSULTATION PROCESS FOR  
COAL MINE PROPOSAL IN COMOX VALLEY

**R. Fleming:** The shellfish aquaculture industry is a significant employer and a major economic generator on Vancouver Island, and in Baynes Sound in particular. The growth and viability of this industry depends upon a clean marine environment, but the proposed Raven coal mine above the sound has raised enormous questions about the environmental risks to these jobs and businesses in the Comox Valley.

Some months ago, rather than back the community's request for a joint review panel, this government opposed having the highest environmental assessment standard possible. Now this government is trying to roll over local citizens and businesses by allowing a mere two weeks for comments on the coal company's 1,100-page response.

My question is for the Minister of Environment: does he think two weeks to respond is adequate, respectful and proper, or will he get involved and ensure a reasonable timeline is put in place so that the concerns about jobs, health and clean water are thoroughly addressed?

**Hon. T. Lake:** To the member opposite: the Raven underground coal mine project is going through a joint federal and provincial comprehensive review. We have gone, to ensure that public comments have been extended, to three different meetings, where we received over 3,000 comments. The proponent has gone and responded to all of those people that were concerned about this.

Now for the first time, as we have tried to modify the process to ensure that we listen to all of those concerns, we've asked the proponent to go back and ask the people that are concerned about their responses. This is the first time we've done this, because we recognize the concern in the Comox region. I've asked staff to look at that two-week process and ensure that it is, in fact, adequate for people to respond.

So I do take the member's concern, and I have discussed that with the environmental assessment office.

FISH AND WILDLIFE  
COMPENSATION PROGRAM

**M. Mungall:** Of the 300 jobs B.C. Hydro recently cut, six were in Nelson with the fish and wildlife compensation program. Nothing will be saved by moving these jobs out of the region. I raised this with the minister, and yet no response.

[1425]

Now 46 scientists and experts are calling for the reinstatement of these jobs and local expertise. They say: "We have found the role played by those staff has been essential to accomplishing the goals and legal requirements of compensating for the impacts of hydroelectric dams in the Columbia Basin."

So will the minister today reverse the Liberal decision to scrap the fish and wildlife compensation program in Nelson and throughout British Columbia?

**Hon. R. Coleman:** We haven't cut the funding. We're actually just going to do it a little bit differently with our partners. We've looked at this program. We think that we can implement the program and have better outcomes. We will be investing the same money; it will just be that the environmental assessment piece will be done in partnerships with the people we've been doing it with in the past a little bit differently.

B.C. FERRIES ADVERTISING AGREEMENT  
WITH VANCOUVER CANUCKS

**G. Coons:** When asked about the cost of a controversial advertising agreement with the Vancouver Canucks, B.C. Ferries claimed to have no documentation. The Premier herself acknowledged: "Ferry users want to know that B.C. Ferries is providing all of the information that they can in a very upfront manner about what costs they're incurring."

Over two months ago the Transportation Minister tried to stickhandle the issue by promising to look into the costs but so far no answers from this Liberal government. They were high-profile expensive ads by a monopoly corporation with no competition. The puck stops at the minister's desk. Will he quit delaying the game? Will he keep his promise and tell taxpayers how much B.C. Ferries blew on their JumboTron of an advertising campaign?

**Hon. C. Clark:** I was in Asia for a while and in India, promoting B.C. jobs — wanting to defend and protect jobs in British Columbia so that we could make sure that families can put food on the table — so I wasn't here every day of the session for question period. But I am reliably informed by my colleagues that every single one of the questions we have seen today is a recycled one.

I think that we can take that, on the government side of the House, as a good sign. When the opposition runs out of questions to ask, I think it says something about the progress that the government is making.

But there has been something that has been common, a common theme in every question that's been asked on the days that I recall and the days that I don't. That is this. The Leader of the Opposition made British Columbians a solemn promise. He stood up at UBCM, and he said he was going to be positive, that he was going to offer alternatives, and he said he was going to tell us how he was going to pay for them. He hasn't done any of those three things.

It's the last day of session. He still has a chance. I'd urge him to get up and finally keep his promise.

[End of question period.]

**J. Horgan:** I rise to table a petition.

**Mr. Speaker:** Proceed.

### Petitions

**J. Horgan:** I have a petition signed by 15,528 citizens of British Columbia who are calling on the government to protect their interests, to put the smart meter program to the Utilities Commission so that unanswered questions about the cost, about health implications and the impact on privacy can be done in an independent and unbiased way, unlike the way the program was implemented.

**N. Simons:** In this box I have 2,785 letters petitioning the government to recognize how ferry fares are hurting coastal communities.

[1430]

**B. Routley:** I have a petition of 204 names, people from the Cowichan Valley who want to allow the public use of the fish spa at the Purple Orchid. They say in the closing sentence: "We believe the fish spa has been prohibited under a regulation that is non-related to this fun and stimulating experience and demand that this decision be rescinded immediately."

**B. Penner:** I rise to make a personal statement.

**Mr. Speaker:** Proceed.

### Personal Statement

#### SERVICE TO LEGISLATURE AND MESSAGE OF APPRECIATION

**B. Penner:** In August I announced my decision not to seek election for a fifth time to the B.C. Legislature. At that time, as you know, I also stepped down from my role as Attorney General. Sorry, Shirley, but you're doing an admirable job of many competing duties.

Those decisions that I made in August were not easy, but I believe they were right for my family and myself. I am still of that view. It has been a tremendous honour to serve the people of my hometown and beyond for more than 15 years in elected office and to receive their votes of confidence in four successive election campaigns.

As I hear myself say that, it's hard to believe that so much time has gone by, until I pause to reflect on some of the things that have changed in the world since then. For example, when I was first elected in 1996, Jean Chrétien was still the Prime Minister of Canada, Bill Clinton was still serving his first term as U.S. President, the World Trade Center towers were still standing, and I didn't have an e-mail address, much less a BlackBerry or two BlackBerrys, and I had never heard of an iPod or an iPad, and Facebook had not been invented yet.

There have been many changes on a personal level as well. As you can see, my hair has gotten just a bit greyer. In the last number of years, like many other British

Columbians, I have confronted cancer. But on a happier note, I met my wife, Daris. We fell in love and got married, and this year we've had a beautiful baby daughter together, Fintry. At the risk of unparalleled understatement, she is an absolute joy. We love her immensely. But I digress.

I've also had the opportunity and privilege to serve as a cabinet minister in the great province of British Columbia — first as Minister of Environment, then as Minister of Aboriginal Relations and Reconciliation and more recently as the province's top law officer, the Attorney General.

Most importantly, however, I've had a chance to be the MLA for an incredible part of this great province, the eastern Fraser Valley, working for people on individual issues and challenges that they've had with various government agencies and trying hard to find solutions.

However, to everything there is a season, and for me the season of serving in elected office is drawing to a close. It is a challenging calling and can and should be a noble profession, in my view, but I've never thought of it as a lifetime career for me. Therefore, I have informed the Premier that after checking with the Conflict of Interest Commissioner, I have today accepted an exciting position as senior counsel with the well-known law firm of Davis LLP.

This firm was founded in British Columbia in 1892 and has since grown to have a national and international presence. It's the same law firm that the late Allan Williams, QC, another former provincial Attorney General, went to when he left politics. It is my intention to formally resign my seat in the Legislature early in the new year, which is when I will take up my duties with Davis LLP.

It's difficult to say goodbye, so I'll just say so long, but in doing so, I want to thank both former Premier Gordon Campbell and the Premier today for being willing to lead the B.C. Liberal Party and our province through tough times and good times and for giving me an opportunity to serve as a member of cabinet.

I want to thank all of my colleagues for putting up with me. Friendships really do grow strong over the years, and I want to thank all of the marvellous staff in the B.C. Liberal caucus and the various ministries, Attorney General, Ministry of Environment and Ministry of Aboriginal Relations and Reconciliation, because their professionalism helps all of us here do our best for all British Columbians, the people that we are serving.

It's been an incredible journey for someone who grew up in the eastern Fraser Valley. I recall walking into this building for the first time to be interviewed for a possible position as a legislative intern in 1988. The interview was conducted in the Oak Room, and I got the job, which started in January 1989. I soon came to love the place, and there are many dedicated and wonderful people who work here, as we all know.

But speaking of people, I noticed that several of the reporters that I got to know way back then are still here. People like Vaughn Palmer, Justine Hunter and Keith Baldrey.

For them, I wonder if it's a bit like the movie *Groundhog Day* watching events here day after day after day, year after year.  
[1435]

However, when I left the internship program to work as a back-country ranger at Manning Park, I thought to myself that I had to find a way to get back here someday. Who could have predicted what would eventually happen?

The fact that someone from a middle-class background could come from a family without any political connections to become a cabinet minister is a profound testament to the openness of our democratic system in the province of British Columbia. The lawyers I once worked with in Thailand found it difficult to believe that a party nomination against a sitting MLA could be successful on my part without spending more than \$3,500. They were also continually surprised at how little we spend in our individual local riding campaigns compared to what they spend.

There were many highlights for me, from being the youngest member of the opposition in 1996 to successfully joining with others to fight the proposed SE2 power plant in order to protect our air quality, supporting efforts to bring reliable and renewable electricity to First Nation communities at the north end of Harrison Lake and elsewhere, working with the member for Chilliwack, when he was the mayor of this great town that we live in, to have a new courthouse built in our community, and later working to improve B.C.'s relations with our neighbours as president of the Pacific NorthWest Economic Region.

I won't even mention carrying Vancouver Island marmots on my back as dedicated volunteers and our government worked to increase their population by more than 700 percent, or burrowing owls defending their mates and biting my thumb, or our ever-trusty cat, Ranger, who got too close to a candle during Earth Hour.

But I think that I can summarize by saying it's been awesome.

In closing, the ultimate highlight was getting to know so many positive people throughout the province, especially in the great constituency that I'm fortunate to call home. The most important job I've had in the past 15 years is being the local MLA.

Of course, none of this would have been possible without the countless hours of my family, friends, my ever-loyal and capable constituency assistant Julie Brewer and many dedicated volunteers who have contributed to the democratic process, starting when I decided to seek the B.C. Liberal nomination in 1995 as a 29-year-old political unknown. Your faith in me is something that I've never forgotten. [Applause.]

**A. Dix:** Hon. Speaker, just on behalf of the official opposition, I've known the member for 15 years. There have been occasions during those 15 years where we've disagreed, but I've always admired his dedication to his family, his community, his colleagues and to his job. From all of us on the official opposition, good luck and congratulations.

## Orders of the Day

**J. Horgan:** Thank you, hon. Speaker, I move that the bill... Pardon me. You're supposed to call the bill.

Interjection.

**J. Horgan:** Okay, I'm calling Bill Pr401.

## Second Reading of Bills

### BILL Pr401 — GOSPEL RIDERS MOTORCYCLE MINISTRIES (CORPORATE RESTORATION) ACT, 2011

**J. Horgan:** I move, by leave, on behalf of the member for Coquitlam-Maillardville, that Bill Pr401 — this is good for you, hon. member for Chilliwack — the Gospel Riders Motorcycle Ministries (Corporate Registration) Act, 2010, be read a second time now.

As you know, private bills in a member's name quite often are as a result of a society who has, over time, had their registration revoked or lapsed. The intent of Bill Pr401, the Gospel Riders Motorcycle Ministries (Corporate Restoration) Act, is to remedy just that.

With that, by leave, I'll move second reading.

[1440]

Leave granted.

Motion approved.

**Mr. Speaker:** Continue, Member.

**J. Horgan:** By leave, I move that the bill be referred to a Committee of the Whole House to be considered forthwith.

Leave granted.

Bill Pr401, Gospel Riders Motorcycle Ministries (Corporate Restoration) Act, 2011, read a second time and referred to a Committee of the Whole House for consideration forthwith.

## Committee of the Whole House

### BILL Pr401 — GOSPEL RIDERS MOTORCYCLE MINISTRIES (CORPORATE RESTORATION) ACT, 2011

The House in Committee of the Whole on Bill Pr401;  
L. Reid in the chair.

The committee met at 2:41 p.m.

Sections 1 to 5 inclusive approved.

Preamble approved.

Title approved.

**J. Horgan:** I move that the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 2:42 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### BILL Pr401 — GOSPEL RIDERS MOTORCYCLE MINISTRIES (CORPORATE RESTORATION) ACT, 2011

Bill Pr401, Gospel Riders Motorcycle Ministries (Corporate Restoration) Act, 2011, reported complete without amendment, read a third time and passed.

**Hon. R. Coleman:** I think my colleague did a wonderful job on that, Mr. Speaker.

I call Bill 19 in committee stage, Miscellaneous Statutes Amendment Act (No. 3), 2011. Following that will be committee stage of Bill 7, Regulatory Reporting Act, followed by Bill 17, intituled Finance Statutes Amendment Act, 2011.

### Committee of the Whole House

#### BILL 19 — MISCELLANEOUS STATUTES AMENDMENT ACT (No. 3), 2011 (continued)

The House in Committee of the Whole on Bill 19; L. Reid in the chair.

The committee met at 2:45 p.m.

On section 11 (continued).

**D. Donaldson:** We're talking about Bill 19, Miscellaneous Statutes Amendment Act, and specifically part 3, section 11 on the Mines Act, that deals with the ability amendments so that the chief inspector of mines can grant exemptions to the permitting process under the mining act.

In subsection (1.1) under this — 10(1.1) — the amendments give powers granting the Lieutenant-Governor-in-Council to exempt certain classes of people

or ministries from requiring a permit, under the act. Then in subsection (2) the amendments give the chief inspector the ability to exempt a person when necessary or advisable, on their discretion, from the requirement for permit.

My question to the minister is: why is there a need, in addition to allowing the cabinet exemptions, to also have the chief inspector being able to waive permitting requirements?

**Hon. R. Coleman:** What we're doing is retaining the same power for the chief of inspector of mines and adding a new power under regulation for some of the things that are a lower base on the land base.

**D. Donaldson:** The minister has said the intent of this amendment is to remove some of the period of back-logging on permits. This is what he said this morning in reference to this amendment. So would subsection (1.1)...? Simply allowing the Lieutenant-Governor-in-Council, "by regulation and on any terms and conditions considered necessary or advisable, may exempt..." That's the wording of the amendment.

Would that not cover the intent of what the minister is getting at? In other words, why would they have to have the chief inspector listed under this section as well?

**Hon. R. Coleman:** It just restates the powers of the chief inspector. What this does is amend the Mines Act to give power to create regulations to exempt, in specific circumstances, classes of persons or classes of work from the requirement to have a permit under section 10(1).

The reason for that is the change will reduce the regulatory burden on mining proponents for specific low-risk activities, which I described earlier in our debates. At the same time, it will maintain the inspector of mine's ability, under his abilities and powers, to do things with regards to the permits and all the rest of it that would not fall within this change of the act.

This allows us to reduce some of the regulatory burden, to streamline some of the things that shouldn't have to all go through the same process with regards to the time and length of time it would have to go. That's why we're doing it.

**D. Donaldson:** My question is: does this power not already reside, in effect, with cabinet through the Lieutenant-Governor-in-Council? Therefore, why would the chief inspector not be able to make a recommendation to cabinet under the current legislation to make these exemptions, if what the minister is saying is true — that the cabinet already has this ability?

**Hon. R. Coleman:** Well, frankly, we don't have this power now at executive council. That's what we're creating. We're creating the ability for regulation on low-impact

activities on the land base — to be put into regulation by a listing after consultation with communities, with the mining industry, with First Nations to actually take this low-activity stuff and not have it have to go through an extensive permitting process. But it will be stated in regulations; it will be defined in regulation.

All that cabinet will do, actually, is pass the regulation after the consultation. The chief inspector of mines is still going to retain the power with regards to permitted activity, will still retain the power to have the discretion to do what they do. We aren't changing that.

[1450]

**D. Donaldson:** The amendment creates the ability for the Lieutenant-Governor-in-Council to create exemptions and reaffirms that the chief inspector is able to make exemptions. Is that correct?

**Hon. R. Coleman:** There are no changes to the powers.

**D. Donaldson:** I'm sorry. I couldn't hear that answer.

**Hon. R. Coleman:** There seems to be a lot of activity going on around us at the moment, hon. Member.

There are no changes to the powers of the chief inspector as a result of this legislation.

**D. Donaldson:** I'm sorry that it's taken a while to get to the point of this one with the minister, but it's important to understand what we're dealing with here, because there are some major implications of this amendment.

If the chief inspector has the ability to grant exemptions now, why are we dealing with the new language in section (2)?

**Hon. R. Coleman:** I will try and do this again for the member.

The consultation with regard to this is going to take place, as I explained. The change is going to reduce the regulatory burden on proponents of specified low-risk exploration activities and allow government resources to concentrate on activities of higher risk. The amendment will not come into force until we've completed consultation, and through that consultation, we will identify what those low-risk activities are.

This will allow for a permit not to be necessary on things where we're going into areas for low-impact activity, like scraping back the dirt to have a look at the rock underneath or to drill the odd core hole where it's not going to be in any riparian area, where it's not going to affect any fish habitat or environmental issues. We will identify those. We'll identify the professional compliance folks that can actually talk about it in the regulation.

At the same time, the chief inspector of mines will still have the discretionary powers with regard to mining on all other activities. In addition to that, these will still be subject to inspection and enforcement.

**D. Donaldson:** Part of the rationale that the minister has given in committee stage for this legislation is to reduce backlogs, to streamline and to allow the ministry to focus their limited resources on more complex mine applications, mine permitting.

The way that the minister has decided to deal with this in this amendment is to grant further exemption powers. What we've heard from industry is that a way to deal with the backlogs and the more complex permits is to actually have more resources put into the staffing end of the ministry. That would, therefore, alleviate some of the concerns the minister has around streamlining.

My question regarding this amendment is: why wouldn't the minister, rather than creating further exemptions, deal with the streamlining issue by assigning more staff to the files?

**Hon. R. Coleman:** The whole thing is a package. I mean, you have issues with regard to how much administration you put around something that's of a minimal activity. You have an issue in and around, as the member brought up, adding more staff and what have you.

[1455]

Just for the member's information, government has added \$24 million plus to the resource ministries in the last 60 days in order for us to address processing things and getting some other things done with regard to it.

Part of the package happens to be that we have low-risk activities that take place on the land base that go through the same permitting processes as something that's a higher risk, the same process as a larger activity than what's being asked for. We looked at all of that as we came through the summer, saying: "How can we do things better?" One of the things we felt we could do better is that we could do some things where we would exempt low-risk activities by regulation and definition.

Those low-risk activities are things like mineral exploration involving a drill program of a limited size that doesn't require roadbuilding and is not located within riparian-area setback distances of any stream, wetland or lake.

Mineral exploration that involves charging the ground with an electrical current and measuring the response to understand what minerals are in the ground.... This one really struck me as rather interesting. You're not disturbing the land at all. You're doing something on a seismic basis, yet you have to go through the same permitting process as if you wanted to do a major drilling program. It seems to me that this doesn't even disturb the surface at all and, in actual fact, has been done for many, many years.

There's mineral exploration involving small-scale clearing to expose the underlying rocks and just sample the mineralized zone under the sand, gravel and dirt so that you can see whether you've got geology that starts to make sense for some further investment and those types of things.

Also, you get, from time to time, new drill programs for mineral exploration in an operating mine. The operating

mine already has an operating geography. I mean, it's operating already. All they're doing is sampling to see whether they've got future ore bodies so that the mine can grow and continue to support the jobs that are already there in the community. That could be a place like the new Copper Mountain project over in Princeton, or it could be a place like Highland Valley Copper. Why would you put them through a permitting process when the activity is already permitted on the land base to begin with?

That's the type of thing that we're trying to do. As we do that, we're investing additional dollars in all our permitting process, in all our people, so that we can move these applications forward and deal with any backlog that may be facing us.

Just so the member knows, that money was actually spread across all resource ministries. The Ministry of Environment's processes have received additional dollars. The Ministry of Forests, Lands and Natural Resource Operations have done the same. Even the Ministry of Aboriginal Relations and Reconciliation has received additional funds to be able to accentuate and speed up their processes and to have the resources needed to deal with them.

**D. Donaldson:** Thanks for that answer. It sheds even more light on the situation with the Ministry of Natural Resource Operations not receiving the full share of the funding that was announced, when they have 6,915 outstanding permits. I suppose we can expect even more delays, with what the minister has told us.

My question is around what's going to occur under the exemptions. You know, it's up to the discretion of the chief inspector of mines, and what qualifies as a light touch is up for debate. We'll see that in regulation, according to the minister.

I just have two final questions. One is on the.... The exemption that we're discussing here exempts a person from the permit process that entails submitting a plan around mitigating environmental concerns, around cultural heritage concerns.

I just want for the minister to confirm that.... Although he says that still may be required, that's up to the discretion of the chief inspector of mines. But in effect, it gives the ability for the chief inspector to exempt these projects, supposed low-risk projects, from having to post a mitigating plan around environmental disturbance.

[1500]

**Hon. R. Coleman:** The regulation will set out the requirements for things like the notification, reporting requirements, the use of qualified professionals, environmental protection and reclamation — and also, obviously, the plan that goes with that, including whatever security has to be posted with regards to the activity.

**D. Donaldson:** This is the last question I'll have in this section, I believe — depending on the answer, of course. My question is around.... The minister has talked a lot about the consultation process that's going to occur after we consider this amendment and the regulation that needs still to be created around the activities. Could the minister advise of a time frame?

He's given it lots of thought, obviously, and he's had lots of input from proponents who want these kind of exemptions, is what he's said. So what is the timeline that we can expect on the consultative process and then actually seeing the regulations that will come from that?

**Hon. R. Coleman:** We're going to go out and consult with First Nations and with the industry. What we will do, first of all, is over the next.... Obviously, until you pass legislation, you don't design the regulation. We're going to consult on the regulation. We will probably take 30 to 60 days, given my experience with legislative drafting, to actually do the draft of the regulation that we would consult on.

I would expect that it would probably take anywhere from three to six months with regards to the consultation, depending how much feedback and how fast that can be done. Basically, it may be less, because the regulation may not be as complicated for legislative drafting. But my experience is that regulation drafting can take anywhere from three weeks to three months. I don't think this one is totally complicated, so it's probably somewhere in the middle.

Then we will go out to consultation with the particular groups on that, and that will then form the final regulation recommendation back to cabinet.

Sections 11 and 12 approved.

On section 13.

**N. Macdonald:** Just a question, and I don't know if staff need to be adjusted. It's just one simple question on 13, and then, basically, I think we'll move fairly quickly through to section 16. I don't anticipate a lot of questions on 14 or 15.

On section 13. It is an amendment to the Flathead Watershed Area Conservation Act, which has just been passed. I guess the question is — and just one question: why is it that we're here with an amendment and an addition of subsection (4) so quickly after the bill itself was passed? I think it's just weeks since we passed it here.

**Hon. R. Coleman:** The Flathead Watershed Area Conservation Act says that certain things cannot be done in the Flathead. Mineral exploration and mine development are not allowed in the Flathead. This amendment actually ensures that the regulation exemption would not apply to activities in the Flathead. It's a consequential

amendment to harmonize back to that particular piece of legislation to ensure that we're not impacting the other piece of legislation by allowing any activity.

Sections 13 and 14 approved.

On section 15.

**M. Sather:** I just wanted to ask the minister: what was the purpose and effect of adding this land to the Stawamus Chief Park?

[1505]

**Hon. T. Lake:** The purpose was to add 9.7 hectares as a result of a private land acquisition, and we've moved this now from schedule C to schedule D so that some of the existing uses, the rights of way that exist on that additional land relating to B.C. Hydro or B.C. Telephone, can exist in the park as it exists now.

**M. Sather:** Is the minister aware of any environmental values associated with this land?

**Hon. T. Lake:** This area is being added to the Stawamus Chief Park, which is a rock-climbing area. This new land also provides additional falcon-nesting habitat and views of Howe Sound that add environmental values to the park.

Section 15 approved.

On section 16.

**N. Macdonald:** Just a couple of questions here. So 16 and 17 deal with attractants to dangerous wildlife. It defines "attractant." The definition of "dangerous wildlife" now in the existing legislation — you have bear, cougar, coyote and wolf, but in subsection (b) it also talks about species of wildlife that are prescribed as dangerous wildlife. I guess the question is: is there anything beyond the bear, cougar, coyote and wolf that is referred to in the definition of the attractant?

**Hon. T. Lake:** That definition remains, but with another part of the amendments today, it gives the minister a power of regulation to add species that may, with evidence, prove to be dangerous. Just an example that may come to mind is a wolverine, for instance. There may be certain times of the year or certain areas of the province where certain species may be deemed dangerous, and the regulations will give the minister power to add those to the definition.

**N. Macdonald:** So in the future — the addition by regulation of any animal that is deemed dangerous — is the minister anticipating that this would include deer or

elk or moose or any of these herbivores that currently fall outside the realm of the definition of dangerous wildlife?

**Hon. T. Lake:** The legislation would allow the minister to add other species, but we do not anticipate at this time adding those species.

**N. Macdonald:** So the definition of "attractant" — and this sort of spills into 17 as well, a little — is "food or food waste, compost or other waste or garbage." But the scope of food — does that include, for instance, a fruit tree as an attractant to, perhaps, a bear? Is that included as one of the attractants? Or what sort of parameters do you have on something like that?

[1510]

**Hon. T. Lake:** Yes, it does include fruit. Certainly, there is lots of evidence to suggest that the improper disposal of fruit falling from trees is an attractant. Our conservation officers work with people that have difficulty in terms of managing that, and we will continue to do that.

**N. Macdonald:** Just to understand completely. I think the figure that I saw talked about was in the range of up to \$230. The minister can correct me if there is a different fine limit. As I am to understand, this is there, especially when we refer to fruit trees, as sort of a final tool for the conservation officer.

I know that many communities also have, of course, bylaws and bylaw enforcement officers, but this is a final tool. There would be a series of measures in dealing with the property owner before this tool would be used, such as telling them they needed to harvest their fruit and so on. Is that a correct understanding of what this would be used for?

**Hon. T. Lake:** I think the member has characterized it well. It's a tool we can add to our armamentarium, if you like, for those folks who conservation officers have worked with, to make them aware of the problem. It is for people who, despite best efforts by Bear Aware coordinators, education programs that are ongoing, conservation officers talking to people.... It is a last tool, if you like, to make sure that those attractants are dealt with in a timely fashion.

**N. Macdonald:** One last question on this. I think I said that last time, but one other thing occurs to me. There will be periods of time when fruit trees will still be edible and where it's possible that you would have a property owner that would insist that while a bear may be interested in that fruit tree, it's something they don't want to harvest yet and that they will choose to harvest when they want.

I certainly understand the scenario the minister laid out — where there's rotten fruit, and it's simply left there

— but just to put on the record, the degree of discretion that the minister expects for the conservation officer to use in that sort of a circumstance.

**Hon. T. Lake:** For me, I can speak from personal experience, having fruit trees in my yard in Kamloops. Where there is no concern, where there has not been previous problems, then it's unlikely the conservation officer would even be involved. They're not going out and looking for problems.

It's where there is an identified problem, where bears have been in the area, where they have been known to feed on the fallen fruit, where the homeowner has not heeded the urgings of the conservation officer to deal with the problem. That's a situation in which conservation officers would use their discretion for this tool.

**M. Sather:** I wanted to ask the minister why the government considers wolves to be dangerous wildlife.

**Hon. T. Lake:** Because they are.

**M. Sather:** I assume that the minister is referring to dangerous wildlife as dangerous to human beings, not other wildlife. Insofar as the minister insists that wolves are dangerous to humans, he certainly needs to enlarge upon that, because throughout the history of the last number of decades in wildlife biology, it was clear that wolves did not attack human beings. I'm curious about the minister's knowledge on this.

[1515]

**Hon. T. Lake:** Well, it is an existing definition in the Wildlife Act, so it is not apropos to the changes that we are talking about today. That already exists.

In fact, there are incidents — one on Vargas Island — in which wolves have endangered human lives. Certainly, we've had incidents, even in urban areas, of coyotes endangering or putting people at risk. So I don't think it is much of a stretch to imagine that wolves in that situation would do the same thing.

Sections 16 to 21 inclusive approved.

On section 22.

**J. Horgan:** As we're going through the latter stages of Bill 19, the Miscellaneous Statutes Amendment Act (No. 3), I come to part 5, section 22, and that is the name change of an organization we've all become very fond of on this side of the House. The public affairs bureau will be dead with the passage of this bill. In this section it now says that the public affairs bureau will be called the government communications and public engagement — colon.

So I'm wondering if I could ask the minister what exactly it is that government communications and public engagement — colon — will be doing.

**The Chair:** Shall we recess, awaiting the arrival of the minister?

**Hon. I. Chong:** Committee Chair, if we could just have a two-minute or five-minute recess.

The committee recessed from 3:16 p.m. to 3:17 p.m.

[L. Reid in the chair.]

**The Chair:** Does the member for Juan de Fuca wish to repeat the question?

**J. Horgan:** I will. I thank the minister and his staff for being available for this important amendment. It's one that I know even the minister is excited about.

In the section 22 description it says that it replaces the reference to the public affairs bureau with a reference to the organization's new name. I'm wondering, and I made reference to this in reading out the amendment... It says: "a person employed in the office of Government Communications and Public Engagement" — semicolon and then a period there, of course — but I'm wondering: what was the motivation for the name change?

**Hon. K. Falcon:** The purpose of the name change is to reflect the fact that the Premier has made it clear that a key part of government is not just communications but also engagement, and the new name — government communications and public engagement — reflects that reality.

**M. Farnworth:** I just have one item, a quick question around PAB, because it is an institution around this place that we have all come to love — and the acronym PAB, public affairs bureau. But one thing clear is that even though the name is changing from PAB to GCPE... I think I may be wrong, because we do have a new Premier, but my first, initial glance at that was that it could be "Gordon Campbell's personal empire" for communicating.

Interjection.

**M. Farnworth:** Final day of session. Hey, but GCPE — right?

But I just want to confirm that the same number of staff that are currently employed at PAB will still be employed at the GCPE. It's still somebody's personal empire.

**Hon. K. Falcon:** My understanding is there is no change in the number of employees. I would remind the member that the GCPE, the empire that the member is referring to, does fall under the Minister of Labour, Citizens' Services and Open Government. The name change itself, happily, comes under the Public Service Agency, which is myself. But I am unaware of any change whatsoever to the number of employees.

[1520]

**J. Horgan:** It would be a shame to not spend just another moment or two on this section, and I know the minister will indulge me. He's partly answered my question about no change in the number of employees at what was PAB and what is now, I understand, GCPE. Is that what the minister has described?

But I'm wondering: when we're changing this over, from an administrative point of view, will order-in-council appointments to the public affairs bureau now all be rescinded and reappointed by this act? Is this an administrative efficiency, so that rather than rescinding all the public affairs bureau staff and reappointing them by order-in-council under the GCPE name...? Is that why we're doing this?

**Hon. K. Falcon:** I must confess I'm surprised that we're spending quite this amount of time on section 22, which consists of changing the name of the organization. Apparently it's nostalgia.

But no, of course we're not doing that. This is simply changing the name to reflect the Premier's commitment to ensure that in government, it is not just about communicating and making sure the public understands issues that the government is dealing with — often complex issues — but ensuring that there is real public engagement.

**B. Ralston:** I'm not sure the minister will have this information immediately available to him, but he has proposed in his budget plan to find a number of budget cuts over the next 18 months to two years. Can he confirm that he will find none of them in this agency?

**Hon. K. Falcon:** I won't confirm anything about that, just because I can assure the member that with the challenges that Canada and British Columbia are facing as a result of all the economic instability around the world, there is no question in my mind that... Even with our government and our fiscal restraint — which is notable in that there is no other government I'm aware of in the country that has held the line on operating expenditures to the extent this government has, and that is clearly going to continue... I am not going to make any predictions about any ministry going forward, particularly when we're really talking about a name change to an agency that is now going to reflect the Premier's new direction that it also include public engagement.

Section 22 approved.

**The Chair:** For the members' information, sections 23 through 36 inclusive were passed earlier.

On section 37.

**K. Corrigan:** I was sending the minister a note saying I was going to ask questions, but we got through the intervening area pretty quickly.

Section 37 says that section 60(6.1) of the Motor Vehicle Act as enacted by section 77(b) of the Miscellaneous Statutes Amendment Act is repealed, and then there is a substitution. I have to say it's difficult to understand what these changes are. In order to understand them, you have to first go to the Motor Vehicle Act, take a look at the Motor Vehicle Act and then find out, when you looked at the Motor Vehicle Act section which is referenced, that it isn't actually in the Motor Vehicle Act, if you go and look at the statutes.

I've gone to two different sites — one of them the government and one them the statutes of B.C., a second site. And you have to actually then go to the 2008 *Hansard* to see the Miscellaneous Statutes Amendment Act to find section 6.1, which contains the section that is now being amended again.

So you need to have three different acts with you. If I'm incorrect — because I checked it several times; it's up to date till November — that you actually... A change, an amendment that was made three years ago is not actually in the consolidated statutes. If I'm incorrect in that, then let me know. I'm not worried for me, as much as that a member of the general public who has a change like this should be able to understand it. Maybe I could first get that clarified.

[1525]

**Hon. S. Bond:** That sounded like a fairly arduous journey for the member opposite. I am advised by staff that it is in fact on line. You know, I'm not certain that we're here to debate how easy it is to access the information. The fact of the matter is I'm advised by staff that it is on line.

**K. Corrigan:** Well, I did try it. I went to the consolidated statutes on line. If I'm wrong, absolutely, I will later let the minister know that somehow I was errant. But I actually had to go back to the 2008 act in order to find 6.1. It was not in either one of the sets of statutes that I tried to access; 6.1 was not there. I went right through section 60. Maybe I'm wrong, but maybe the minister's staff could take a look at that and just clarify that that isn't the case. It was disconcerting. If it isn't, that's great.

In terms of what this section means and what the change means, I just wanted to clarify. My understanding is that this section comes about as a result of what was first the Canadian driver licence compact, which then morphed into or became the Canadian drivers licence agreement, which harmonizes the issuing practices, standards and the issuing documents across Canadian jurisdictions — in this case the documents which are required in order to get a driver's licence. Is that correct? Is that the basis or the origin of this section?

**Hon. S. Bond:** I'm advised that is correct.

**K. Corrigan:** I'm wondering if I could just get an explanation as to what the actual impact of this is. My

understanding is that what this will do is facilitate B.C.'s implementation of the Canadian driver licence agreement and that this change will mean that current B.C. licence holders.... If this change didn't happen, current B.C. licence holders would have to produce proof of citizenship upon licence renewal, and this legislation would exempt existing driver's licence holders from the requirement to prove their Canadian citizenship or legal entitlement to be in Canada. Is that correct?

**Hon. S. Bond:** I was remiss in not introducing Brad Gerhart, who is one of our senior policy advisers in the Office of the Superintendent of Motor Vehicles. I appreciate his support today.

That's exactly what it does. If we don't change this, every time you go to renew your licence and you are an existing B.C. licence holder, you're going to have to prove that you are a Canadian citizen. In fact, what this allows us to do is exempt existing driver's licence holders from the requirement to provide proof of their citizenship or legal entitlement to be in Canada. I can only imagine what people would think if on the renewal of their licence, they had to provide Canadian citizenship documentation as well.

**K. Corrigan:** The requirement when somebody is a first-time applicant for a licence.... They will need to produce those documents, and they would have in the past. There's no change to what the initial documents that are required are, I assume.

**Hon. S. Bond:** Yes, that's the current practice. As you become a new driver, you do have to provide that information, and that would not change.

Section 37 approved.

On section 38.

**K. Corrigan:** Here's another one that I had to do a little bit of going through acts in order to understand exactly what was going on. I'm going to get rid of those documents and move on to the next one that I'm taking a look at.

Section 38 provides that sections 1 and 10 of the Public Sector Employers Act are amended by repealing the definition of "minister." I want to go through that.

[1530]

The definition of minister, under section 1, means the minister who is the chair of Treasury Board. That is going to be repealed. That's the first question. I just want to confirm that.

[D. Horne in the chair.]

**Hon. S. Bond:** I do want to again introduce staff that's here today. Tom Vincent is the vice-president of the

Public Sector Employers Council secretariat and has had lots of stellar roles in government, and I've worked with him in numerous ministries.

What we're concerned about is that OICs under the Constitution Act assign responsibility for the Public Sector Employers Act, and we believe there is a contradiction between the way the act reads now and the use of OICs in order to assign that responsibility.

**K. Corrigan:** I just want to get the train, though, of what this actually means. My understanding is.... Maybe I'll put it together rather than asking each individual question. The definition in the Public Sector Employers Act says "minister" means "the minister who is the chair of the Treasury Board." That is being repealed, and I understand what the minister is saying.

Then, according to section 3(1) of the Financial Administration Act.... I wanted to be clear about what that was referring to, and that refers to the chair of the Treasury Board. So according to the Financial Administration Act, that person who is the chair of the Treasury Board is the Minister of Finance. Is that correct?

**Hon. S. Bond:** That would be the common practice.

**K. Corrigan:** The common practice. It is statutorily that person, is it not?

**Hon. S. Bond:** Actually, that's beyond the scope of what is being changed here.

**K. Corrigan:** I am referring to a statute which defines exactly the role that we're talking about in these changes. I'm trying to figure out what the role is. It refers to the minister who is the chair of the Treasury Board. If you go to the act that says who the chair of the Treasury Board is, it says it's the Minister of Finance.

In fact, what we're going to find out is that the next section of this act refers exactly to the problem that has been created — that the Minister of Finance is supposed to have been the one that was the chair. It's trying to validate acts for the last three years — whether or not the minister was actually sitting as chair. That's what this section is trying to fix, in my understanding.

I apologize for referring to other acts, but my understanding and simply my.... Is it not true that statutorily that minister which is referred to in the definition which is now being repealed is in fact the Minister of Finance?

[1535]

**Hon. S. Bond:** I think that, precisely as I answered earlier, the repealing of the definition of minister is to remove potential ambiguity between the act and orders-in-council made under the Constitution Act, which assign responsibility from the Public Sector Employers Act.

**K. Corrigan:** Is the minister saying that section 38 and the change in the definition there have nothing to do with the transitional provision of section 39?

**Hon. S. Bond:** There are two schools of thought about how this could be fixed. To the member's point, exactly what she is expressing as a concern is being clarified, removing ambiguity in this section.

**K. Corrigan:** My interpretation, I assume from that, is correct. I'm not sure it's an ambiguity. It doesn't look like an ambiguity to me. If you follow through the different acts, it makes it very clear that the chair of the Public Sector Employers Council is the Minister of Finance, and the Minister of Finance is supposed to be chairing the meeting, chairing the Public Sector Employers Council. If there is any other interpretation that can be come to under the various acts, I'd like to know what that other interpretation is.

**Hon. S. Bond:** In fact, there is another view to that, and that would be that if you used the Constitution Act, it would relate to OICs.

**K. Corrigan:** Well, I've read each and every one of the acts, and it was very clear to me that there is no other reading. In my reading of it — there was no other reading — the Minister of Finance is the chair of the Public Sector Employers Council. That was very clear to me, and I couldn't see any other interpretation of the sections that it referenced.

In fact, it is apparently a concern that the government had, as well, because in the next section there's a transitional provision which says that the validity of any action or decision taken by the Public Sector Employers Council back to 2008 is not affected on the basis that "the Minister of Finance, as defined in the Financial Administration Act, did not act as chair." I think that's exactly the interpretation that is being talked about here. But I won't ask any more questions about that because I can ask more under section 39.

Section 38 approved.

On section 39.

**K. Corrigan:** This is the section that I was referencing before. Section 39 says, and I read part of it before, that:

"The validity of any action or decision taken by the Public Sector Employers' Council or the chair of the council, on or after June 23, 2008 and before the date this section comes into force, is not affected on the basis that, during that period, the Minister of Finance, as defined in the Financial Administration Act, did not act as chair. (2) This section is retroactive to the extent necessary to give full force and effect to its provisions and must not be construed as lacking retroactive effect in relation to any matter by reason that it makes no specific reference to that matter."

[1540]

I would note in the side notes on this, on section 39, it's a little clearer to the layperson probably. It says that section 39 "validates any actions or decisions taken by the council or the chair of the council during the period of time the Minister of Finance did not act as chair of the Public Sector Employers Council or the council was otherwise not properly constituted."

My question to the minister is: has anyone challenged the decisions that were made by the Public Sector Employers Council over the last three years on the basis that the actions were not valid because the Minister of Finance did not act as chair?

**Hon. S. Bond:** Absolutely none.

**K. Corrigan:** Is it a concern with the minister that possibly if anyone had been aware of this and had challenged the decisions, that those challenges would have been upheld?

**Hon. S. Bond:** No. This amendment is being made in an abundance of caution, and in fact, it is a technical housekeeping amendment that is made in the interest of clarity.

**K. Corrigan:** Well, you know, when there's a section in an act which says that this is going to validate decisions that were taken by the Public Sector Employers Council for last three years, whether or not it was valid, I think there is some concern there. Whether other people recognize it or not, it is some concern.

When you understand that what the Public Sector Employers Council does is very wide-ranging.... It has a lot of power. It sets and coordinates strategic directions in human resource management, in labour relations. It advises the government on human resource issues with respect to the public sector and provides a forum to enable public sector employers to find solutions to human resource issues.

I mean, the Public Sector Employers Council has a lot of power and influence in terms of setting direction and policy on behalf of the government, and I think that it is a concern if, in fact, the Minister of Finance should have been sitting as chair for the last three years and has not been. There was a possibility that major decisions on policy direction made by this government could have been invalid because the rules weren't being followed.

My question to the minister. Was there concern that some decisions could have been invalid?

**Hon. S. Bond:** I think I answered that. The answer is absolutely none. This is a technical housekeeping amendment. As soon as there was a concern expressed that there needed to be more clarity.... This is being done as an overabundance of caution and to preclude any potential ambiguity.

**K. Corrigan:** Well, this will probably be my last question on the matter. I didn't see, in reading the sections, any ambiguity. It was perfectly clear to me when I read the sections that the Minister of Finance is the chair, should have been the chair of the Public Sector Employers Council. If the minister wants to characterize that as clarification, that's one thing. I think that it looked more to me like this was the fixing of a mistake.

Sections 39 and 40 approved.

Title approved.

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

Motion approved.

The committee rose at 3:44 p.m.

The House resumed; Mr. Speaker in the chair.

[1545]

### Report and Third Reading of Bills

#### BILL 19 — MISCELLANEOUS STATUTES AMENDMENT ACT (No. 3), 2011

Bill 19, Miscellaneous Statutes Amendment Act (No. 3), 2011, reported complete without amendment, read a third time and passed.

**Hon. I. Chong:** I now call committee stage of Bill 7, the Regulatory Reporting Act.

#### Committee of the Whole House

#### BILL 7 — REGULATORY REPORTING ACT

The House in Committee of the Whole on Bill 7; D. Horne in the chair.

The committee met at 3:47 p.m.

On section 1.

**B. Ralston:** I don't propose to be very long. We've had some debate at second reading.

I did have one question on section 1(3), just generally. One of the aspects of regulatory reform that's sometimes referred to is an attempt to assess the cost impact of bringing about regulatory change. This report will be distributed. Obviously, it'll be published through what it says are the usual channels, or "reasonably be expected

to bring the report...." So there would be some news releases, perhaps present on the minister's website.

Has there been any attempt, or is it possible to assess even in a summary way the likely cost of that publication of the report?

**Hon. K. Falcon:** No, the attempt here is to just make sure it's easily accessible to the public. Typically, that informs us by making it available in a paper or an electronic format. Increasingly, the electronic format is the method in which the public typically accesses these kinds of things.

Section 1 approved.

On section 2.

**B. Ralston:** This states in subsection (1) that no action or other legal "proceeding may be brought in respect to an obligation established under this Act." I find this provision a bit unusual. I would have thought that the minister, since it falls to him in section 1 to publish the report, would be immune from legal action in any event. I'm wondering why this section was included.

**Hon. K. Falcon:** I'm advised that this is pretty standardized wording that's used whereby if there's a failure to meet an obligation, it's not going to result in harm to a person. Therefore, it's just clarifying that the Offence Act does not apply.

Section 2 approved.

On section 3.

**B. Ralston:** I suppose one can't let this pass without at least making an observation that it is somewhat exquisitely ironic that in a bill of four sections entitled the Regulatory Reporting Act, the longest section is the section empowering the minister and the Lieutenant-Governor-in-Council — that is, the cabinet — to make regulations.

Can the minister express at this point what regulations under the act, when it passes, he envisages making, or is it premature to do so now?

[1550]

**Hon. K. Falcon:** Yeah, it would be a pretty straightforward effort to just establish whatever the content requirements are going to be reported out on. We certainly wanted to leave the flexibility there to allow for improvements to reporting, if necessary, or any changes to reporting. That is allowed under the regulatory section, through the Lieutenant-Governor-in-Council. I think it is appropriate. That's not something that is necessary to be actually spelled out in the statute itself.

Sections 3 and 4 approved.

Title approved.

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

Motion approved.

The committee rose at 3:51 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### BILL 7 — REGULATORY REPORTING ACT

Bill 7, Regulatory Reporting Act, reported complete without amendment, read a third time and passed.

**Hon. I. Chong:** I now call committee stage of Bill 17, the Finance Statutes Amendment Act, 2011.

#### Committee of the Whole House

#### BILL 17 — FINANCE STATUTES AMENDMENT ACT, 2011

The House in Committee of the Whole on Bill 17; D. Horne in the chair.

The committee met at 3:53 p.m.

On section 1.

**B. Ralston:** Well, perhaps I can just set out what I propose to do. Sections 1 to 17 are amendments to the Business Corporations Act. I have a couple of questions there. Sections 18 to 62 are amendments to the Credit Union Incorporation Act. I really have no questions there.

Section 63 is an amendment to the Financial Administration Act. Sections 64 to 116 are amendments to the Financial Institutions Act. I have relatively few questions there. Sections 117 and 118 are amendments to the Financial Statutes Amendment Act, 2010. That is the similar bill last year.

I propose to ask some fairly detailed questions, assuming that I have time, to the Securities Act amendments, sections 119 to 135.

After that are the amendments to the Society Act, sections 136 to 141. I have relatively few, if any, questions there. Then there are some transitional sections of 142 and 143. Again, I think that it ends at section 147 with an amendment to the Infants Act.

In terms of the first sections, 1 to 17, I have a question on section 2 and section 17 — just for the benefit of the Clerk. Formally on section 1, I have no questions.

Section 1 approved.

On section 2.

[1555]

**B. Ralston:** Section 2 amends section 3 of the Business Corporations Act. I found the language a bit confusing. It's adding a subsection. It refers to a pre-existing trust company. Can the minister explain what the purpose of that particular subsection is?

**Hon. K. Falcon:** The significance here is to capture pre-existing trust and insurance companies — that is, those that were previously incorporated under the old Financial Institutions Act under the BCA terminology. So they will be deemed to be recognized under a former Companies Act when they become trust or insurance companies under the FIA. Any reference in the BCA to "recognized under a former Companies Act" will then apply to capture pre-existing trust and insurance companies in the same manner as pre-existing companies are captured now under the Business Corporations Act.

Sections 2 to 16 inclusive approved.

On section 17.

**B. Ralston:** This relates to section 2. The explanatory note says that "the Lieutenant-Governor-in-Council may prescribe provisions of the pre-existing company provisions so that those prescribed provisions do not apply to pre-existing trust companies and pre-existing insurance companies." Does the same explanation the minister has just offered apply to this section?

**Hon. K. Falcon:** These amendments would allow the regulations to prescribe trust and insurance companies as a class of company to which some of the pre-existing company provisions would not apply.

Sections 17 and 18 approved.

On section 19.

**B. Ralston:** Apparently I omitted... There are one or two sections I do have here that I wanted to ask a question on. Section 19 is the interpretation section. Can the minister explain generally: what is the purpose of adding the following definitions? There's a list of them. I won't go through it individually. I'm just interested in the general explanation.

**Hon. K. Falcon:** There are approximately 20 new definitions to be added to section 1 of the Credit Union Incorporation Act. Important definitions include "director," "general meeting" and "ordinary resolution." These and the other new defined terms are substantially the same as those that would be found in the Company Act that currently apply to credit unions.

Section 19 approved.

On section 20.

**B. Ralston:** In section 20 there's a provision in 2.2, "Notice by mail." I'm wondering, There's a mention of five days. There doesn't appear to be any reference to electronic means of communicating notice statements or reports. Can the minister explain why that is?

**Hon. K. Falcon:** What we're doing here is clarifying that the.... I'm advised that the existing Credit Union Act does not allow utilization of electronic means. It requires the notice-by-mail provisions. So what this is doing is saying that the exact same provisions will apply.

[1600]

Sections 20 to 27 inclusive approved.

On section 28.

**B. Ralston:** There's an explanatory note on page 8 of the bill which uses some fairly broad language. I'm wondering if the minister could expand upon the explanatory note: "...imports into the act a provision from the Company Act respecting the court's ability to constrain non-compliance, which provision had been applied to the act by provisions repealed by this bill."

Can the minister explain what that means?

**Hon. K. Falcon:** This is a really good example of one of the sections in which people in the credit union industry would be required to constantly cross-reference to the Company Act to determine issues like this. What this does.... Section 12.2 downloads into the Credit Union Act section 25 of the Company Act, which provides for a court action to compel a credit union to stop acting outside of the scope of the restrictions on its legal power. It currently applies, but it will eliminate the need for cross-referencing and be downloaded directly into the act.

Sections 28 to 30 inclusive approved.

On section 31.

**B. Ralston:** This refers to the process by which what are called corporate names might be reserved under the act. The present section 14 sets out the way in which a credit

union is entitled to use its name and that it's subject to the approval of the commission. Can the minister explain? From my reading of it, it simply takes the provisions of the Business Corporations Act, which are much more expansive than the present Credit Union Incorporation Act, and adopts them into the Credit Union Act. Can the minister confirm that that's what is done here and there are no other changes?

**Hon. K. Falcon:** Section 14.1 is a new section. Section 14.1 fills a gap in the credit union naming process by setting out the procedures to be followed to reserve a name at corporate registry. These requirements, I understand, are consistent with other corporate statutes and also reflect current practice for the credit unions. So it creates certainty in their own act.

Section 14.2 applies already, but what it does do is download section 106 of the Company Act directly into the Credit Union Act.

Section 31 approved.

On section 32.

**B. Ralston:** I think this is related. Under the present section 25 of the Business Corporations Act there's a reference made to multilingual names, but it refers to either English or French.

[1605]

Would the minister confirm that under the process of a credit union seeking a name, if it's becoming congruent with the Business Corporations Act, it would only be able to apply in English or French and not in any other language?

**Hon. K. Falcon:** I'm advised that the section the member refers to didn't apply before to the Credit Union Act, and it still doesn't apply today. There would be no prohibition against the use of either French or English in the name of a credit union company.

**B. Ralston:** Just given the spread of credit unions in the province and the demographics of our population, is there, then, a prohibition against applying in a language other than French or English, assuming that one also submitted an English name with the application?

**Hon. K. Falcon:** I'm advised that there's no prohibition to doing that. The tricky part would be whether the registry would be able to actually register a name that is not in either English or French. There may be some challenges there. My understanding is that they haven't come across that problem at this point.

Sections 32 to 36 inclusive approved.

On section 37.

**B. Ralston:** Section 37 extends over 25 pages. Perhaps the minister could just briefly confirm that this incorporates a number of provisions of the Business Corporations Act, beginning with winding up liquidators, disposing of the assets of a credit union and a completion of winding up, all of which appear to relate to the dissolution of a credit union upon a bankruptcy or a decision to wind up.

**Hon. K. Falcon:** The significance of this section here is that the winding-up provisions applicable to credit unions will now all be found in part 2.1 of the Credit Union Incorporation Act. Although they've been reorganized and numbered, the new part 2.1 will not substantially change the law for credit unions.

[1610]

Similarly, the new parts 2.2 to 2.4 download currently applicable Company Act provisions into the Credit Union Incorporation Act without substantially changing the law for credit unions. It still remains relatively unchanged. The only changes made are those that are needed to clarify the application of those provisions.

For example, the word "shareholder" in the Company Act provisions requires more precise interpretation in the Credit Union Incorporation Act due to the existence in the Credit Union Incorporation Act of "members" and "auxiliary members" and "holders" of different types of shares. So there's a bit of a change there, for example, in the term "shareholder."

A few provisions related to auditors. For example, the appointment of auditors or the amendment of financial statements and reporting and access to information have been removed from the FIA and downloaded into the new Credit Union Incorporation Act — part 2.3 — because they will no longer be needed for trust and insurance companies. The Business Corporations Act contains the same requirements.

Section 37 approved.

On section 38.

**B. Ralston:** I believe this would be the section that the minister was referring to in terms of a broader range of shares in credit union corporate structure. Can the minister explain or offer an opinion on section 55.2, which refers to: "No equity shares with par value may be...issued..." And there are a number of provisions about equity shares.

The minister may know that equity shares, I would say, may be the subject of some controversy within the credit union movement, certainly. Surrey Credit Union — as it then was before it amalgamated with others and became Coast Capital — did issue what were called equity shares and made a formal application and had them listed on the Toronto Stock Exchange. But those have been since dissolved, and that arrangement has ended.

Can the minister advise whether this provision for equity shares changes the present Credit Union Act and, likely, share arrangements or offers new share alternatives, or does it merely confirm what is existing practice and law?

**Hon. K. Falcon:** It's virtually the same. It's just carrying forward the terms of the Company Act.

Sections 38 to 45 inclusive approved.

On section 46.

**B. Ralston:** This section speaks of the liability of insiders and speaks of.... It gives some definitions, and in subsequent sections, I think — I have a question on section 52 — there's also a provision for derivative action. So I'm wondering: can the minister advise if these provisions have ever been litigated, and if so, is the drafting here a response to any litigation that may have occurred, or do they simply repeat provisions of the Business Corporations Act?

**Hon. K. Falcon:** I'm advised that they repeat the provisions of the Company Act, which are, again, being downloaded directly into the Credit Union Act.

Sections 46 to 51 inclusive approved.

On section 52.

**B. Ralston:** This is the section that I referred to previously. It refers to court proceedings and a derivative action which sets out some rules to apply to the Supreme Court to bring an action "in the name and on behalf of the credit union." I'm wondering if there are any precedents in the recent past in which this section might have assisted a credit union. Or would this be virgin territory for the credit union movement?

[1615]

**Hon. K. Falcon:** These are all provisions that are found in the Company Act and are being incorporated and, again, downloaded directly into the Credit Union Act.

Sections 52 to 63 inclusive approved.

On section 64.

**B. Ralston:** This section initiates the series of changes that span from proposed section 64 through to section 116. I suppose in section 64 it does set out in its explanatory note a fairly broad explanation of what's taking place in these proposed amendments, section 64 through section 116. If the minister could provide an explanation to these proposed amendments to the Financial Institutions Act, I would be grateful.

**Hon. K. Falcon:** I'll take a stab at this. The purpose of this, Member, is to remove references to the Company Act and to make consequential changes to define terms that are used throughout the Financial Institutions Act to reflect the application of the new Business Corporations Act to trust and insurance companies and the direct application of the Company Act provisions to credit unions as a result of their downloading into the Credit Union Incorporation Act. That is sort of the overarching purpose of all of these sections.

Sections 64 to 116 inclusive approved.

On section 117.

**B. Ralston:** This section and the subsequent one, 118, refer to the Financial Statutes Amendment Act, 2010, which was a bill which proceeded through the House last year. I'm assuming that what these are were minor drafting errors and they're being corrected by these amendments. I'm content if the minister wants to answer both — it's subject to the ruling of the Chair — section 117 and section 118.

[1620]

**Hon. K. Falcon:** The purpose here is to amend a provision that's not yet in force to ensure that it reflects the changes made to section 115 of the FIA.

Sections 117 and 118 approved.

On section 119.

**B. Ralston:** This section initiates a series of proposed amendments to the Securities Act, and I do have some questions there, beginning with section 119. This amends a provision of the Securities Act, section 4.1, which speaks of the application of the Administrative Tribunals Act to the commission — that is, the Securities Commission. It proposes to amend by striking out sections 46.1 and 55 and substituting 46.1, 55 and 61, so section 61 is being added.

Can the minister explain the effect of that and the reason for so doing?

**Hon. K. Falcon:** Section 61 of the Freedom of Information and Protection of Privacy Act specifically sets out, as the member would know, that a work product of a hearing is not accessible to freedom-of-information requests. This simply extends that to the Securities Commission.

I may pre-empt the question that the member may ask. Why was it not applying in the first place? It appears to have been an oversight. But it is entirely consistent with the original purpose of section 61 to ensure that tribunal members, adjudicators, registrars or other officers who

are making decisions in an application or in an interim or preliminary matter are exempted in the information and work product of that hearing process.

**B. Ralston:** Since the explanatory note uses the term "work materials" and the minister has used the term "work product," that is a bit of a jargon term, so could the minister just explain what is meant by that?

**Hon. K. Falcon:** In section 61(2) it actually provides a list which sort of gives a breakdown of what they're referring to. I'll just read it quickly into the record for the member. It says:

"(a) a personal note, communication or draft decision of a decision maker; (b) notes or records kept by a person appointed by the tribunal to conduct a dispute resolution process in relation to an application; (c) any information received by the tribunal in a hearing or part of a hearing from which the public, a party or an intervener was excluded; (d) a transcription or tape recording of a tribunal proceeding; (e) a document submitted in a hearing for which public access is provided by the tribunal; (f) a decision of the tribunal for which public access is provided by the tribunal."

Section 119 approved.

On section 120.

**B. Ralston:** I'm looking at the... This is an amendment to section 15.1 of the Securities Act, which is entitled "Claim for wrongful benefit." Section 15.1(2) requires that a person "that makes a claim to money held by the commission under this section must file the claim in the Supreme Court within 3 years from the date of the first notification made under subsection (1) and file a copy of the claim with the commission."

[1625]

It seems from the language that it's intended to remove the requirement to file in the Supreme Court and let aggrieved parties file with the commission, thereby eliminating some of the complexity of the process. Is that the general purpose of the section?

**Hon. K. Falcon:** The answer is yes. What we're attempting to do here is to try and simplify the procedures that investors must follow to get their money back and reduce their costs. As the member correctly points out, they are currently required to prove their claims in court. This is an attempt to simplify that process for wronged investors.

**B. Ralston:** The amendment obviously would come into effect upon proclamation, I'm assuming, but maybe the minister can confirm that.

I'm wondering to what degree it will be retroactive. In the present legislation there's a requirement to file in the Supreme Court and file a copy of the claim with the commission. So presumably — and perhaps the minister can confirm — if there are claims that the commission is

aware of that are before the Supreme Court, they would proceed under the old section if they've already filed. Or would they proceed under the new section, and if that's retroactive, how far back would it be retroactive?

**Hon. K. Falcon:** Yes, these provisions will come into effect upon proclamation. They are not retroactive in nature, and I'm advised by staff that there are no current claims.

**B. Ralston:** Can the minister just advise: if there are no active claims, when was the last time a claim was filed?

I appreciate that there's an effort here to make the commission more accessible in these cases, but ordinarily in these extensive fraud cases the fraudster usually gets away with the money, and there's very little money left, even despite efforts that might have been made. I'm thinking that perhaps, although this is a good step, it's a rather empty remedy if one can't get access to the money.

Can the minister give examples of any...? If there are none at present, when was the last time, or have there been any actions filed in Supreme Court within recent memory?

[1630]

**Hon. K. Falcon:** Staff has corrected some earlier advice that it comes into effect on proclamation. It's actually an order-in-council, so I want to clarify that for the record. The member is absolutely correct. There are no cases, I believe, that were successfully proven through the court process, if I understood the advice I was just given. The member is very correct to point out that is really, absolutely the case.

This, in part, is an effort to try and change that. What they have advised me is that they have made settlements through their own efforts in working with the civil forfeiture office to try and sort of follow along some of the guidelines that the civil forfeiture office has used in the past.

[D. Black in the chair.]

They have worked with them to provide disgorged funds where there has been an order of disgorgement, to provide those funds back to individuals that were wronged. This will, I am advised, hopefully simplify the procedures much more and allow the commission to be able to disburse disgorged funds to investors following procedures that will be set out in the regulations. Those procedures will be made, will largely mirror the procedures that are generally taking place and will be modelled on those that are utilized by the civil forfeiture office.

The Securities Commission staff believes that this new procedure would be more timely and cost-effective for investors. But it does not take away something, the member opposite correctly said, which is that sometimes

they've taken the money and run, in the case of some of the characters that you deal with in the exempt market.

**B. Ralston:** I think the minister's answer is helpful. Is it the intention, then, to use the regulatory power that's given here under these subsections to draft a formal protocol with the civil forfeiture office in order that civil forfeiture would act as agent of the commission in going after funds and then having them transferred to the commission so that they could be paid out in accordance with the revised section 15.1?

**Hon. K. Falcon:** No, the intention, I'm advised, is to just generally model the regulations on the regulations that are currently being utilized by the civil forfeiture office, which apparently have had some success.

**B. Ralston:** I appreciate it is probably more properly an administrative choice that arises out of proposed regulations. But is there a rationale for that? I mean, I understand that the civil forfeiture office is very successful. It operates a relatively lean operation. I think some of the kinks and quirks have been worked out of the system, and they're going forward with some dispatch.

I'm wondering why a protocol couldn't be worked out between that office and the commission. They could be engaged on their behalf, rather than set up a parallel process with, perhaps, some delays in terms of acquiring the necessary expertise and the necessary ability that would be required to persuade the court.

As I understand the civil forfeiture process, in that process you do have to go to the Supreme Court, at least, and make an application. It may not be contested, but it's required to be an order of the court. The minister will recall that we debated that legislation, the Civil Forfeiture Act, some time ago. It was supported by all sides of the House, and I think it was a wise choice on the part of the Legislature.

**Hon. K. Falcon:** I actually don't want to dismiss the member's idea out of hand. I'd need more time to think it through, but I think that the suggestion in itself is not a particularly bad one.

[1635]

The only thing I would say is that the commission has the information that is necessary for them to determine.... When an individual comes to the office making a claim for access to disgorge funds, they have the ability to make that determination based on the information they hold as to whether that individual or individuals should be able to have access to it.

It was drafted on the basis of a belief, at least at that time, that that's probably the best way to move forward. At least at this point in time, I wouldn't sort of be open to amending it without being able to have a little more policy discussion on whether that, in fact, is a better idea

— you know, to subcontract out that work to the civil forfeiture office.

I think one thing we do agree on, though, is — and the member is correct to point it out — the success the civil forfeiture office has had, which is why the regulations are going to be largely modelled along a lot of the regulations that have been used by the civil forfeiture office. I accept that that is a thoughtful suggestion being put forward by the member.

Section 120 approved.

On section 121.

**B. Ralston:** Section 121 proposes to amend section 25 of the Securities Act. It simply adds "clearing agency" to the section. "Clearing agency" is defined in the Securities Act already. I note that there's no definition of an "exchange." Is it simply that that's self-explanatory, or is there some specific reason why it's not defined?

**Hon. K. Falcon:** It's self-explanatory. I understand it has never been defined in any securities legislation anywhere. The purpose here is to require that a person must not carry on business as a clearing agency unless they've been recognized by the commission.

**B. Ralston:** Can the minister explain what remedial effect requiring a person who meets the definition of a "clearing agency" might have in terms of investor protection or smoother administration of the act or the operation of the commission?

**Hon. K. Falcon:** The clearing agencies perform a critical role in our capital markets. They clear trades that are executed on exchanges. Obviously, market participants can be affected by the way in which they carry on their business. This amendment is going to provide the commission with greater oversight of those clearing agencies. I think that that will help maintain confidence in our venture capital markets.

**B. Ralston:** When one looks at the definition of "clearing agency," it appears to be fairly broad, and it's set out in the definitions section of the present act. Is the minister able to give an estimate of the present number of clearing agencies or of persons meeting the definition of "clearing agency" that would be touched by this proposed amendment?

[1640]

**Hon. K. Falcon:** There's one clearing agency that operates, CDS, which is the Canadian depository service for securities. The commission has heard from the folks in the industry in British Columbia and is concerned. They want to ensure that CDS continues to operate with

minimal costs to the industry, because there is only one player. This will provide the commission with the ability to have greater oversight to ensure that market participants are being treated and that costs being imposed are minimal costs necessary.

Section 121 approved.

On section 122.

**B. Ralston:** This proposed amendment amends section 27, which is entitled "Powers of the commission." Following on the minister's last answer, I take it this is simply to include the clearing agency in those bodies over which "the commission may make any decision respecting the following...." So that would be a consequential amendment of the previous section. I think that would be fair, but perhaps the minister could confirm that.

**Hon. K. Falcon:** The member is correct. We want to include clearing agencies and treat them like exchanges.

Section 122 approved.

On section 123.

**B. Ralston:** Can the minister explain the effect of this proposed amendment, entitled "Suspension of registration", and what further powers this confers upon the executive director and why they might be necessary?

**Hon. K. Falcon:** I thank the member for the question. The purpose here is to provide the executive director of the commission with new powers to suspend a registrant's registration. This new provision will allow the executive director to be able to act quickly to protect client assets where there is an ongoing or imminent harm to clients and the public. The ability to suspend registration would allow the executive director to prevent harm to registrants, clients and to the public. We think this is an important new tool for the executive director.

**B. Ralston:** In the proposed subsection (1) of the amendment the words are: "After giving a registrant an opportunity to be heard...." Can the minister explain what is envisaged there? The opportunity to be heard can be sometimes as simple as the opportunity to file a letter, to make oral submissions, to have a hearing. What's intended here, and is this governed by some of the provisions that we referred to earlier in the application of the Administrative Tribunals Act?

[1645]

**Hon. K. Falcon:** I'm advised when the Securities Commission uses the language providing a "registrant an opportunity to be heard" under the Securities Act, it's

an opportunity to make a written submission. The member is correct. They will have the ability to make written submissions to the commission.

**B. Ralston:** Subsection (2) gives the executive director the discretion to eliminate that opportunity for a registrant if, I think the words are, it "could be prejudicial to the public interest." Can the minister, perhaps, give an example of how that provision might apply, given that the test of being given the opportunity to provide written submissions is a relatively low threshold and one that could be complied with, in the ordinary course, relatively expeditiously?

**Hon. K. Falcon:** Member, it's very appropriate that you raise this issue. Really, this comes down to.... At the end of the day, it's a judgment call. The commission, the executive director, might not be able to get in touch with the responsible people involved in a timely way. It could very well be that those people don't want to get in touch and may be avoiding the ability of the commission to get in touch with them.

In the event that, for whatever reason, they're having difficulty getting in touch with those people, of course they want to act to be able to prevent clients' assets — ensure they have the ability to protect those.... They can act if they believe that in doing so, the individuals may be acting prejudicial to the public interest. So the reason why it's limited there to no longer than 15 days is to ensure that that is not an open-ended ability. If proceeding in that manner under subsection (2), they are limited to that 15 days in exercising that right.

Section 123 approved.

On section 124.

**B. Ralston:** This proposed amendment deals with what's entitled "Defences" in section 57.4 of the Securities Act. The companion note states it "prohibits abusive behaviour currently permitted," which I thought was a bit of an odd way to express it. Can the minister explain what the abusive behaviour that's currently permitted is — and obviously, the desire is to prohibit it — and how the proposed amendments here, which appear to really strike out the term "material order information" from several subsections, would accomplish that?

[1650]

**Hon. K. Falcon:** The purpose here is to ensure that a person can only use the defence of front-running when all the other persons affected by the front-running are aware that this is occurring. The significance of the changes that we're proposing here — prohibits a person who has material order information from an investor from trading using that information. So a person does

not contravene the front-running prohibition if the person reasonably believed that the investor consented to that trade.

However, this is abusive, because the person can use the defence where the counterparty to the trade with the investor does not know the material order information. The amendment ensures that all parties impacted by the front-running activity have consented to it.

Now, the second part of the member's question about material order. I'm just advised that the material order provisions are replicated in the new section 6, which follows on the next page.

**B. Ralston:** Can the minister then explain the difference between material fact, material change or material order information, because in proposed subsections (a) and (b) "material order information" is struck out. So obviously there is some legal significance to that formulation, as opposed to material fact or material change. I'm wondering if the difference could be explained, please.

**Hon. K. Falcon:** Material fact and material change apply to insider trading prohibitions. Material orders applies to the front-running provisions.

Sections 124 and 125 approved.

Section 126.

**B. Ralston:** This says that it "adds a new general requirement for persons to keep records of their activities that are regulated under the Securities Act." It seems a little surprising that that wouldn't already exist. Is this a substantial change to the way in which market participants and registrants are required to operate?

**Hon. K. Falcon:** The purpose here is to create a positive obligation that requires market participants who are operating in the exempt market to keep records. What it does do is mirror the same provision that has been added in Alberta and Ontario so that there is that positive obligation on exempt market participants to maintain those records.

[1655]

We already have the power to call for records. What they want to have here is to make sure there is just that positive obligation to keep those records.

**B. Ralston:** What would be the mechanism for enforcing that new general requirement?

**Hon. K. Falcon:** They can do compliance reviews. They can enter the offices of the individuals to search and check for records. They can apply administrative penalties, of which they have, I understand, a range that can apply.

**B. Ralston:** Is the minister able to give any examples of where records have been destroyed or not available during the process of enforcement?

**Hon. K. Falcon:** I'm advised by staff that this is a common problem. They often find that there are no records or very poorly kept records, which makes it difficult for the Securities Commission to determine where the funds went to. This is something that I think will be a very, very positive impact in terms of our ability to maintain integrity in that market.

Section 126 approved.

On section 127.

**B. Ralston:** This is a proposed amendment to section 89 of the Securities Act, which is entitled "Halt trading order." It appears to give the commission or the executive director some additional powers, which perhaps the minister could clarify. What would be the remedial effect of these provisions, and why are they being enacted?

**Hon. K. Falcon:** Again, this is a really important policy change, in my view. This will protect B.C. residents and market integrity by allowing halt trade orders to continue while there are market fluctuations. Often what happens is the commission will see unusual circumstances in the markets, particularly in securities that are trading on the over-the-counter bulletin board.

You'll have persons who will create circumstances by posting information about these securities on the Internet. When the commission halts trading, commission staff need time to investigate these circumstances. The current three-day period is a very, very tight period of time in which the commission is required to try and access that kind of information. It really is insufficient — totally insufficient, actually — for the commission staff.

The intent here is to extend that from three days to 15 business days. We believe that this amendment would provide staff with the time they need to investigate these kinds of unusual circumstances, which unfortunately, are too common. And where the investigation is continuing, it may be necessary to extend the order to protect investors and ensure that the markets are operating with integrity.

Section 127 approved.

On section 128.

**B. Ralston:** This proposed section amends section 141 of the existing act. The first part appears to be consequent to the change in section 25, which referred to clearing agencies. Can the minister explain the intention and effect of subsection (b) that's proposed and also (c)?

[1700]

**Hon. K. Falcon:** Subsection (n) there, "a person recognized under section 24," will now include a clearing agency, so section (a) now becomes redundant. It's a technical amendment.

Sections 128 and 129 approved.

On section 130.

**B. Ralston:** There are two substantive amendments proposed here. One is "Compliance review of other market participants" and "Warrant for a private residence." Dealing first with the proposed section 141.4, which is in the section of the act entitled "Investigations and Audits," can the minister explain what additional powers this grants to the executive director?

**Hon. K. Falcon:** I will spend a little bit of time on this, because this is an important policy change. The member and I had a very good discussion back in estimates about this whole area. I really commended and agreed with a lot of what the member said. I think that the changes that we're proposing here are driven in part by a lot of the discussions we've had and the concerns we both share about ensuring that there's going to be integrity in the exempt market.

The policy change purpose here is to give the commission the power to review the business and conduct of all market participants. By all market participants, of course, we are including the exempt market. The significance of this is that all market participants must comply with the requirements of the Securities Act. We know that. So the commission can conduct compliance reviews of exchanges, of self-regulatory bodies, registrants, custodians and reporting issuers but not other market participants.

With the power to conduct compliance reviews of all market participants, the commission can more effectively protect investors and ensure market integrity. The two key things here that we're doing.... This amendment would allow the commission to conduct compliance reviews of market participants that are operating in the exempt market. With this power the commission can more effectively regulate the exempt market and protect investors. So that, I think, is a really important provision here.

The second is that the amendment also clarifies that the commission requires a warrant when entering a private residence without consent to conduct a compliance review, because I understand that in some cases, you will have participants that are operating out of their homes. So this provides some clarity around that area to ensure that a warrant is required if they are going to, indeed, be entering a private residence.

**B. Ralston:** I thank the minister for that explanation. So dealing with the issue of the warrant for the private residence, then.... Previously, I understand that one of

the ways in which a person could avoid a search was to claim that the premise sought to be searched was their private residence, therefore requiring a higher standard for a search. A warrantless search would obviously present certain problems legally.

The process for applying for a search warrant, typically, in a criminal procedure requires an affidavit in support and an application before the court. What provisions would be made here? I think it's subsection (3) that addresses this. The application for the warrant could be made without the person who is maybe the subject of the proposed search becoming aware of this because, obviously, if one is aware that a search is going to be conducted, one certainly has the option to leave or destroy documents that otherwise might be available if the person is taken unawares.

Can the minister confirm that that provision, subject to the Supreme Court approving it, will be able to be made without advance warning to the proposed person who is going to be searched?

[1705]

**Hon. K. Falcon:** Under section 141.5(2)(c)(i) and (ii) it says fairly clearly that if entry "was refused by the occupant or there are reasonable grounds to believe that (i) entry will be refused, or (ii) consent to entry cannot be obtained from the occupant...." Then the ability to utilize the warrant can be invoked. Over on the next page section (3)(a) points out that that can be "made without notice" if these efforts have been made, which I've just enunciated.

**B. Ralston:** And I would note — I'm sure the minister was going to go on to say that — "and, (b) heard in the absence of the public." Because that would obviously not come to the notice of the person whose residence was going to be searched. I suppose the question that arises is: in the view of the commission or the executive director, is this a power — obviously, they've requested the power — that the absence of which in previous investigations may have led to unsuccessful investigations?

**Hon. K. Falcon:** Under the commission's current powers they have the ability to ask for investigation orders, under the current act. But of course, what we're talking about here is compliance reviews. They try to risk-manage the market. Particularly in this case, they will have the ability to risk-manage more effectively the exempt market. So they will on occasion want to undertake compliance reviews to ensure that things are as they should be. This will allow them to do so, to undertake those compliance reviews.

Naturally, the hope is that on contacting these individuals, through the information that they would have at the commission, the contact information, they would in the best circumstances be allowed to come forward and do their compliance review. In the event that they are not

receiving the cooperation, then this provides that ability to go to the next level.

Sections 130 and 131 approved.

On section 132.

[1710]

**B. Ralston:** This expands the power of the executive director of the commission under section 161, and it appears to do so principally by substituting the words "in the regulations" with "in this Act, the regulations or a decision." Can the minister explain the impact of that upon the regulatory power of the commission or the executive director?

**Hon. K. Falcon:** This amendment would ensure that the commission can prohibit a person from using exemptions wherever they appear in the securities law, whether it's in the act, the regulations or, as they point out here, a decision. So it just broadens that to ensure that the commission can prohibit persons from using exemptions wherever they appear in securities law.

**B. Ralston:** Can the minister also explain the effect, the implications, of "the power of the commission to consider decisions made by non-government regulatory agencies" — which is referred to in the explanatory notes — and how this expansion of the regulatory power would assist the executive director or the commission?

**Hon. K. Falcon:** The purpose here is to provide the commission with power to order sanctions where a person is subject to sanctions ordered by or agreed to with an exchange or a self-regulatory body. What's the significance? The significance is that exchanges and self-regulatory bodies have the ability and do hold hearings and sanction their own members for failure to comply with bylaws, rules and other regulatory instruments of which the commission approves. So following a hearing, the commission may want to sanction the member based on the hearing record.

What happens right now is that the commission must hold an entirely new hearing. What is changing here is that with this amendment the commission will have the power to sanction a member for the same misconduct without holding another hearing. So they'll be able to base it on the hearing that's already taken place through an exchange or the regulatory body.

**B. Ralston:** Can the minister give some examples of the self-regulatory bodies that he's referring to?

**Hon. K. Falcon:** We're referring to groups like the Investment Industry Regulatory Organization of Canada. I was going to make a joke about how they're lovingly known as IIROC. They used to have a different name. And then the MFDA, which is the Mutual Fund Dealers

Association. They would be two good examples of what you're referring to.

[1715]

Section 132 approved.

On section 133.

**B. Ralston:** This section appears to give the commission the power to settle matters without a hearing if there's the consent of the person who is the subject of the order. Is that correct?

**Hon. K. Falcon:** This is a technical section. All this amendment does is make clear that a person may waive their rights to a hearing and accept and agree to the sanctions.

Section 133 approved.

On section 134.

**B. Ralston:** The note says that this "clarifies the circumstances in which a cease trade order may be made." Can the minister explain why this amendment is necessary?

**Hon. K. Falcon:** The purpose here is to clarify when a temporary order may be made. The significance here is to make it clear that a temporary order can be extended without providing a person with an opportunity to be heard. Right now it says that currently a temporary order can be extended without a hearing. The idea here is that you don't want to necessarily have an entire full hearing. You want to make it clear that a temporary order can be extended without providing a person an opportunity to be heard, as opposed to a full hearing.

Section 134 approved.

On section 135.

**B. Ralston:** This proposed amendment appears to relate back to the discussion we had about removing the obligation to go to the Supreme Court to claim compensation. It gives some regulation-making powers over that process that would then now be before the commission. Is that correct?

**Hon. K. Falcon:** Yes.

Sections 135 to 141 inclusive approved.

On section 142.

**B. Ralston:** This section is entitled: "Transition — administrative integration of Canada Student Loans Program and BC Student Assistance Program." The minister spoke about this at second reading. This is an

administrative merging, if I can put it that way, of the Canada student loan under the B.C. student loan process. These provisions are transitional. Unless there's anything that the minister particularly wanted to note, I'd appreciate his confirmation that that's what they're about.

**Hon. K. Falcon:** The answer is yes.

Sections 142 to 146 inclusive approved.

On section 147.

**B. Ralston:** This provision — which is, people may be relieved to hear, very near the end of the bill — amends the Infants Act to permit persons who have not reached the age of majority to enter into student loan agreements. Is there any minimum age that's proposed to go with this, or is that limited by practicality?

**Hon. K. Falcon:** There is no minimum age.

Section 147 to 149 inclusive approved.

Title approved.

[1720]

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

Motion approved.

The committee rose at 5:21 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### BILL 17 — FINANCE STATUTES AMENDMENT ACT, 2011

Bill 17, Finance Statutes Amendment Act, 2011, reported complete without amendment, read a third time and passed.

**Mr. Speaker:** Hon. Members, if you'll remain in your seats, the Lieutenant-Governor is in the precinct.

His Honour the Lieutenant-Governor entered the chamber and took his seat on the throne.

### Royal Assent to Bills

#### Law Clerk:

Personal Property Security Amendment Act, 2011  
Regulatory Reporting Act  
Nurse Practitioners Statutes Amendment Act, 2011

Metal Dealers and Recyclers Act  
 Family Law Act  
 Finance Statutes Amendment Act, 2011  
 Miscellaneous Statutes Amendment Act (No. 3), 2011  
 Gospel Riders Motorcycle Ministries (Corporate Restoration) Act, 2011

In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to these acts.

His Honour the Lieutenant-Governor retired from the chamber.

[1725]

[Mr. Speaker in the chair.]

**Mr. Speaker:** Hon. Members, this being the last session, we're all heading back to our constituencies, and I know that it's a time for all of us to reconnect with our constituents. The work here in Victoria will cease for the time being, but the work in your ridings is only beginning, and with that we'll be moving into the Christmas season.

I hope that all of us spend as much time as possible, as we can, with our families. Some of us, as the member for Chilliwack or the Minister of Children and Families, that have as many grandchildren as they have.... The rest of us will certainly spend lots of time with ours, and they'll have to divide their time around.

I want to wish you all well, and safe travels and a very merry Christmas to all of you. It's a little early for that, but I know that we'll all be spending lots of time over the holidays with our families.

It has been a very interesting couple of months, and I think that both sides of the House have done an excellent job for the people of British Columbia.

With that, I thought I noticed the Opposition House Leader standing.

**J. Horgan:** Yes, thank you, Hon. Speaker. On behalf of the opposition, I want to give our thanks to the staff here at the Legislature who have been working diligently over the past number of months. On behalf of the Minister for Multiculturalism and myself, who share a common surgical procedure, we want to wish John Fallowfield the best of luck tomorrow, when he undertakes the same procedure.

To all of those who will not be coming back because of retirement: thank you very much for your service to the province. Merry Christmas and happy new year to all of those in the chamber.

**Mr. Speaker:** I'd also like to echo those thoughts with the staff of the buildings and the Clerks in front of us that have done an amazing job — particularly, the dining room staff that have looked after all of us and done a marvelous job over the time. But I think staff throughout the building gives us endless hours — and those were

great comments from the Opposition House Leader — and a merry Christmas to them.

With that, I'll call on the Government House Leader.

**Hon. R. Coleman:** Well, thanks, Mr. Speaker, and since I have 45 minutes....

First of all, I'd also like to echo our thanks to....

**Mr. Speaker:** This isn't question period. [Laughter.]

**Hon. R. Coleman:** Mr. Speaker, you have known me long enough to know that to bait me is really a mistake.

We'd like to echo the thanks to all the staff in the Legislature and the staff that work in both our research departments, trying to get the questions for these guys ready for question period and the answers on this side for question period and the work that gets done on every piece of legislation — okay, it's not answer period — and all legislation, things like that.

I'd like to inform the House of the continuation of the sitting, so people will know that it is the intention of the government not to bring in a throne speech come February, that we would be continuing this session. So be prepared to debate whatever piece of legislation remains on the order paper.

I'd like to thank the House. All of the pieces of legislation that I have basically identified that needed to be done for this session got done, and without having to do time allocation, and that is good.

I'd like you all to remember to clean out your desks so that the staff here doesn't have to do all the work of cleaning it out and making sure that that's done.

With that, Mr. Speaker, I move that the House at its rising do stand adjourned until Tuesday, February 14, 2012, at 10 a.m.

Interjections.

**Mr. Speaker:** Members.  
 Continue.

**Hon. R. Coleman:** You're very obedient. I'll start again so I can just get it straight for everybody.

I move that the House at its rising do stand adjourned until Tuesday, February 14, 2012, at 10 a.m. or until it appears to the satisfaction of the Speaker, after consultation with the government, that the public interest requires that the House shall meet or until the Speaker may be advised by the government that it is desired to prorogue the fourth session of the 39th parliament of the province of British Columbia. The speaker may give notice that he is so satisfied or has been so advised, and thereupon the House shall meet at the time stated in such notice and, as the case may be, may transact its business as if it had been duly adjourned to the time and date, and that in the event of the Speaker being unable to act owing to illness

or other cause, the Deputy Speaker shall act in his stead for the purposes of this order.

Motion approved.

**Hon. R. Coleman:** Wishing you all a merry Christmas, a happy new year and safe travels. We'll see you in February to do this all again.

Hon. R. Coleman moved adjournment of the House.

Motion approved.

**Mr. Speaker:** This House stands adjourned until further notice.

The House adjourned at 5:30 p.m.

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