



4th Session, 37th Parliament

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Thursday, May 29, 2003

Afternoon Sitting

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LIEUTENANT-GOVERNOR
Honourable Iona Campagnolo

4TH SESSION, 37TH PARLIAMENT

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THURSDAY, MAY 29, 2003

The House met at 2:04 p.m.

Introductions by Members

Hon. C. Clark: I had a delightful lunch today with a professor from the University of Victoria. We had a marvellous time talking about the nature of our democracy and how to ensure that our interests are represented by those we elect, as well as ensuring we have a passion for education in every classroom in British Columbia. Gerhard Brauer is joining us today, and I hope all of the House will make him welcome.

Hon. L. Reid: I have many introductions today. I have 50 grade 7 students from General Currie Elementary School in Richmond. They are accompanied by Mr. Avery and Ms. Lavery. Would the House please make them very welcome.

[1405]

Then I have four of the finest women in the world. We have my mother Cathy Reid, we have my daughter Olivia Reid-Friesen, who is just three years old and very pleased to be here, and we have the souls who looked out for her when she was very small. Rheta Steer is in the gallery with her, and Rheta's sister has just come from Prince George to Victoria to live. Her name is Jan Powell. If the House would make all four of those souls welcome.

Hon. G. Collins: I have several introductions today. In the first one, I want to recognize 48 grade 5 students here from Talmud Torah Elementary School. There are five adults with them: Mr. Larry Bauer, Mr. Elazar Reshef — I apologize if my pronunciation isn't perfect — Mrs. Andrea Milman, Ms. Lily Bouskila and Hadas Av-Gay. I would ask the House to please make them welcome.

To finish, probably for this session, a long string of introduction of new citizens to British Columbia, I want to ask the House to welcome a new young person into the province. Last night Scott Sutherland's daughter Bronwyn and her husband, James Stocks, had a baby boy at 11:54 p.m. at Lady Minto Hospital on Saltspring Island. His name is Jacob Barthélemy Kemp Stocks. He weighs 6 pounds and 14 ounces, and I'm sure he came out with his eyes wide-open and a microphone in his hand, asking long and difficult questions to everybody in the operating room.

R. Lee: It's a great pleasure to introduce to the House 42 grade 10 students from Alpha Secondary School in my riding of Burnaby North. Joining them is their teacher, Mr. Dale Lintott, as well as two volunteers who have taken time off their busy schedules to accompany these students. They are Frank Shin and Gordon Chow.

I'm also pleased to announce to the House that they are accompanied by another teacher from Alpha Secondary School, Mr. Jack Trovato. He was honoured this

month by receiving the Prime Minister's Award for Teaching Excellence from Prime Minister Jean Chrétien.

Would the House please join me in congratulating him and welcoming our visitors to the Legislature.

J. Les: It's a pleasure for me to introduce to the House today and to thank seven people who have been assisting the government caucus as interns in the last several months. They will be here until the end of June. But as today is the final day of session, I want to take this opportunity to introduce them to the House and to thank them for everything they have done for the government caucus. They are Theresa Gerritsen, Jonathan Kim, Tyler Wightman, Azmina Ladha and Julia Lockhart, who were all working in caucus research, as well as Quinn Newcomb and Robert Parker, who were assigned to caucus communications.

They have done wonderful work for our caucus, and I suspect they will all be back at some time in the future perhaps in a different capacity. There's at least one Premier in that group, I'm sure.

Hon. K. Falcon: Today in the precinct, I'm pleased to say, there are two groups of school children representing two schools from my constituency — much to the chagrin, I'm sure, of the member for Surrey-Tynehead, who appears to have an unlimited number of schools in his district. But today we have grade 6 and 7 students from Morgan Elementary School, which is a new school where I had the pleasure of being at the opening ceremony in Surrey, and they are joined by their teacher, Mr. McKim. We've also got some grade 7 students from George Greenaway Elementary School, joined by their teacher, Mr. Clifford. I would ask that the members please make them feel welcome.

E. Brenzinger: Today I'd like to take the opportunity to introduce and to thank a very special legislative assistant, Marnie Llewellyn-Thomas. She has a pot of MLAs: Rob Nijjar, Jeff Bray, Patrick Wong and myself. We just want to say thank you to her for all the hard work on this last day of session. I hope she has a good summer.

[1410]

J. Bray: It's a great pleasure for me today to introduce three people to the gallery. First, my mother and father, Marshall Bray and Evelyn Bray, who I promised not to introduce, so I'm not actually going to do that. Accompanying them is my best buddy and my nephew, Graeme Bray, who is here for his first visit to the Legislature. I would ask the House to please make them all very welcome.

A. Hamilton: As the MLA for the riding of Esquimalt-Metchosin, I'm very conscious of the deep historical links between Esquimalt, the sea and sailors. That strong tradition will be recognized June 20 to 22, when Esquimalt, thanks to the commitment and dedication of the people of the community, will stage its annual

Buccaneer Days festival. What makes this day special is the degree of community involvement. The festival theme is nautical, and the focus is on participation by non-profit organizations. For more than 30 years these volunteers have staged displays, manned booths and marched in the traditional Saturday parade along Esquimalt Road. I'd like to encourage everyone to join the fun by catching the seafaring spirit at Esquimalt's community event, the one and only Buccaneer Days festival.

R. Stewart: It's my pleasure today to introduce to the House two schools that have come from Coquitlam to visit the Legislature. We have a group of students and teachers and parents from Como Lake Middle School in my riding. They were over at the museum today, and I'm sure they got the tour of the Legislature and enjoyed their time here.

We also have the band and choir from Centennial Secondary School. The band, under the leadership of music director Tim Laithwaite, performed in front of the Legislature this morning. The choir, under the leadership of music director Carole Baker, performed in the legislative rotunda, and I know some of the members were able to participate in that. Would the House please make these two groups welcome to Victoria.

D. Hayer: Since this is the last day of this session, I would like to keep the tradition by introducing.... I advise the House that we have 90 grades 1 and 3 students who will be visiting the parliament buildings from Tynehead Elementary School and Tynehead Montessori School in my constituency of Surrey-Tynehead, with their teachers Ms. Manjit Mann, Ms. Suzanna Filipovic, Mr. Wayne Morin, Ms. Cindy Butler, Ms. Karen Dueck and Mr. Murray Henderson, as well as the parent volunteers who have taken time out of their busy schedules to accompany these students. Would the House please make them all welcome.

Hon. S. Hagen: It's my pleasure today to announce that Jennifer Barclay, one of the key members of my team and office, gave birth on May 25 to a bouncing baby boy who weighed in at, I think, 8 pounds 14 ounces.

B. Lekstrom: I rise today to welcome a very hard-working gentleman who works in the Legislative Assembly with us. He is my legislative assistant and a friend of mine, Mr. Frank Costa. Would the House please make him welcome.

Introduction and First Reading of Bills

LAND AMENDMENT ACT, 2003

Hon. S. Hagen presented a message from Her Honour the Lieutenant-Governor: a bill intituled Land Amendment Act, 2003.

Hon. S. Hagen: I move that the bill be introduced and read a first time now.

Motion approved.

Hon. S. Hagen: Today I am pleased to introduce the Land Amendment Act, 2003. These amendments make an important contribution toward meeting this government's commitment to provide greater certainty and access to Crown land and resources.

These amendments add a new section to the Land Act relating to authorities for land use planning, which will streamline the planning process and provide resource users with clear direction respecting government's intentions for land and resource use. The amendments will enable the Lieutenant-Governor-in-Council to establish designations for areas of Crown land and to set management objectives for those areas.

[1415]

These tools will allow the government to meet a number of needs, including the fulfilment of government's new-era commitment to establish a working forest land base that will provide greater stability for working families and enhance long-term forestry management and planning.

The amendments also support the establishment of the results-based frameworks required for implementation of the Forest and Range Practices Amendment Act, 2003, by simplifying the framework for setting land use objectives that is currently contained in the Forest Practices Code of British Columbia Act.

These amendments are an important step toward the government's objectives of enhancing certainty for resource development through changes in how the province implements strategic land use decisions. I'm pleased to present this bill in the House today.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 46 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.

FOREST AND RANGE PRACTICES AMENDMENT ACT, 2003

Hon. M. de Jong presented a message from His Honour the Administrator: a bill intituled Forest and Range Practices Amendment Act, 2003.

Hon. M. de Jong: I move that Bill 69 be read a first time now.

Motion approved.

Hon. M. de Jong: Bill 69 is introduced for debate in the coming fall session. When the Forest and Range Practices Act was introduced last fall, I indicated that there would be additional legislation to facilitate the

transition between the Forest Practices Code of B.C. and the new act, the Forest and Range Practices Act. This bill sets the framework for that transition.

The amendments reflect the results of pilot testing that has taken place and comments that have been received over the winter months. The bill adds clarity to the designations and objectives for maintaining environmental standards such as wildlife habitat, areas' community watersheds and water quality objectives. The bill also contains provisions to deliver on the government's commitment to the defined forest area management model by providing licensees with the means to prepare forest health strategies across timber supply areas.

Lastly, the bill also contains a number of consequential amendments which last fall we committed to introducing this session and which are necessitated by the move from the Forest Practices Code of B.C. to the Forest and Range Practices Act.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 69 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.

PUBLIC SERVICE
AMENDMENT ACT, 2003

Hon. S. Santori presented a message from His Honour the Administrator: a bill intituled Public Service Amendment Act, 2003.

Hon. S. Santori: I move that Bill 71 be read a first time now.

Motion approved.

Hon. S. Santori: I am pleased to introduce the Public Service Amendment Act, 2003. This bill amends the Public Service Act to modify the review process for public service staffing decisions. It eliminates the Public Service Appeal Board and replaces it with an independent staffing review by the merit commissioner. This change will ensure that the integrity and accountability of the staffing process is preserved, while making the most efficient use of public resources.

The bill also changes the name of the Public Service Employee Relations Commission to the B.C. Public Service Agency to reflect the recent change in direction and organization for the management of human resources in the British Columbia public service.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 71 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.

[1420]

MANUFACTURED HOME ACT

Hon. G. Collins presented a message from Her Honour the Lieutenant-Governor: a bill intituled Manufactured Home Act.

Hon. G. Collins: I move the bill be introduced and read a first time now.

Motion approved.

Hon. G. Collins: I have the honour to present this bill, the new Manufactured Home Act, which tracks ownership and location of manufactured housing in the province. This replaces the current Manufactured Home Act in force since 1978.

The new act will streamline manufactured home registry processes and reduce the costs of operating the registry. It will also result in improved efficiency for the registry by accommodating electronic filing and reducing the registrar's current oversight role.

I move that the bill be placed on orders of the day for second reading at the next sitting of the House after today.

Bill 72 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)**

TEN THINGS YOU DIDN'T READ
IN THE NEWSPAPER

P. Bell: As most members will know, I produce a weekly e-mail entitled "Ten Things You Didn't Read in the Newspaper This Week." Here are the top ten of the best of ten from the last year.

(1) The ministries of Advanced Education and Health Planning have jointly developed a new, more advanced nurse-training program called the nurse practitioner. These individuals will have a huge impact on the small communities in the heartlands.

(2) Wages in B.C. For the first 20 months of our time in office, wages in B.C. are up 6.8 percent. That's 62 percent higher than the national average.

(3) Of the over 200 commitments we made in our 2001 *New Era* document, we've acted on almost 90 percent.

(4) Numbers are just in on exports to China of wood products, and 2002 saw a 100 percent increase over 2001.

(5) In 2002-03 we were able to eliminate 50,000 regulations. This put us on pace to eliminate one-third of all requirements within three years.

(6) Building permits have tripled this year in the heart of the heartlands, Prince George.

(7) The heartlands economic strategy will bring together transportation, energy, forestry, tourism, agri-

culture and new-tech technologies to create a powerful economic force for the regions and the province as a whole.

(8) We will spend \$609 million in the next three years on roads in the heartlands.

(9) In the last 16 months a total of 98,900 new jobs were created in B.C. — number one in Canada.

(10) In 2002, B.C. went from dead last in investment attractiveness, a position of dubious distinction held in both 2000 and 2001, to number three.

FIXED ELECTION DATE

J. Les: It was an idea whose time had come. Two years ago our government campaigned on a promise to implement a fixed election date in British Columbia. We told the people before the election when the next election would take place. That promise was put into law during the first 90 days of our mandate. It was an unprecedented relinquishment of power by the Premier to give up on the long-held tradition of manipulating election timing to suit the government in power.

Now political parties in five provinces have adopted this pioneering reform. Setting a fixed election day has been promised by the Progressive Conservative government in New Brunswick and the Progressive Conservative opposition in Manitoba, both in the heat of election campaigns in their provinces. The Ontario Liberals and the Newfoundland Tories have also adopted a fixed election day in their election platforms. Setting a fixed day for an election is also a plank in the Saskatchewan party policy handbook.

Fixed election days is just one idea of many that our government has delivered on when it comes to democratic reform in British Columbia. Now British Columbia's ideas are spreading east across the Prairies, through central Canada and to the shores of the Atlantic. B.C. is taking its place once again as a leader in Canada.

END OF LEGISLATIVE SESSION

K. Krueger: It's the last day of session, and the mood in this venerable building once again conjures up memories of term's end in our school years. In the excitement over getting back to our constituencies and getting reacquainted with our families and friends, and in the bustle of moving work and belongings back with us, often we barely get a chance to say goodbye.

[1425]

Nobody ever seems to feel sad about session ending, and I guess I don't either, but I do always feel a little wistful. Tomorrow the halls will be quiet, and everything will feel very different than it has since the second Tuesday in February. There's something very unique and vibrant about the Legislature in session and the way that a session almost seems to take on a life of its own. The throne speech gives it birth, and the budget and legislation and other business rapidly build it to what it will be. You never really know until the end how it will all turn out. Then it's suddenly over. I

guess I do feel a tinge of sadness, maybe, for the session itself.

I know for sure what I love about the session, and that is the people of the Legislature and the amazing synergy that develops in working together. I don't just mean the elected people but the staff of the Legislature itself and our caucus support teams and the ministry personnel and the press gallery. It is inspiring to see how people come together for the common good and the accomplishments that flow. Everyone gets swept up in it. Even the people who come here just to observe and report become part of the life of the session.

I want to thank all of you for your part in the life's work of this session, and I do want to wish every member, as we finish it up, good health and God's blessings until we meet again. We know it is a special trust that the people of B.C. have placed in us. Only a few hundred people have ever had the privilege of serving in these seats. We take the responsibility very seriously and work very hard, often to the detriment of our families. I especially take my hat off to the mommies of Olivia, Hamish and Cee-Yan, somehow carrying off prodigious workloads while caring for these little treasures.

Let's all be sure to find some more time for our loved ones this summer. Our thoughts and our prayers will be with Alexander Hayer as he undergoes radiation and bone marrow transplantation next week. Life is precious and short. Take time for your loved ones.

When autumn leaves begin to fall and scatter in the colder areas of this beautiful province, we'll be gathering again to continue this work. But for now, it's back to constituencies, families and friends. All the best to each of you, and Godspeed.

[Interruption.]

Mr. Speaker: So it has come to this. Nobody offered to hug the Speaker.

Oral Questions

GOVERNMENT POLICY ON SLOT MACHINES

J. MacPhail: Now you know where you can stick your No. 10 list. [Laughter.]

Mr. Speaker, 18 months ago in open cabinet, the Premier and the minister responsible said that the gaming policy in B.C. was that casinos would be allowed to have a maximum of 300 slot machines. The cabinet approved that policy, but now we see that the casino in Nanaimo has just been allowed to go to 425 slot machines. Now we know that the policy is really one of allowing as many slot machines as a casino can hold, as long as the provincial limit is not exceeded.

Will the minister responsible for quietly — some might say sneakily — increasing the number of slot machines tell us why this change in policy was covered up? And will he tell us why the cap approved by cabinet is now being flouted by the B.C. Lottery Corporation?

Hon. R. Coleman: I'm not sure if that's a "tomato" or the member for Prince George North across from me at the moment.

[1430]

Through to the member opposite, what we did is actually took gaming in this province arm's length from political influence, gave it to the corporation and said: "You manage gaming within the capacity." We identified that capacity, and the corporation is doing its job in the way it should be — without political influence, as some people maybe had seen in governments of the past.

Mr. Speaker: The Leader of the Opposition has a supplementary question.

J. MacPhail: Well, that's a new script from the one that was in the open cabinet meeting just about 16 months ago. Actually, 18 months ago at an open cabinet meeting, this cabinet rejected an option that would have seen the government do exactly what it's doing today. Why, Mr. Speaker? Why did they reject that option 16, 18 months ago? Because the cabinet document, right here, says that if they had done that, it would have been an expansion of gaming. That's what their own cabinet document said.

Can the minister explain how he developed the figure of 5,400 slot machines, and can he tell us how many slot machines are plugged in and functioning in British Columbia today?

Hon. R. Coleman: The casino infrastructure in British Columbia when we came to government had a number of commitments that had been made to it by the previous government, and we reviewed the legal responsibilities of government and those relationships. In addition, as we went through we identified that there were 18 casinos in B.C. whose capacity would be up to a maximum of 300 slot machines. We identified that capacity of the corporation, and we moved on.

We have made our decisions in public. We are not a government of Bingogate; we are not a government of Casinogate. We have no political interference in gaming, and we have restored the confidence in the gaming sector in the province of British Columbia.

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

J. MacPhail: Well, no wonder the Solicitor General didn't want to come clean with how many slot machines are operating today, because he knows full well it's hundreds and hundreds fewer than what his government is going to expand in days — in absolute days. The minister was hoping that no one would find out about this move. Open and accountable? He snuck it through yesterday — no news release, no splashy event, no announcement of any kind, no open cabinet meeting. When the minister sold the old policy to cabinet, he said that openness and accountability relative to this decision are absolutely vital. Now he secretly al-

lows the Lottery Corporation to expand gaming in British Columbia — another broken campaign promise.

Again to the minister: if accountability and openness are so vital to him, why did he set the first policy in the light of day and change it to expand it in the cover of night?

Hon. R. Coleman: There was no announcement yesterday. A member of the member's staff phoned the gaming branch yesterday and asked what the number is. They were open and accountable and told you the number, and then you ran around and thought you were making some new announcement.

We have talked about the capacity for the last 18 months. It has been a consistent number. It has been a consistent discussion. The B.C. Lottery Corporation is a corporation that is operating without political influence and will do its business on behalf of British Columbians to the level it should be, rather than having — as in the past — political influence dictating stupid decisions in gaming.

MENTAL HEALTH FUNDING AND SERVICES

J. Kwan: A broken promise is a broken promise. There's a whole long list of them.

Interjections.

Mr. Speaker: Order, please. Order, please. Let us hear the question.

J. Kwan: On Monday the Minister of State for Mental Health told this House that they have not cut any mental health services or any program in the province. Next he tried to clarify by saying mental health services have not been reduced. Those statements to this House directly contradict information provided by his own ministry. According to the coastal health authority's redesign plan, the authority is closing 15 psychiatric beds, is reducing services to mental health teams and is closing supported employment programs.

Will the minister now admit that what he told this House was not true, and will he admit that he's cutting and reducing mental health services and programs in B.C.?

[1435]

Hon. G. Cheema: I was waiting for that question. This is the last day.

We are spending an additional \$263 million, and that's not a cut. This year we are spending \$1.067 billion — \$42 million more than last year. That's not a cut. In 2001-02 we spent \$15 million in new funding to strengthen community mental health services. That's not a cut. In 2002-03 we added \$18 million to strengthen community mental health services. That's not a cut. On March 15, 2002, our government made a commitment to build new facilities across the province by spending \$138 million. That's not a cut.

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

J. Kwan: This minister told this House that no service, no program has been cut or reduced. I pointed him to his own documents that prove this is false. All told, according to the government's own document — maybe he should flip his binder and find that page — the Liberals are cutting \$2.2 million from mental health services at the coastal health authority. The minister can stop with the baloney about not cutting the budget.

The list of cuts made by his own ministry goes on and on: the mental health advocate gone, ten psychiatric beds at VGH closed, mental health drop-in centres being eliminated, and 67 mental health residential care beds are gone in the coastal region alone.

Given this record and given the fact that this is probably the last chance for the minister to answer a question as a member of this cabinet, will he just admit that what he told this House and what he has been telling the mental health community, patients and families is simply not true?

Hon. G. Cheema: As I was indicating to you, we have been working with all the mental health organizations in this province, unlike the previous administration. Every organization is supporting this government's effort for mental health in this province.

We are opening facilities across the province. We opened Connolly Lodge in 2002. We opened Iris House in Prince George in April of 2002. We opened Seven Oaks in Saanich in October of 2002. We opened South Hills in Kamloops in April 2003. Again, because we were doing extremely well, we opened another facility at Iris House in Prince George. That was this year.

Not only are we funding the mental health plan, we are implementing best practices across the province. We are the only province in the country where capacity is being increased. Every other province wants to follow us. That's the achievement of this government.

GOVERNMENT ACTION ON MAD COW DISEASE

P. Nettleton: I'm glad to see that the B.C. beef producers are being proactive in their handling of the mad cow BSE situation as, of course, it is of concern to the B.C. Cattlemen's Association. Their actions will include, I understand, educational courses to protect the safety and quality of their herds. They are considering the implementation of an accreditation process for their members following an audit process. That's good news for the minister responsible, even if it has been precipitated by an unwelcome event.

[1440]

My question is to the Minister of Agriculture. I have been informed that resources are not available at present for the Ministry of Agriculture to assess the provincewide impact to the beef industry. I also have it that without that information, the ministry cannot make informed comment to properly place pressure on the federal government to fairly compensate B.C.'s beef

industry workers, who I'm also told number up to 10,000.

Would it be helpful to the minister if that funding was made available and the ministry was indeed able to assist the industry in this way?

Hon. J. van Dongen: It may be somewhat premature to try and do an assessment of damage to the beef industry, but I want to assure the House that, first of all, any individual farmer or rancher who has animals removed from the herd will be compensated to the level of market value and a maximum of \$2,500.

We also have a federal-provincial program in place that provides general disaster assistance to ranchers if there's a significant drop in income. We're currently in the process of signing a new five-year agreement to do that, and that agreement contains a significant component of business risk management.

I think the best assistance we can give the beef industry is to get the borders open. The Canadian Food Inspection Agency is working very actively and diligently to win the confidence of our trading partners and get the borders open for the beef industry.

BOWSER BASIN AND OIL AND GAS INDUSTRY ROYALTY STRUCTURE

R. Harris: My question is to the Minister of Energy and Mines.

Last week there was media coverage suggesting that the Bowser basin, located in northwestern B.C., is attracting a significant amount of interest from investors in the oil and gas sector. Recently the minister stated he was looking for a new royalty structure for this and other regions of the province where there is a need to build infrastructure. With this heightened awareness of the potential of the Bowser basin, can the minister report on the progress he has made in developing a new royalty regime?

Hon. R. Neufeld: Yes, the member and the people in the northwest have reason to be optimistic with the possibility of oil and gas industry actually happening in the northwest part of the province. Onshore, there's an estimated 2.5 billion barrels of oil in the Bowser basin and about 13 trillion cubic feet of natural gas by the federal survey. We want to tap into that.

That was part of the job the Premier gave to me, and we're working hard at putting together a royalty scheme that will actually get the industry interested in these other basins across British Columbia. As I understand, Rally Energy, EnCana and Devon, to name a few, are very interested. We'll have an update in September on a geological survey on the Bowser basin that I think will be very good and actually encourage some more investment in the province. That's exactly what this government intended to do when it came to office, and we're living up to that promise.

FUNDING FOR CHILD PROTECTION SERVICES

J. Kwan: Child protection and community living agencies have told the Minister of Children and Family Development over and over again that they can't implement his cuts without compromising the safety of children. Service providers in the South Okanagan have run the numbers, and they show that after the implementation of the government's cuts, they'll have a \$5 million deficit. That will mean the elimination of mental health services, youth justice programs and residential treatment, to name just a few.

The minister says the Treasury Board is reviewing the budget, but the child protection providers are in the dark. In Nanaimo service providers recently made a presentation to the local MLAs about the impacts of their cuts. They gave them a stark assessment of what will happen if the minister plans to proceed. They told them that more children will end up in care, that there will be a loss of skilled foster parents, that there will be an increased safety risk to children.

How much more evidence does the minister need that his cuts can't work without compromising children's safety? Will he tell this House: when will Treasury Board make their decision and complete their review?

Hon. G. Hogg: As I've said all along and as this government has said, our primary focus will be to provide and ensure that there are health and safety protections for all the children and vulnerable adults in this province.

[1445]

This government is doing the responsible thing and reviewing all of the service plans and reviewing the impacts that those will have within the context of communities all across this province. That's the responsible and appropriate action for a government to take, which has that vision of ensuring that we involve communities in the development of a positive system that will support the most vulnerable people in the province. We're doing that. We're doing that as a government, and we're doing that in a process that is reasoned, responsible and is evidence-based. We will do the right thing for the right people of this province.

[End of question period.]

Reports from Committees

J. Kwan: I have the honour to present the first report of the Select Standing Committee on Public Accounts.

Mr. Speaker, I move that the report be taken as read and received.

Motion approved.

J. Kwan: I ask leave of the House to permit the moving of the motion to adopt the report.

Leave granted.

J. Kwan: The committee examined the retention and disposal applications made to it by the Public Documents Committee and recommends acceptance of all 21 recommendations contained in the report to the Legislative Assembly.

Mr. Speaker, I move that the report be adopted.

Motion approved.

Petitions

Hon. T. Nebbeling: I rise to table a petition on behalf of 265 constituents who support the changes urgently needed to improve safety on the Caulfeild Overpass in West Vancouver and surrounding roadways.

Tabling Documents

Mr. Speaker: Hon. members, I have the honour to present the following documents: the annual report of the information and privacy commissioner, 2002-03, and the office of the merit commissioner annual report, 2002-03.

Petitions

B. Kerr: I'd like to table a petition. This petition is from the residents of Spectacle Lake. While small in number, they are certainly passionate in their cause, and they would like to see Spectacle Lake saved as a community park for their children.

I have a further petition here, with 55 signatures, from the residents near or using Goldstream bridge. This petitions the province to assist in preparing a pedestrian walkway and viewing platform on the proposed new bridge at Goldstream River.

Tabling Documents

Hon. G. Abbott: I have the honour to present the 2000-01 *Report on Multiculturalism* and the 2001-02 *Report on Multiculturalism*.

Petitions

K. Krueger: Mr. Speaker, I also rise to table a petition presented to your office, actually, by 1,000 seniors in Kamloops concerned about medical services and MSP premiums.

J. MacPhail: I rise to present a petition signed by 11,981 British Columbians who request that the House recognize that naturopathic physicians provide safe, effective and valid health care in B.C. They're calling on the government to create a scope of practice that reflects the current education and historic practice of providing safe and effective primary health care for B.C.

I seek leave to make an introduction.

Leave granted.

Introductions by Members

J. MacPhail: I would ask the House to make welcome a former Member of Parliament and government relations consultant with the British Columbia Naturopathic Medicine Association. Jim Hart is in the gallery today, and he is in Victoria this week trying to meet with MLAs and cabinet ministers about proposed changes to the scope of practice for naturopathic physicians. Would the House please welcome Jim Hart.

Motions on Notice

APPOINTMENT OF SPECIAL COMMITTEE TO REVIEW FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

Hon. G. Collins: I move Motion 102 standing in my name on the order paper. It's a motion to charge the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills to conduct the five-year review of the Freedom of Information and Protection of Privacy Act, pursuant to section 80 of that act.

[That a Special Committee be appointed to review the Freedom of Information and Protection of Privacy Act (RSBC 1996 c. 165) pursuant to section 80 of that Act, and that the Special Committee so appointed shall have the powers of a Select Standing Committee and is also empowered:

- (a) to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;
- (b) to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;
- (c) to adjourn from place to place as may be convenient;
- (d) to retain such personnel as required to assist the Committee;

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

That the members of the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills comprise the membership of the said Committee.]

Motion approved.

Orders of the Day

Hon. G. Collins: I call Committee of the Whole House for consideration of Bill 29.

[1450]

Committee of the Whole House

FOREST (REVITALIZATION) AMENDMENT ACT, 2003 (continued)

The House in Committee of the Whole (Section B) on Bill 29; J. Weisbeck in the chair.

The committee met at 2:52 p.m.

Section 3 as amended approved.

On section 4, section 39.

The Chair: Minister, is there an amendment on section 4?

Hon. M. de Jong: Mr. Chair, I move the amendment standing on the order paper in my name.

[SECTION 4, in the proposed section 39 (3) by deleting everything after paragraph (b) and substituting the following:

if the holder requests the replacement or amendment by written request delivered to the minister.]

Amendment approved.

Section 4, section 39 as amended approved.

On section 5, section 43.

Hon. M. de Jong: I move the amendment to section 5 standing on the order paper in my name.

[SECTION 5, in the proposed section 43 (3) by deleting everything after paragraph (b) and substituting the following:

if the holder requests the replacement or amendment by written request delivered to the minister.]

Amendment approved.

On section 5, section 43 as amended.

J. Kwan: Could the minister please advise? The price of pulp chips is priced by a formula that ties it to the price of pulp. Is there any intention to reduce, amend, change or eliminate that formula?

Hon. M. de Jong: None that I'm aware of.

J. Kwan: Just for my information, could the minister please advise this House what exactly that formula is?

Hon. M. de Jong: Sadly and embarrassingly, no. I can't, off the top of my head, but those that are watching these proceedings, I'm sure, at this moment are rushing to have it sent in to us.

J. Kwan: I would ask, yes, for the minister to provide that information, and should there be a change — the minister said he doesn't anticipate there would be — would the minister advise the opposition accordingly and provide that information to the opposition?

Hon. M. de Jong: That's reasonable, and yes. The answer is yes.

Section 5, section 43 as amended approved.

Sections 6 to 8 inclusive approved.

On section 9, sections 54 to 54.8.

P. Bell: On 54(2)(d): "in the case of a disposition of an agreement that is a woodlot licence, any private land in the woodlot licence area remains subject to the woodlot licence."

[1455]

Is there a substitution provision available for woodlot licensees, should they choose — or should they desire — to dispose of some private land and replace it with other equivalent private land?

Hon. M. de Jong: Yes. They would have to do it before the transfer, but the other component to this that I want to — and I think the member is aware of.... We are engaged in a further examination in cooperation with the B.C. Federation of Woodlot Associations about that existing mix of private and Crown land that comprises the woodlot program presently.

W. Cobb: On section 2 in 54.1(a) it talks about "will not unduly restrict competition."

I guess my question would be: is there enough protection here to ensure that we can in fact restrict competition, and we don't end up with one mill, say, owning all the fibre supply in British Columbia?

Hon. M. de Jong: I just wanted to make sure I was referring to the right sections that the member is speaking about.

We think so. We think that the inclusion of that language — which is significant by its presence here and, I should say, somewhat at odds with the overall philosophy of the legislation.... But it's there because of the very concern that the member has expressed here. We have heard in communities in B.C., particularly in certain communities, where the fibre supply tends to be more concentrated and where — and there are no secrets here — there are speculations about how mergers could occur. The inclusion of this language is predicated upon this notion. If you have a system built around the notion of a market and competition, then there must be a market and competition. That is why that test, as it relates to transfers and perhaps consolidations, exists in the legislation.

But the member is quite right when he points.... I should say, as well, that the language is included because of what we heard from British Columbians — stakeholders, communities, community leaders — as we went around the province.

W. Cobb: You mentioned mergers. I guess that was one of the concerns, particularly to ensure, somewhere in the review of the competition, that we actually couldn't have a blind company — the same shareholders, basically, forming a different company — that could buy the timber and then do it through the back door.

Hon. M. de Jong: You cannot escape these provisions by cleverly registering yourself at the business

corporations office. The section contemplates looking beyond whatever corporate veil someone might try to erect. It goes to the question of controlling interests and ensuring that there is actual competition taking place.

[1500]

P. Bell: In 54(1)(c), the transfer of a woodlot licence, has the ministry considered requiring the terms and conditions of transfer being made public to allow for, perhaps, inclusion in the market pricing system over time? Would that be of value?

Hon. M. de Jong: I apologize to the member for the delay. His question gave rise to a number of different thoughts.

The specific answer is that it is not presently contemplated that that data would be plugged into the formula which will drive stumpage rates. His point, however, about the relevance and the values this would have — that the relevance of the values is a signal for what the overall value of the timber is — is, I think, a good point.

What I was trying to wrestle with here a moment ago is access. When you have a woodlot that is composed of private land and Crown land and it is sold as a single unit with a combined value, I'm not sure what access you would have. I think the member's point is whether it is worth examining whether or not that data should become available. There are certainly, as I say, arguments that say it is relevant in terms of assessing the overall value of the timber resource.

P. Bell: One other question on this section. Has it been contemplated whether or not the 1 or 2 percent property transfer tax would apply to the sale of a woodlot, although that would come through a different ministry? I'm not sure if that's a role that would be played by the Ministry of Forests, given that there are private lands associated with it.

[1505]

Hon. M. de Jong: I am answering the question based on the assumption that the PPT — property purchase tax — presently applies to the transfer of the private land component of a woodlot. We are not doing anything here that would alter that fact, except that the general exemptions would apply as it relates to transfers between related parties. Nothing in this bill would alter the present application of the property purchase tax to the private component. I think, in fairness, that the member's question is whether we are contemplating any changes, and I appreciate the question. It is not something I had turned my mind to at this point.

Section 9, sections 54 to 54.8 inclusive approved.

On section 10, section 56.1.

P. Bell: Can the minister tell me how many outstanding job creation plans there are from the previ-

ous...? I believe it was called the jobs and timber accord or something like that.

Hon. M. de Jong: My advice is that there are presently 12 companies with job creation plans in place.

P. Bell: How much money was invested by the previous government in those job creation plans? I gather this simply amends it and does not require any execution of those commitments.

Hon. M. de Jong: I can't at this moment answer the first part of the question, which is a quantification of the actual investments. The way the section is intended to operate, however, represents something of a phase-out of the entire regime, because there will be ongoing monitoring of the existing plans until 2006. Some actually expire prior to that date, but after April 1, 2006, there will no longer be any monitoring. It's possible that there will be examples where the terms have not been fully complied with, but after April 1, 2006, there will no longer be any monitoring of those plans.

Section 10, section 56.1, to section 12, section 67 inclusive approved.

On section 13, division 3.1.

The Chair: Hon. members, on section 13 there are nine amendments. Is it the wish to pass all of those amendments and then deal with the section, or would you like to deal with each amendment individually?

Interjection.

The Chair: Shall the amendments to section 13 pass?

Some Hon. Members: Aye.

The Chair: So ordered. Section 13 as amended.

Now we have a number of subsections here. Would you like to deal with each subsection or the section as a whole?

J. MacPhail: Can the minister explain the new cut control requirements, please?

The Chair: Minister, in my haste, I didn't have you move the amendments. If you would do that prior to answering the question.... The amendments to section 13 — if you could move those, please.

Hon. M. de Jong: I thought we did, and I will now. I move the amendments to section 13 standing on the order paper in my name.

[SECTION 13, in the proposed section 75.2 by deleting subsection (1) and substituting the following:

(1) In this section, "licence" means a licence that has a term of 5 years or less and is a timber sale licence that

specifies an allowable annual cut, is a forest licence, is a tree farm licence or is a woodlot licence.]

[SECTION 13, in the proposed section 75.4

(a) by deleting subsection (1) and substituting the following:

(1) In this section and in section 75.41 "licence" means

(a) a forest licence that specifies an allowable annual cut greater than 10 000 m³ and has a term of more than 5 years,

(b) a timber sale licence that specifies an allowable annual cut greater than 10 000 m³ and has a term of more than 5 years, or

(c) a tree farm licence that has a term of more than 5 years.,

(b) by deleting subsection (3) (a) and substituting the following:

(a) the first cut control period is the same as the cut control period for the replaced licence, immediately before its replacement, and]

[SECTION 13, in the proposed section 75.5

(a) in subsection (1) by adding the following definition:

"timber sale licence" means a timber sale licence that specifies an allowable annual cut of 10 000 m³ or less and has a term of more than 5 years;

(b) in subsection (2) by adding "or timber sale licence" after "forest licence",

(c) in subsection (4) and (5) by adding ", timber sale licence" after "forest licence".]

[SECTION 13, in the proposed section 75.51 (1) and (2) by adding "timber sale licence that specifies an allowable annual cut" after "holder of a".]

[SECTION 13, in the proposed section 75.6 (4) by deleting paragraph (c) and substituting the following:

(c) the volume of timber harvested that

(i) was charged to the replaced licences during the calendar year of the replacement, and

(ii) exceeded the volume that was authorized for, or available to the holders of, the replaced licences for the immediately preceding cut control periods must be charged to the first cut control period of that other licence.]

[SECTION 13, in the proposed section 75.7 by deleting everything before paragraph (b) and substituting the following:

If the volume of timber harvested during a cut control period for a licence, as defined in section 75.4, a forest licence, as defined in section 75.5, a timber sale licence, as defined in section 75.5 or a woodlot licence, as defined in section 75.5, exceeds the sum of the allowable annual cuts for that period that are

(a) authorized for the licence if it is a forest licence, timber sale licence or woodlot licence, or]

[SECTION 13, in the proposed section 75.8 (1) by deleting everything before paragraph (b) and substituting the following:

If the volume of timber harvested during a cut control period for a licence, as defined in section 75.4, a forest licence, as defined in section 75.5, a timber sale licence, as defined in section 75.5 or a woodlot licence, as defined in section 75.5, is less than the sum of the allowable annual cuts for that period that are

(a) authorized for the licence if it is a forest licence, timber sale licence or woodlot licence, or]

[SECTION 13, in the proposed section 75.9 (1) (a) by adding "a timber sale licence, as defined in section 75.5" after "a forest licence, as defined in section 75.5,"]

[SECTION 13, in the proposed section 75.91 (1) by adding "a timber sale licence, as defined in section 75.5" after "a forest licence, as defined in section 75.5,"]

[SECTION 13, in the proposed section 75.92 (a) by adding ", a timber sale licence that specifies an allowable annual cut" after "a forest licence,"]

[SECTION 13, in the proposed section 75.93 (1) by deleting paragraphs (b) and (c) and substituting the following:

- (b) for a licence as defined in section 75.4 that does not so provide,
- (c) for a forest licence as defined in section 75.5 that does not so provide, or
- (d) for a timber sale licence as defined in section 75.5 that does not so provide.]

Motion approved.

On section 13, division 3.1 as amended.

[1510]

Hon. M. de Jong: So here's the regime that this admittedly complex bit of legislative drafting is intended to provide for.

It preserves a five-year overall cut control period, and it preserves the notion that you must not overcut. So if at the end of that period, you have the expectation you would cut 100 percent of your entitlement, if you cut up to 110 percent — so that would represent something above what your entitlement is — that 10 percent is deducted from the subsequent cut control period. If you cut anything beyond 110 percent, you're penalized, and the penalties are very, very stiff.

It is at the other end of the equation that the real significant changes occur, because what we have done away with are annual minimum requirements so that during the life of the cut control period, the harvesting will take place. It may be higher in one year; it may be lower. Although I have learned enough about this industry to know that the efficiencies of operations are found when you maintain as steady and consistent a harvesting schedule as possible.

The other huge change here is that in the past, if you haven't harvested your allotted volumes, you have been entitled to make application to the Crown — the regional manager, I think, is the statutory decision-maker — to carry forward that undercut volume, that portion to which you were entitled to harvest but did not. That has been the exercise of a discretionary authority on what conditions should apply, should there be an undercut carried forward. We're eliminating that and saying, in effect, to licensees: "You will have greater flexibility to ascertain your harvesting schedule over the life of that cut control period, but if you don't

harvest it, it's going to be put to use for someone else. It will be made available to someone else." That is a significant feature of the changes that are occurring here.

J. Kwan: During the briefing provided by the ministry, we were advised that the ability to reopen the cut period at any time would therefore mean that companies could dramatically increase the cut without violating the annual allowable cut. With that, by allowing the licensee to terminate, as an example, one five-year control period and start another one immediately, the amount of cut would be accelerated. Is that not the case? That's as we understand it.

Hon. M. de Jong: I appreciate the question. It's not, but maybe I can try to explain.

Over that five-year period.... The member is right. It can be a variable period, and it can restart. But there is a maximum amount of timber which a licensee is entitled to harvest, and you can't get beyond that by playing with the cut control period. So if you have an entitlement to 100,000 cubic metres.... Let's take that example; it is straightforward numbers.

If your entitlement is 100,000 cubic metres per year, that's 500,000 over five years. You can't increase that through the back door by restarting your cut control period. In that kind of a scenario, if you've harvested 100,000 cubic metres over the first four years and you restart the cut control period, that doesn't entitle you to harvest more timber than you would otherwise be entitled to. So whether it's on the downside or on the upside, at the end of the day, on the upside, you're held to what your allotment is.

J. Kwan: I understand what the minister is saying, that at the end of the day the amount — the allowable cut — is the same. Therefore, it's the same amount. There would be impacts, though, I would imagine, in terms of an accelerated cut in terms of the time frame on the environment as an example. Has the minister done any analysis in that regard in terms of this kind of approach, and what kind of environmental damage may result?

[1515]

Hon. M. de Jong: I agree with the first part of the member's statement. In fact, she asked a question, so I don't have to disagree. She asked a question that I'll try to answer.

It's possible, depending on prevailing market conditions, that within the licensee's cut control period the volumes that are harvested in one year could be higher and in another year, lower. So when the price of lumber is where it is today, one could probably anticipate reduced harvesting activity. The price goes up, which is what we are hoping will occur, and you would see some accelerated harvesting activity.

That is a separate issue. Whatever the volumes of that harvest are, it must be conducted in accordance with all of the requirements of either the Forest Practices Code or the Forest and Range Practices Act. What

we are dealing with here is the volume entitlement, but all of the other statutory instruments that govern the manner in which that harvesting takes place continue to apply.

J. Kwan: Is the minister aware of any other jurisdiction that has adopted this new kind of cut control regime?

Hon. M. de Jong: All provinces that I'm aware of include some manner of cut control period within their legislation. That is a feature common to all the provinces. The rotating period is a feature that we think is new and unique to British Columbia.

As I say, one of the things we needed to be confident of is that the overall integrity of our sustainable timber supply analysis and annual allowable cut processes remained intact. For example, I mentioned I could foresee a circumstance in which, on a year-to-year basis, harvest levels would fluctuate. I am reminded that under our present system, in any given year, under a five-year cut control period, a licensee can harvest up to 150 percent even today. Even the system we have today contemplates significant variation on an annual basis. But I think the member's question related specifically to the variable or rotating period. As far as I know, that is something that is now going to be unique to B.C.

J. Kwan: The reason why I'm asking is this. I would anticipate this new cut control regime — the rotating component of it.... In some ways it sounds as though there are no overall impacts in terms of the amount of timber that's harvested, because that number is limited at the end. But if you're able to rotate that time period, it does allow for an acceleration of the cut and the harvesting over a longer period of time, because you have a shorter period of time for the timber to produce and reproduce.

[1520]

The question for the minister is: what studies or analysis has the minister done in looking into this new rotating regime and the environment? What kind of studies show that it would actually increase production and therefore community stability? What kind of analysis has been done? What makes this minister think that this new approach would actually work for B.C.?

Hon. M. de Jong: The member really raises two issues. One relates to the environmental aspects of what is taking place here. I do think I have to repeat my earlier answer. What we are talking about here is rate of harvest and quantification of what the harvest will be. All of the legislation that governs how one engages in harvest activity in British Columbia continues to apply. I can't point to analysis on that front, because everything about this assures me that the statutory provisions, protection provisions and environmental provisions will apply as they have and as provided for under the new Forest and Range Practices Act.

Secondly, we think that at the end of the day, by providing that increased flexibility, operators are going to be better equipped to both respond and take advantage of fluctuations in the marketplace. Now, I'm probably pre-empting myself, but I think there are members in this House who have concerns — and we'll hear about them — about how quickly undercut volumes are going to be made available for use by other licensees. There has been an argument, in fact — and I think we'll hear that in a few moments too — about shortening that cut control period.

I will say this again. A significant feature to this is eliminating the ability that licensees have had in the past to say to the government: "We didn't harvest that amount of fibre because it was a lousy market, and we want to carry it forward." That has been far from an exact science. I think the concern that I have heard in some quarters is: "We don't really want to wait five years for that determination to be made. If some licensee hasn't used the fibre, get it out there quicker."

We did an analysis. We worked with stakeholders, with licensees, who were calling for a longer period — who were looking for a period of six, seven or eight years — and we decided that the period of time that best served the purposes of the province, the communities, the people that own the resource and the workers was a five-year period.

W. Cobb: As you know, we've talked about this one many, many times. The concern in my riding in the interior, of course, with this section is the steady employment. Because of breakup and a lot of other things that happen in the Cariboo in particular, forestry is classified as a seasonal industry, and I think this section could further that dilemma.

I have a couple of questions throughout this section, but to start with: is there any protection here? I realize that they can cut different segments at different times over a five-year period. What would stop a licensee from coming in, high-grading, taking off the best of the timber, then halfway through his cut period...? It would be a five-year period. He could high-grade for the first couple of years and then shut down for the balance or sell off the rest, because elsewhere in this bill there are subdivision opportunities and what not to sell off the balance of his wood.

Hon. M. de Jong: It's not really a high-grading issue, because all of the provisions that we dealt with yesterday in Bill 45 apply to protect against that — the harvest take-or-pay provisions. There is, in my view, sufficient protection to ensure that the profile is being cut and that people are not simply combing the forest for the highest-value logs and leaving the junk for someone else or to rot.

[1525]

I think the concern, though, that the member has heard and, in fairness, that I have heard relates to the possibility for an increased cyclical nature of harvesting. The obligation to cut the profile or pay continues to exist. I think the concern is: in a period of time where

the price of lumber drops precipitously low, what is the likelihood of continued harvest activity taking place?

The answer to that relates, in part, to the economics of maintaining steady harvesting activity — the benefits that will accrue from having the flexibility to respond to those changes in market conditions. I don't think there's anything here that should be cause for concern around the issue of high-grading.

W. Cobb: I may have used the wrong term, but yeah, high-grading was some of the discussion and concern. Is it a fact, then, that a licensee can take a five-year cut period, cut half of it when the prices are high, either sell off the rest or shut down for the rest of that time and not harvest anything for the next two and a half or three years, depending on what the high price was?

Hon. M. de Jong: I'll try to confirm for the....

Here's the worst-case scenario. In a five-year cut control period, because of where the price of lumber is, a licensee says: "I'm not going to harvest for the first three years and then harvest like mad in the last two years." I don't believe that's likely to occur. That would be catastrophic for a whole bunch of reasons — the ability to maintain the infrastructure on the part of the licensee and all of those things. These people are in business to harvest.

Conversely, I suppose, if the price of lumber is way up there during that cut control period, you could see licensees harvest fairly aggressively in their first year. You could see that. Now, my expectation would be that if they all do it, the price of lumber ain't going to stay up there very high. That's where I have heard the nervousness expressed — around how that is likely to play out. The member for Skeena has also expressed a nervousness around one other feature to this that I'm sure we'll discuss in a moment.

P. Bell: I'd just like to refer to the section that talks about selling undercut volumes off a woodlot. Given the nature of woodlots and the amount of volume that is harvested in any given period, that gives me reason for concern. I'm wondering if the minister can speak to the issue in terms of: are we going to sell off as little as 500 or a thousand cubic metres? Or will there be a benchmark where, if an entire cut period goes uncut, perhaps there would be a sale on it? That entire notion of selling volume off a woodlot unless it's really not being maintained by the owner gives me some reason for concern.

[1530]

Hon. M. de Jong: I don't think I disagree, actually. Just checking with the officials, I'm told that the provisions that have allowed for this have existed with respect to the woodlot program. It is exceptional indeed where they have been utilized. The key word preserved within the section is the word "may."

It is, however, a provision we wanted to preserve in the event that we or a government in the future were confronted by a situation where a woodlot owner was simply showing absolutely no interest or no intention to make use of the asset they had been provided with.

So you're quite right about the volumes, although I suppose we might want to speculate about the years ahead and the possibility that woodlots will get larger. In those circumstances it may be a provision that, I suppose, the Crown might wish to have at its disposal if the volumes involved grew significantly.

R. Harris: I'm going to look at this from a little bit of a different perspective than I've heard in some of the questions asked.

The nice thing about the forest revitalization — the whole collection of bills — is that it provides a whole variable number of new access points to people that want to get into the forest industry. It actually encourages new entrepreneurs just by providing access to fibre. That's the key.

What concerns me in section 75.4, the ability to re-book, is that one of the unique access points that communities are going to see is an opportunity to benefit from a rolling undercut model, one that actually sees, when timber isn't harvested.... We have a formula in place that actually sees that fibre roll into the marketplace in some kind of predictable fashion. It's that access to the fibre, when major licences don't want to use it, that actually gives entrepreneurs, people we refer to as Bill 13 contractors, first nations — everybody, really, in those local communities who live around that fibre basket — an opportunity to get at it.

Historically, look at what's happened in Skeena, where we're been building up undercuts now for years and years. We're probably approaching three or four million cubic.... We're probably up to four now. Yet during that time, while that undercut's been building, people who have actually had ideas or ways of generating activity and putting people to work — whether it's in the value-added sector or in the harvest side or in the log market side or any of those occupations — have been really stifled by lack of access.

The minister talked originally about the fact that under the old system, industries and companies and major licensees literally hoarded timber. The concern I have with this section is that people will start to strategically book, not the way the member of the opposition talked about but more in terms of strategically book, so that it in fact prevents a consistent flow of fibre into the marketplace in any predictable fashion, and we won't actually see that access point realized — not in any fashion I think is going to work for a lot of the forest-dependent communities.

The bills — the collection of them — are great. I think this particular section becomes an inhibitor to an access point, and that gives me a lot of concern. I don't think it actually completes the intent of the full package we are trying to deliver.

Hon. M. de Jong: I appreciate the member's remarks, and it's obviously an issue that he and I and

others — people around the province — have talked about. I have the member's point that a shorter period would lead to a situation in which those unutilized or undercut volumes would find their way back into the market and be available for other interested parties more quickly.

I am perhaps less suspicious — or less concerned, I suppose — than he about the pattern that may emerge. But it is, of course, something we will need to track very carefully. It is helpful and, I think, appropriate that the member put his concerns on the record in clear, unambiguous terms, because if he's right and I'm wrong, this government or another government may have to look at the implications of that and address it in the future.

[1535]

The Chair: Noting the time, I'm going to put the question on the remaining sections of the bill.

Section 13, division 3.1 as amended approved on division.

Sections 14 to 17 inclusive approved.

Title approved.

Hon. M. de Jong: I move that the committee rise and report the bill complete with amendments.

Motion approved.

The committee rose at 3:36 p.m.

Tributes

BRUCE McRAE

Hon. M. de Jong: While we wait, I just want to take advantage of the moment. ADM Bruce McRae, who I know many members of the House have known, and who has served this province well and with distinction for in excess of 30 years, has just participated in what we believe will be his final debate in these chambers before he takes his retirement later this year. I want to thank him on behalf of the members and the province.

The House resumed; Mr. Speaker in the chair.

Reporting of Bills

Bill 29, Forest (Revitalization) Amendment Act, 2003, reported complete with amendments.

[1540]

Mr. Speaker: Pursuant to the order on the order paper regarding time allocation, we will now vote on third reading of Bill 29.

Mr. Speaker: Hon. members, the question before the House is third reading of Bill 29.

[1545]

Third Reading of Bills

Third reading of Bill 29 approved on the following division:

YEAS — 48

Halsey-Brandt	Hawkins	Whittred
Cheema	Hansen	J. Reid
Santori	van Dongen	Roddick
Masi	Lee	Hagen
Plant	Clark	Bond
de Jong	Nebbeling	Abbott
Neufeld	Penner	Jarvis
Harris	Brenzinger	Bell
Long	Mayencourt	Trumper
Johnston	R. Stewart	Hayer
Christensen	Krueger	McMahon
Bray	Les	Locke
Wong	Suffredine	MacKay
Cobb	K. Stewart	Brice
Sultan	Hamilton	Sahota
Hawes	Manhas	Hunter

NAYS — 2

MacPhail Kwan

Bill 29, Forest (Revitalization) Amendment Act, 2003, read a third time and passed.

Hon. M. de Jong: I call Committee of the Whole House for consideration of Bill 39.

Committee of the Whole House

TRANSMISSION CORPORATION ACT

The House in Committee of the Whole (Section B) on Bill 39; J. Weisbeck in the chair.

The committee met at 3:48 p.m.

On section 1.

J. MacPhail: Section 1 is definitions. The definition, as it's listed here, of the B.C. Transmission Corporation doesn't sound like any other Crown corporation. So what is it? If the minister were to describe the category into which this new company fits, is it the Crown corporation set of companies?

Hon. R. Neufeld: Yes, it is.

Before I start, maybe I should introduce Chris Trumpy, deputy minister in charge of the energy policy. I have on my right Karen Adderley, manager of regulatory

affairs in transmission; Yacout Mansour, the vice-president of grid operations, behind me; and on the other side is Shelley Murphy, senior adviser, electricity policy.

J. MacPhail: So it is a Crown corporation, the minister says. Where would it be in here that it's a Crown corporation like other Crown corporations which legislate their operation as a benefit to the province?

Hon. R. Neufeld: It is a company, a corporation, owned by the Crown. There are many such examples in British Columbia of the same type of Crown. I can give these: Columbia Power Corporation, Victoria Line, Land and Water British Columbia. There's a whole host of them that are incorporated this same way. It is wholly owned, completely owned — 100 percent — by the people of the province of British Columbia.

[1550]

J. MacPhail: The minister has said it's a Crown corporation, so I'm satisfied that he's made that admission. What does the RTO expect in terms of a transmission company?

Hon. R. Neufeld: First off, section 1 in this act is not talking about an RTO. In fact, at no place in the act do we talk about regional transmission organizations.

J. MacPhail: Thank you for that information. That was useful. My question is.... The minister has said this is a Crown corporation, not a company, so if British Columbia were to join an RTO, what is the requirement of membership in the RTO — a company or a Crown corporation?

Hon. R. Neufeld: It is a company under the Company Act, owned by the Crown, so it's a Crown corporation. The decision, to my knowledge, as to what the RTO will require has not been made in the U.S.A., and at some point in time they will make it. But this is a company, a corporation, owned by the Crown, by the people of British Columbia.

Further to that, it will be a company that's regulated by the B.C. Utilities Commission, exactly the same as B.C. Hydro is regulated by the B.C. Utilities Commission.

J. MacPhail: I'm sorry. Could the minister repeat for me the Crown corporations in British Columbia that are subject to the Company Act, as he just stated?

Hon. R. Neufeld: There are a number of them. I listed them before, and I probably don't have all of them, but I have a number of them here. They are the Columbia Power Corporation, Victoria Line, Land and Water British Columbia, B.C. Pavilion Corporation. There are some that are dissolved — the Skeena Cellulose ones. Those are some examples.

J. MacPhail: I have only the time to take the minister at his words — that they're also Crown corporations, subject to the Company Act.

The definition of "transferred employee" deals with employees designated transferable. The corporation intends, as I understand it, to pick certain people and transfer their positions away from the authority. Will that designation be by name — Christian and last name — or by position?

Hon. R. Neufeld: Again, under section 1.... Later on we deal with employees, if we want to wait until then. In fact, there's an extensive part of this bill that deals with pensions and employees.

J. MacPhail: No, I'd like my question answered now, please.

[1555]

Hon. R. Neufeld: With the agreement, I'll read out section 7(1): "The Lieutenant Governor in Council may, for the purpose of effecting transfers referred to in subsection (2), make orders as follows: (a) identifying by name, classification or other description, employees of the authority to be transferred employees."

Yes, they do have the names of the employees.

Section 1 approved.

On section 2.

J. MacPhail: Section 2 is a key section in this legislation. The section is titled "Applicability of certain statutes and common law to transmission corporation."

How will the application of the Economic Development Electricity Rate Act section 32(7)(f) affect the rate structure set up at B.C. Transmission Corporation?

Hon. R. Neufeld: Section 32(7)(f) of the Hydro and Power Authority Act has been repealed in Bill 40.

J. MacPhail: I'm sorry. I can't keep track. Did the Hydro and Power Authority Act subsume the Economic Development Electricity Rate Act?

Hon. R. Neufeld: The Economic Development Electricity Rate Act was also repealed in Bill 40.

J. MacPhail: Okay. Isn't everything nice and tidy? The Financial Administration Act applies to the B.C. Transmission Corporation. Will the B.C. Transmission Corporation be subject to the Freedom of Information and Protection of Privacy Act?

Hon. R. Neufeld: Yes.

J. MacPhail: How will that occur? The act is silent.

Hon. R. Neufeld: Ministerial order.

J. MacPhail: A ministerial order. Is there not a way that the minister can do that the way it's done everywhere else, which is to amend the legislation to demand that this be included under the schedule of the

FOIPPA? I'm sure the minister is well aware that the freedom-of-information commissioner stated that because Bill 39 does not designate BCTC as a public body under the FOIPPA, it should be added to the schedule.

[H. Long in the chair.]

Hon. R. Neufeld: It can be done either way. There is a regulation from the Minister of Management Services that adds B.C. Transmission Corporation to the FOI requirements.

[1600]

J. MacPhail: What particular statutes or statutory provisions is the minister excluding this Crown corporation from and why?

Hon. R. Neufeld: B.C. Transmission Corporation will be treated exactly the same as B.C. Hydro.

J. MacPhail: When the minister says — just to clarify — that they will be treated exactly the same as B.C. Hydro, there are no fewer exemptions.... This is almost like a double negative. Are there fewer exemptions that apply to B.C. Transmission Corporation than do to B.C. Hydro, or is it absolutely identical?

Hon. R. Neufeld: All sections of the Company Act apply. All sections of the Financial Administration Act apply, and all the ones that apply to B.C. Hydro will also apply to BCTC. There is apparently a fairly extensive list, as I understand.

[1605]

J. MacPhail: I'm just wondering whether the minister can tell me, under section 40.... I'm trying to see right here. Was there an entire repeal of the Economic Development Electricity Rate Act? Was the entire act repealed? If the minister could just quote me that.

Hon. R. Neufeld: Yes, it did repeal the whole act.

J. MacPhail: Now, I understand that that act did allow the government to provide reduced electricity rates in order to stimulate economic development. I'll just read a section of that act that has now been repealed. It previously said:

"An order under section 2 or 4 may contain terms and conditions that the Lieutenant-Governor-in-Council considers are advisable, including terms and conditions (a) setting the economic development rate for surplus electricity to be supplied, (b) specifying the period during which the economic development rate is applicable, and (c) specifying the amount of surplus electricity to be supplied at the economic development rate."

That allowed for lower electricity rates. That act has been repealed now. Is there any contemplation of the permission of lower rates?

Hon. R. Neufeld: The member will recall that we repealed the jobs-for-power bill also, the same as this one. The B.C. Utilities Commission will regulate the

prices for electricity as they relate to commercial, industrial and residential in British Columbia. We don't have any intention of having a special rate for a special company. We will actually have the same rate across a broad brush of companies.

J. MacPhail: Just to be clear: this government has repealed legislation that would permit lower rates to stimulate economic development, by repealing the Economic Development Electricity Rate Act. Is there an ability for a person or a company or anyone to obtain intervenor status to recommend to the BCUC that there is justification for a rate reduction in order to enhance the economy?

Hon. R. Neufeld: Again, this government has said there will be no special deals and no business subsidies. We will have the B.C. Utilities Commission set the rates. They'll be cost-based rates in the province of British Columbia. They will set them the same for BCTC as they would for B.C. Hydro. That's why that was repealed.

R. Hawes: I wonder if I could seek leave to make an introduction.

Leave granted.

Introductions by Members

R. Hawes: There are, in the gallery today, 54 young students from E.S. Richards school in Mission, grades 4 and 5. They're accompanied by their teacher, Mr. Tough — who isn't really tough; he taught three of my kids some years ago — and 21 adult chaperons are accompanying them to Victoria today. Could the House please make them welcome.

[1610]

Debate Continued

J. MacPhail: The minister didn't give me the list, but I assume that the Expropriation Act still applies to the B.C. Transmission Corporation as per the Hydro Act, section 32(7).

Hon. R. Neufeld: The member is correct. There are no expropriation rights needed for BCTC because B.C. Hydro still owns all the transmission, all the poles and all the wires. BCTC is actually charged with running the business on those wires.

We just checked briefly for the Economic Development Electricity Rate Act. No one can remember the last time that was even used. Had it been used, it was quite a long time ago.

J. MacPhail: Thank you for that evaluation of the corporate memory. I'll just say that so far in this Legislature the corporate memory has often been completely incorrect. Never let it be said that I'm accusing it at this

time, but on several occasions, in this session particularly, the corporate memory has failed.

The Expropriation Act doesn't apply to BCTC. Is that what I'm hearing the minister saying? He's nodding yes. Any expropriation for expansion of transmission lines will be done under the Hydro Act. Is that right?

Hon. R. Neufeld: If there were need for expropriation to build a transmission line, B.C. Hydro would have that authority and would do that.

J. MacPhail: Any requirements to consult and to meet the duty to accommodate with first nations are the responsibility of B.C. Hydro?

Hon. R. Neufeld: Yes.

J. MacPhail: If one were to determine the cost of expanded transmission in this province, to whom would one turn — B.C. Transmission Corporation or B.C. Hydro — to determine the costs of expansion of transmission lines? Who is held accountable for those costs?

Hon. R. Neufeld: It is a responsibility of BCTC to put forward the planning if there is a requirement for further transmission. They would put that plan to the BCUC. The BCUC would review it in the normal ways that they do, and then they would instruct B.C. Hydro to build it.

J. MacPhail: Does the B.C. Transmission Corporation do all of the planning, including receiving the submissions from proponents for expansion?

Hon. R. Neufeld: Yes.

J. MacPhail: And then B.C. Transmission Corporation orders B.C. Hydro to build it? What if B.C. Hydro says no?

Hon. R. Neufeld: Actually, when BCUC reviews the plans for expansion on transmission and approves those plans that are in the best interests of consumers, they will then instruct B.C. Hydro to build the facilities. I can't imagine B.C. Hydro would refuse it, because they are required to provide electricity to British Columbia first to the people of the province. They're mandated to do that; they have to do that. If there's not enough transmission room, they're obviously going to have to build enough transmission room to be able to do that.

[1615]

J. MacPhail: As I understand it, Hydro has the ability to get sources.... They have claimed that they're going to build up sources of energy other than through the transmission lines. The government takes great pride in that. So, where is it? What other example exists

where one Crown corporation can order expenses incurred by another Crown corporation?

Hon. R. Neufeld: Actually, in discussions, none that I know of within B.C. This is a process that we're beginning here.

J. MacPhail: Just tell me quickly: if we're breaking new ground here where we are separating two bodies, and the government claims they're both Crown corporations.... We'll take them at their research. Yet one Crown corporation can impose costs on another Crown corporation. So we have rankings of Crown corporations now. The B.C. Transmission Corporation can impose costs on another Crown corporation. Can that Crown corporation, B.C. Hydro, appeal to the BCUC about those imposed costs?

Hon. R. Neufeld: Again, we'll have public hearings before any new transmission would be built. B.C. Hydro would have the opportunity to appear before the B.C. Utilities Commission.

J. MacPhail: I'm wondering about this — independent power producers wanting an expansion of transmission lines so that they can wield power for export. It has nothing to do with domestic use. It has nothing to do with the ratepayers of B.C. Hydro, and yet they could make a case to the B.C. Transmission Corporation — close relations. The Transmission Corporation could hear their case and say: "Yeah, yeah, that makes sense. That's great profit for you independent power producers, so we'll build the transmission lines." No use whatsoever domestically — and Hydro has to pay those costs?

Hon. R. Neufeld: Again, there's a step missing, and it's the B.C. Utilities Commission. The B.C. Utilities Commission will review those costs. They will review the benefits, and they'll also determine how that will be paid back, if in fact they do agree with building transmission strictly for export for an IPP.

J. MacPhail: So it is possible that transmission in this province could be expanded strictly for IPP export use. Is that correct?

Hon. R. Neufeld: That could be a possibility. An IPP may want to build strictly for export. Maybe they want to build their own line. I don't know. Maybe they'll want to access B.C. Transmission. They'll be able to do that, but there's a process that has to happen if you need new transmission lines. That's not always the case. There could be room to move those electrons on what's already there, and that will be a benefit to the province of British Columbia because there will be a wheeling rate charged for that.

J. MacPhail: Well, who knows whether it will be a benefit or not — whether the wheeling charge makes

up for the debt incurred by B.C. Hydro building the transmission lines?

It will be privately built — is that it?

[1620]

Hon. R. Neufeld: Again, the B.C. Utilities Commission will make that determination on application from Transmission. The B.C. Utilities Commission will not see B.C. Transmission Corporation or B.C. Hydro lose money if they have to build new transmission to carry electrons for an independent power producer. There will be a wheeling right.

It's much the same as a pipeline. There's a pipeline that goes in the ground. They're not always full. They're sometimes part empty, and there's room to move other products or more product through it. There's a rate that people have to pay to be able to do that.

If you have to expand the transmission, I would assume, when you get to that finite point — I'm not going to pre-guess the B.C. Utilities Commission — they're going to have to determine what that rate would be and what would be in the best interests of British Columbians. It could possibly be that they may say: "You know what, IPP? If you want to export across the border and we have to build new transmission, the whole cost of that may be the cost to the IPP." Again, that will be done through the B.C. Utilities Commission, through a panel of experts that will be able to make a decision on that. Again, the consumers in the province benefit.

J. MacPhail: There is a huge difference, Mr. Chair, with the greatest of respect. There could now be competing interests presenting to the B.C. Utilities Commission. The B.C. Transmission Corporation, whose interests are only served by profit of an IPP.... I make no judgment on this. I'm just saying that the submission could be that the IPP needs expanded transmission strictly for export purposes, and oh yeah, by the way, there will be a wheeling charge paid to the province. Who knows whether that is in any way compensatory or not.

Or, you then may have the other competing interest of B.C. Hydro having this ownership foisted upon them for no purpose to their ratepayers — none to the ratepayers — and having to absorb the costs of maintenance of that transmission line, regardless of future prospects whatsoever. For the very first time there's a ranking of priorities in this province in use of our hydro, and private interests have top ranking.

Hon. R. Neufeld: We can get into some real fine details here, but again, I'm going to stress....

J. MacPhail: Yeah, that's the idea.

Hon. R. Neufeld: Yeah, I'm going to stress the fact that the B.C. Utilities Commission is again involved. I know that's a new thing in British Columbia when it comes to B.C. Hydro and B.C. Transmission Corporation, but it will be involved and looking out for the best interests of British Columbians.

After all, B.C. Hydro hasn't changed. What happens is they are still to deliver electricity to people in the province. Our energy policy states that we have to maintain the lowest possible rates going forward in the province. British Columbia is number one. It is first.

In a hearing, it will not preclude others from putting forward their points of view. A public hearing is inclusive of a lot of different individuals. It won't be just Transmission, B.C. Hydro and the B.C. Utilities Commission. The others can come in and put forward their submissions as to why it should happen or why it shouldn't happen.

J. MacPhail: Yes. I only note that no matter how many cheap shots the minister tries to take about the lack of utility review in decreasing rates or keeping them frozen being awful, British Columbians don't feel the same way. I repeat, for the very first time BCUC will be hearing from a competing Crown corporation, one that may be there just to serve private interests.

Hon. R. Neufeld: That wasn't meant to be a cheap shot. It was meant to reinforce with the public that there is a body that will review those costs as we move forward and keep the best interests of the people of the province of British Columbia.

I would say that probably there have been competing interests before the B.C. Utilities Commission on other matters. If I think about Columbia Power Corporation and B.C. Hydro, two Crown corporations, there have been discussions at BCUC over those types of things. I don't think that's totally uncommon.

[1625]

We should put our faith a bit in the experts at BCUC to be able to remember their goal, and that is to make sure that as our energy policy states, we want to maintain the lowest prices moving forward. The B.C. Utilities Commission will help us make those decisions.

Section 2 approved on division.

On section 3.

J. MacPhail: Section 3 describes the operating and management agreements for the new corporation. Currently, transmission maintenance is largely carried out by the employees of B.C. Hydro. Will these employees continue to be responsible for maintenance...? Let me just put it there.

Hon. R. Neufeld: Yes.

J. MacPhail: So there will be no contracting out.

Hon. R. Neufeld: There is currently contracting out that happens, so it will proceed in much the same fashion, not much different than what has taken place up until now.

J. MacPhail: In 3(2) it says "despite the common law." Can the minister explain the necessity for this to be contained in this legislation?

Hon. R. Neufeld: It is to provide absolute clarity.

J. MacPhail: Absolute clarity about what?

Hon. R. Neufeld: Of what the bill says.

J. MacPhail: I'm no lawyer, as everybody in this chamber knows. But as I understand it, from my layperson's point of view, there's legislation and there's common law, and the two operate within their own realm. Both are valid, and both contain rights, civil rights.... That's not the right word — whatever. The common law has certain rights and responsibilities for people, and legislation has certain rights and responsibilities.

What's the confusion that arises there? What does it mean by "despite the common law"? Give me an example of where the two could compete that would require a legislated hammer like this one.

[1630]

Hon. R. Neufeld: This is to put in place the agreements between B.C. Hydro and B.C. Transmission Corporation and to implement the government energy policy.

J. MacPhail: Well, I'm not sure whether that's very helpful to us, who are just simple folk here and trying to understand why this government's exempting itself from the application of a huge body of law.

I'm wondering.... And I don't know the answer to this question. It's always risky to ask these questions after ten years in government, but can the minister tell us what other Canadian legislation, either provincial or federal, contains this kind of attempt to avoid being held accountable in the courts? — because that's what this is.

Hon. R. Neufeld: I cannot right now tell her of any other place where this would be used in someplace else in Canada.

J. MacPhail: Phew. The small but hardy research caucus was correct for the NDP, because we came up with a blank too. No other draconian exemption has any government given itself. Well, actually, one smart young chap suggested that the only other statutory action more severe in Canada is the invocation of the notwithstanding clause in the Charter, and he's actually right. Some of us agree that that clause should be there in the Charter, and others of us don't agree. But what we couldn't find was any government legislating itself out of the application of common law.

I'm wondering whether that concept — of the validity of legislation containing the term "despite the common law" — has ever been tested in a Canadian court and, if it has, what the result was.

Hon. R. Neufeld: I'm not a lawyer either. I can give an answer to the member at least with the knowledge that we have here: no, it's never been tested.

[1635]

J. MacPhail: Well no, it hasn't ever been tested because nobody's dared. No government, regardless of political stripe, has ever dared to introduce such a draconian exemption on its own behalf.

What aspects of common law required clarity to allow the contracts to exist between the B.C. Transmission Corporation and B.C. Hydro? Just some ballpark areas of common law.

Hon. R. Neufeld: We'll try this here again. In common law, a natural person is free to enter into all types of contracts. B.C. Hydro is not a person. Does that add some clarity to the question?

J. MacPhail: Well, who am I to judge? No, not in my case, but it will be the public that will judge about whether this draconian legislation serves the interests of the public, of British Columbians.

Let me ask this: has the minister obtained any legal opinions upon which the decision to include this language was based?

Hon. R. Neufeld: I do not have a written legal opinion, but our legal advisers are the ones that recommended this wording.

J. MacPhail: Is the effort for the Transmission Corporation to be exempt from common law an attempt to undermine the lawsuit that's currently before the B.C. Supreme Court filed in September 2002 by two plaintiffs representing the B.C. Citizens for Public Power?

Hon. R. Neufeld: No, we're not exempting BCTC from common law. The lawsuit can carry forward.

J. MacPhail: So there will be no application by the province under any circumstances to invoke legislation to shut down that lawsuit?

Hon. R. Neufeld: I just had some advice. As it is before the courts, we don't discuss it in the Legislature.

[1640]

Hon. G. Plant: It's called the sub judice rule.

J. MacPhail: Okay. Well, I always appreciate legal advice. I was just going to say that when I first asked for the legal opinion on this language in its existence, it was kind of verbal, so I guess we get the same sort of thing. I'm happy we've got an Attorney General who can be everywhere to give us verbal advice.

In regard to section 3(2), let me read it here. It says: "Despite the common law and the provisions of this or any other enactment, if an agreement is designated under subsection (1), (a) the authority is deemed to have, and to always have had, the power and capacity to enter into the agreement "

It's like one of those magic Liberal fairies that can say: "Poof, the past didn't happen. Poof, a railway line can become a road." And then: "Poof, back to a railway

line." This is legislation. This is the legislative equivalent to that. Poof, the past never happened. It's deemed to have the ability — this is the ability of the corporation — to go retroactively to have its powers and capacity. Is that not so?

Hon. R. Neufeld: Again, what this says is that the authority has the power and has always had the power to enter into this agreement. It has not entered into an agreement before. It's moving forward and entering into an agreement now.

J. MacPhail: Well, no. This has the ability of retroactivity. Or am I wrong? Is there no retroactivity here? If the minister says, "No, there's no element of retroactivity here," we're fine with that. If this is all just forward-looking — the corporation can't do anything retroactively as a result of this language — fine.

Hon. R. Neufeld: There is no retroactive capacity.

J. MacPhail: There's also a section in here — I'm reading (2)(b) — that says: "the agreement, and all actions of the authority and the transmission corporation taken in accordance with the provisions of the agreement, are expressly authorized and valid."

I have no idea what these words mean, but I get a little nervous when this government deals with contracts — either the upholding of or the breaking thereof. That seems to be language that must have special meaning. What is it?

Hon. R. Neufeld: This is, again, to provide certainty once this act becomes law.

J. MacPhail: Well, let's move on, and let's be clear. This section is the one that gives all of the legal authority for this corporation to do its business and to enter into agreements. It is a key section.

[1645]

Section 3(2)(d) reads as follows: "the authority is deemed to have, and to have always had, the power and capacity to carry out all of the obligations imposed under, and to exercise all of the rights, powers and privileges granted by, the agreement according to its term."

That sure sounds like a retroactive capacity to me, but I'm happy to have the government stand up and reassure the voters again that there is no ability to retroactively go back in and take rights.

Hon. R. Neufeld: There is no intent to do any retroactivity here.

J. MacPhail: So what does the language mean, then?

Hon. R. Neufeld: When in the future they actually do the agreement, it means that they have always had the power to have that agreement and to carry that agreement out.

J. MacPhail: Now, just to be clear: the agreement with whom?

Hon. R. Neufeld: They will be agreements between B.C. Hydro and B.C. Transmission Corporation.

J. MacPhail: Let's just follow the string here. This clause deals with the setting up of an agreement between the B.C. Transmission Corporation and B.C. Hydro. The government stands up here day after day after day and claims that B.C. Hydro will be subject to review from the B.C. Utilities Commission and that BCUC will have its power strengthened to regulate electricity.

But if you read (2)(f), it says this — and let's remember, this is the clause that deals with the agreement between the Transmission Corporation and B.C. Hydro. Here's what it says: "the authority and the transmission corporation are deemed to have all approvals, authorizations, permits, certificates, exemptions or orders that, under the Utilities Commission Act, are or may be required (i) to enter into the agreement, and (ii) to operate, control, use, manage or maintain any or all of the transmission system in accordance with the agreement."

That's the magic fairy wand. Poof! You're deemed to have had approval by the BCUC, not that you actually have to go there like this government claims and have your case heard. This clause deals with the agreement between the two, and the last little bullet under (2) says — poof! — it's deemed to have had all of the approvals — the approvals, the authorizations, permits, certificates, exemptions or orders as if they had gone to the Utilities Commission.

So tell me how this is not removing all of the normal approval processes under which energy policy decisions are made with relationship to transmission of power.

Hon. R. Neufeld: I'll read 3(4) into the record:

"Nothing in subsection 2 (b), (e) or (f) or (3) limits the jurisdiction of the commission under the Utilities Commission Act to (a) set rates of the authority or the transmission corporation, (b) regulate the authority or the transmission corporation to ensure transmission services are, in all respects, adequate, safe, efficient, just and reasonable, and (c) regulate the manner in which the authority or transmission corporation performs any role or responsibility it is to assume under a designated agreement."

[1650]

J. MacPhail: Yes, but that doesn't negate.... If the minister's sort of saying that negates clause 2, he's wrong. Both have to be read in conjunction with each other. They have to be read together. As I read it, what happens is that the agreement is made between B.C. Hydro and the B.C. Transmission Corporation. It's not subject to B.C. Utilities Commission review, but that agreement has to be considered in terms of its costs when the Utilities Commission sets the rates.

It's kind of like my colleague and I here reaching an agreement to spend thousands of dollars on jewels, and

then that cost is taken as a given when it's decided about whether expenses are fair or not. The Utilities Commission gets presented with an agreement that it cannot rip apart, look at or examine, but it has to take that into consideration when it's determining costs for the taxpayer. Is that not right?

Hon. R. Neufeld: That interpretation is not correct.

J. MacPhail: Where am I wrong?

Hon. R. Neufeld: All that the member brought forward is wrong.

J. MacPhail: That's reassuring. No details.

All right. Let me break it down then. Can I? I'd be happy to open up this debate to anybody who's in the Legislature — anybody. Leap in. We're just trying to obtain the facts here. The agreement that will be negotiated between the B.C. Transmission Corporation and B.C. Hydro, which isn't subject to common law and which the minister also says can't have any retroactive aspect to it.... That agreement — every aspect of it, the building blocks of it, how it's assembled — can be examined to determine whether that's proper, cost effective and necessary by the B.C. Utilities Commission. Is that interpretation correct?

Hon. R. Neufeld: The agreements that will be entered into are agreements that will give the division of responsibilities between the B.C. Transmission Corporation and B.C. Hydro. The B.C. Utilities Commission will be able to review.... In fact, those agreements will be public. They will be posted to a website so that the public can look at them. The B.C. Utilities Commission's responsibility is to make sure that the rates that the B.C. Transmission Corporation charges and that B.C. Hydro charges are in the best interests of British Columbians, of ratepayers in British Columbia, moving forward.

J. MacPhail: An agreement made in secret behind closed doors without review that's published on the website is meaningless to the commitment that this minister has made.

Let me ask this: will the approvals, authorizations, permits, certificates, exemptions or orders that arise out of an agreement made between B.C. Transmission Corporation and B.C. Hydro be first put to public hearings before the B.C. Utilities Commission?

[1655]

Hon. R. Neufeld: Again, those agreements are the divisions of responsibilities of operating the Transmission Corporation between B.C. Hydro and the Transmission Corporation. No, there will not be a public discussion around those agreements.

J. MacPhail: Where I was wrong in my interpretation of this legislation? The minister has just admitted that those will not be subject to regulatory review or

public hearings, but that agreement, regardless of its substance, has to be considered by the BCUC as costs without review. It is exactly as I said it was going to be when the minister bald-facedly stood up and said I was wrong. I'm not wrong. I'm exactly right, and shame on him.

Hon. R. Neufeld: Again, I'm going to say that this is the division of the responsibilities — agreements that will be made between B.C. Transmission Corporation and B.C. Hydro on how it is operated, what's going to be operated and how it's going to be operated. There obviously has to be an agreement to make that happen. That agreement is what we're talking about.

J. MacPhail: Let me ask it this way, then. If the creation of B.C. Transmission Corporation is so beneficial to the public like this minister stands up and claims, why is it that all of those agreements of divisions, just as the minister likes to sort of slough off...? Why is it that those agreements aren't going to be tested through public hearing and regulatory review? What is this government trying to hide from — that those approvals wouldn't be subject to BCUC regulatory review?

Hon. R. Neufeld: Again, I'm going to say that this is about agreements and the division of how B.C. Transmission Corporation will be operated between B.C. Hydro and B.C. Transmission Corporation. They will be agreements made in good faith so that.... I can't quite understand where the member's going, I guess, to start with. Why would a person put anything into an agreement that would make it impossible to operate?

[J. Weisbeck in the chair.]

I mean, it is BCTC and B.C. Hydro. We have committed that we're going to keep the rates as low as we possibly can in British Columbia. That's exactly where we're moving, and that's how those agreements will be made between B.C. Hydro and B.C. Transmission Corporation.

J. MacPhail: I only have an hour on this before the government shuts down some of the most important legislation in the history of British Columbia. What the minister is admitting is that half this business around determining our electricity rates here in British Columbia will be done in secret — absolute secret. So the next time he stands up and claims that they're the most open and accountable and are restoring the credibility of the BCUC, he might want to just stoop down a bit, because he's telling only a half-truth.

[1700]

Let's look at section 3(3). Here's what section 3(3) says: "The transmission corporation is deemed to have received a certificate of public convenience and necessity authorizing operation of the transmission system in accordance with the designated agreement." Poof! It's another little sprinkling of fairy dust: "...deemed to

have received a certificate of public convenience." What does that mean?

Those of us who can't keep up to all of this probably say, "Oh well, whatever," but here's an example of someone who did have to go through an application for a certificate of public convenience. The Vancouver Island Generation Project undertaken by B.C. Hydro had to submit an application to the B.C. Utilities Commission to obtain a certificate of public convenience. Not years ago, not during that "decade of decline," but months ago — just months ago.

Their application totalled 139 pages. It included information about the impact on the environment, demand for electricity, costs of service, rate impacts and many, many more public issues. So given the fact that the Vancouver Island Generation Project is itself of a much smaller magnitude and a much smaller impact than all of the electricity transmission and the transfer of that from B.C. Hydro to BCTC, how can the minister justify evading the important regulatory step by legislative fiat? If he's going to stand up and say all of that has been subject to review, he's wrong.

Hon. R. Neufeld: The member's wrong on a number of points again. First off, the agreements do not deal with rates. The agreements that we spoke about earlier do not deal with rates.

J. MacPhail: No, they're inputs to rates.

Hon. R. Neufeld: It deals with....

J. MacPhail: Maybe you don't know what that concept is. They're inputs to rates.

The Chair: Order, member. Order, please.

Hon. R. Neufeld: It deals with how BCTC will be operated. It does not deal with the rates. So that, hopefully, is clear.

Obviously, there's a system already in place, so all this does is authorize BCTC to take over a system that already has a CPCN — that has already gone through it. I am surprised the member would venture to Vancouver Island and use that as an example. Let me just bring forward what happened on Vancouver Island.

Prior to this government being elected, there was a directive from a previous government to B.C. Hydro: "You do not have to have public hearings of any kind." The government of the day — the NDP back then, which she was a member of — actually said to B.C. Hydro: "You build it that way, because that's how we deem it should be built."

This government brought in a new energy policy, and we said we were going to be open and transparent and maintain the lowest possible rates. That's exactly what we have done by telling B.C. Hydro in the policy that they had to go forward to the B.C. Utilities Commission to have a hearing on Vancouver Island before they could go ahead and build any kind of a plant. So British Columbians, ratepayers, get the lowest rate possible

moving forward in the province; a secure, reliable supply on Vancouver Island; and actually have a public debate about it, which is happening right now through the BCUC — a public debate that is actually very good in British Columbia, because it brings others to the table.

It allows the public to come and talk to the B.C. Utilities Commission about what they think is right and what they think is wrong. It allows other companies to come forward with their plans to say to the B.C. Utilities Commission: "Here, I have a better idea. I have a better nut to crack here. Would you experts in the B.C. Utilities Commission look at this, and does this make better sense for the people on Vancouver Island moving forward in supplying electricity?"

That's what we're talking about, and that's what we've always talked about. When we brought forward our energy plan, that was a key cornerstone of the energy plan. We're opening it up. We're letting some light shine in on the decisions that are made and how they're made, and it's specifically on Vancouver Island, as we speak. That's happening today — something that didn't happen four or five years ago under a previous government.

[1705]

J. MacPhail: The minister tried all of that line several months ago, when the legislation was debated around Accenture, and the public rejected his arguments fully and forcefully.

Let me just ask the minister this, then: why is the legislation necessary to say it's that the Transmission Corporation is deemed to have a certificate of public convenience and necessity if they already have one? If there already is one, produce it, please, and let the light shine on that one.

Hon. R. Neufeld: If she wishes me to get all the information that's around CPCNs for B.C. Hydro over the last 30 or 40 years, we could do that. I think that would be a bit ridiculous. In fact, it's not over the last 30 or 40 years, because the B.C. Utilities Commission didn't have anything to do with B.C. Hydro from about 1993, '94, '95 — somewhere in that area — forward, but B.C. Hydro does have those. They had to go to the B.C. Utilities Commission prior to the NDP deciding they could make the decisions in a cabinet room. B.C. Hydro had to go to the B.C. Utilities Commission to be able to build those facilities.

J. MacPhail: What's the date of the certificate of public convenience and necessity? Of course I want it. What's the date of it, and why the necessity of this language? What is the legal intent of section 3(3), then?

Hon. R. Neufeld: Again, the purpose of this section — and it's not untoward in any way — is to give to BCTC a system they will operate where there's already been a process done prior to it by B.C. Hydro, and there's no need for them to apply for another one. It's just a process of eliminating some red tape and a whole bunch of work by people. That's all it is.

J. MacPhail: If it's that straightforward, what's the problem with producing the certificate of public convenience? Perhaps it's available now. Is it?

Hon. R. Neufeld: Maybe I wasn't clear enough when I answered the question before. There will probably be numerous CPCNs in relationship to transmission — to B.C. Hydro in total, because when the B.C. Utilities Commission regulated B.C. Hydro, which it does now again, B.C. Hydro had to appear before the B.C. Utilities Commission to acquire a CPCN. So they would be numerous. I can't tell you right now how many there would be, but there would not be one, because the system was not all built at once, at one time, and that's it. There were additions. Things were built later on, so there are probably numerous CPCNs that B.C. Hydro would have. All we're saying is those CPCNs are enough for the B.C. Transmission Corporation to move forward, so they don't have to apply for any more.

J. MacPhail: I'm not sure why the minister decided to repeat that. I asked for them. I don't care whether there's 90. Surely, if they're there, it must be a nice, neat little computer containing them. What's the time line to get them?

Hon. R. Neufeld: We don't have them here, obviously. If the member wants them, we'll provide them.

J. MacPhail: Yes. I asked what the time line was.

Hon. R. Neufeld: We'll get it to her as quickly as we possibly can.

J. MacPhail: I'm sure they're readily available, because God knows you wouldn't want to inconvenience a corporation in terms of a little bit of red tape, like things as inconsequential as certificates of public convenience and necessity. The minister just sort of said, "Oh, this is just to get rid of that little red tape." Clearly, it's just a little pile of paper — not important at all. So, just get them and produce them. We'd be very happy, Mr. Chair.

[1710]

It's the role of the B.C. Utilities Commission to ensure that transmission services are in all respects adequate, safe, efficient, just and reliable. Can they, under those auspices, order B.C. Hydro and B.C. Transmission Corporation to construct new transmission lines that will allow independent power producers access to both foreign and domestic markets? Can they set rates as a result of that order? That is happening in Alberta. It's not speculation; that's happening in Alberta. I'm fine for the minister to stand up and say no, they can't do that.

Hon. R. Neufeld: The B.C. Utilities Commission will — I think I said this earlier — in the best interests of British Columbia ratepayers, the best interests of the people of the province.... That's how they'll make ap-

provals on whether there is any new construction or not that has to take place with the transmission system — again, remembering the domestic customer comes first with B.C. Hydro.

J. MacPhail: My question is very specific. Can the BCUC assign costs across all British Columbians because an IPP needs new transmission, from which they will make profit — not public profit, but private profit? This is happening in Alberta as we speak. Those private, for-profit companies can apply and are able to recover the cost of the new transmission lines from all British Columbians through electricity rate increases — across all British Columbians — to recover costs of transmission lines used for both domestic and foreign private, for-profit use.

Hon. R. Neufeld: In Alberta it was a completely different process. There was a specific government directive. Again, I'm going to explain that it is the B.C. Utilities Commission in British Columbia that will regulate both the B.C. Transmission Corporation and B.C. Hydro, and they will do that in the best interests of British Columbians. They will do that in the best interests of the domestic load in the province moving forward into the future.

J. MacPhail: Let's set aside the Alberta situation. Will BCUC have to take into account the creation of transmission lines that an independent power producer uses for both domestic and foreign markets when setting rates applicable to all British Columbians? [1715]

Hon. R. Neufeld: Again, the member is trying to ask me if I will second-guess what the B.C. Utilities Commission will do. That's not my role. That's not the role of this government. The role of this government is to put in place legislation that allows a body, the B.C. Utilities Commission, to actually review all applications that come forward, for whatever reason they come forward, and to keep in mind constantly, in the back of their mind, that they are to provide the lowest rates possible, as the energy policy dictates, to domestic customers in the province.

We can think about all kinds of hypothetical situations and argue and debate those forever. At the end of the day, we don't even know whether something like that would happen at the B.C. Utilities Commission. I'm not going to stand up here and say that's what the B.C. Utilities Commission should do, because the B.C. Utilities Commission is a separate, quasi-judicial body that makes its decisions on information that's provided.

If something like that did come, the public has an opportunity to go speak to it. The heavy industrial consumers have an opportunity to go speak to it. In fact, everybody has an opportunity to go speak to it. Remember that the B.C. Utilities Commission is charged with making sure that rates are kept as low as they possibly can in the province, that domestic load is first in the province and that B.C. Hydro is mandated to

provide British Columbians with a secure, reliable supply of low-cost hydro.

We do have some of the lowest-priced hydro in North America. That's a benefit to the province of British Columbia. That's been a benefit for many years. It was actually something that was put in place by W.A.C. Bennett many years ago when he built the dams on the Columbia and the Peace. That's provided British Columbians with low-cost energy moving forward.

In British Columbia we have the lowest-cost energy — or almost the lowest cost, just within tenths of a penny — compared to Quebec and Manitoba. That encouraged industrial development in the province until just a while ago — until about ten years ago, 12 years ago. That's when industry started leaving the province. Under a different administration, industry started leaving the province even though they enjoyed some of the lowest rates in North America.

We want to — in fact, our energy policy says we're going to — move forward. We're going to move forward with the lowest possible rates, with a publicly owned entity. B.C. Hydro will be owned by the people of British Columbia. B.C. Transmission Corporation will be owned by the people of British Columbia. The B.C. Utilities Commission will actually be able to look at the rates charged domestically to the people of British Columbia to make sure we have a safe, reliable supply in the province.

I know that may be foreign to some people in this House, but it's certainly not foreign to the people in my party. We know that if we're going to encourage industry in British Columbia, if we're going to encourage people to live in British Columbia, we have to be able to provide low, secure hydro rates to people. We've managed to do that.

We said when we were elected as a government, when we came in, that we were going to open up the process again and let the B.C. Utilities Commission actually view what's going on with rate-setting, to view what's happening across the province so that we can continue to have that investment in British Columbia. And as I look around the province, it's starting to come back. Noranda, a huge mining corporation, is coming back to British Columbia.

J. MacPhail: Oh, Mr. Chair, please.
We don't have much time left. Sit down.

The Chair: Member....

J. MacPhail: We don't have much time left. He's just filibustering.

The Chair: There is a 15-minute time limit, member, on the response.

J. MacPhail: How disrespectful to the closure that you're going to invoke.

The Chair: Order, member.

On section 3.

Hon. R. Neufeld: And what I'm trying to explain, in very brief terms, to the member across the way — very briefly — is that British Columbia has changed; B.C. Hydro has changed. We now have a transmission corporation that will allow independent power producers to access the system, which will actually be publicly regulated by the B.C. Utilities Commission.

I continue to tell the member that that's exactly what we're doing with this bill. We're creating a transmission corporation in the province for the benefit of the people of the province, and we will continue to move forward with that. There is nothing untoward in this legislation. The only....

J. MacPhail: Sit down.

Hon. R. Neufeld: Interesting, isn't it, Mr. Chair, when you hear that. I won't sit down for the member. I'll take my time to explain to you....

J. MacPhail: You're filibustering to run the clock. You've already imposed closure.

[1720]

Hon. R. Neufeld: I wouldn't filibuster; the member knows that. I'm not that type of a person. What I'm trying to do is explain what we're trying to do in the province with our energy plan and BCUC. Hopefully, that makes it a little bit clearer about how we're moving forward in British Columbia, with the B.C. Utilities Commission actually regulating transmission rates and B.C. Hydro rates so that we maintain the lowest possible rates in the province.

J. MacPhail: You know, Mr. Chair, that member is deliberately running the clock, first of all because he doesn't have the answers, and secondly because he doesn't want the light shone on.

My questions were only about what BCUC can consider and not consider. He's set all sorts of rules for what they don't have to consider. We've just been through it. All my question was about is: is he going to say that they don't have to consider the private-for-profit costs associated with private transmission when setting the rates for all British Columbians? He's exempting the consideration points that BCUC has to consider in all sorts of manners, and that was what my specific question was about.

Mr. Chair, that minister is running this clock. We have been asked to vote on record against this. My colleague and I cannot now do that, on behalf of thousands of British Columbians, because of his filibustering. So this vote on section 3 will be over the objections, on division — the nays — of the member for Vancouver-Mount Pleasant and the member for Vancouver-Hastings. Shame on the Minister of Energy.

Section 3 approved on division.

Sections 4 to 6 inclusive approved.

On section 7.

J. MacPhail: So section 7 is about transfer of employees. What aspect of collective agreements are now null and void as a result of legislation?

Hon. R. Neufeld: The reason we were a little slow.... Brian Demers, the director of human resources from B.C. Hydro, joins us now. He explains to me that there were three. Number one is severance. The second is opportunity to bump someone in B.C. Hydro — and the notice. Some technical parts of it.... Although there were discussions with the unions verbally, there would be some technical — I would say written — notice that didn't take place.

[1725]

J. Kwan: I am noting the time. It is about 25 after five. We've been told that the L-G is going to be coming into the precincts at quarter to, so that means we have to wrap up discussion on this bill in about 20 minutes. That really limits the time in terms of debate.

I just want to put on record as well, just in case we don't actually get there.... This happened this morning with the education bill, Bill 51. We only got to section 3, and then the vote was called because we ran out of time. So I want to put on record that the opposition also doesn't support sections 16 and 19. There are a series of questions within that bill, and ideally, under an optimal situation, we would want to call division on those sections, but we may not even have time to get to it. I'm worried about that, so I want to put the opposition's point of view on record at this time.

Getting back to section 7, the government is once again, of course, breaking collective agreements that were freely negotiated between employers and the unions representing the workers. These contracts were negotiated during the current government's mandate. Naming employees and denying them the right to choose to remain with their current employer.... Why does the government need to break binding contracts through legislative action?

Hon. R. Neufeld: I'll attempt to be as quick as I possibly can so the member can get her questions in.

While the employees lose the election of choice on the transfer, they have their employment terms and conditions fully protected so that their transfer to BCTC is totally seamless. They are guaranteed the same terms and conditions of employment. There are no layoffs, no terminations of employment, as a result of the establishment of BCTC and the transfer of the employees of B.C. Hydro to BCTC. They lose nothing. They actually just go to BCTC, and everything that they had in the other contract travels with them.

J. Kwan: Is the minister saying all of the rights with the existing negotiated contract will go with them and there's nothing that will change?

Hon. R. Neufeld: Again I'll put on the record: they arrive at BCTC with exactly the same terms and conditions and pay scales that they left at B.C. Hydro.

J. Kwan: I just want to be clear. The minister said the same pay scale as B.C. Hydro. I'm asking the minister: do they have all of the rights that they had under the previous contract attached to them as they move so that those rights would actually stay with them?

Hon. R. Neufeld: It's exactly the same collective agreement at BCTC as it is at B.C. Hydro.

J. Kwan: Under the Accenture deal — one-third of B.C. Hydro was privatized, which is basically what the government is doing — the collective agreement rights of the employees there were respected, so the minister is now saying the rights of these employees will be totally respected and protected.

The Labour Relations Code, of course, is the legislation that governs collective bargaining in labour relations issues in B.C. for all unionized employees. It has been amended several times in this House by this government. Can the minister then explain to this House why his government feels that there's a need to break his own Labour Relations Code in this legislation in relation to this set of employees?

[1730]

Hon. R. Neufeld: I wonder if the member could clarify further what she's asking, because I don't want to continue to stand up and give the wrong answer to her.

J. Kwan: Under subsections (5) and (6), this legislation would lead one to believe that the government is intending to make an application for consolidation or merger of the bargaining units by the Transmission Corporation. Is this being contemplated right now? Maybe we can start from there.

Hon. R. Neufeld: No. We've been clear that we will recognize them both as successors at BCTC.

J. Kwan: Has the government considered the likelihood, then, of the two unions at B.C. Hydro contesting the validity of this piece of legislation?

Hon. R. Neufeld: Would the member please expand on that question a little bit.

J. Kwan: With respect to the rights that workers have under the Canadian Charter and under the constitution, has the government considered, with the changes being brought forward through this piece of legislation, that there would be a Charter challenge?

Hon. R. Neufeld: That's all speculative.

J. Kwan: This legislation is telling a quasi-judicial, independent tribunal what it can and cannot do. It seems to me that the Attorney General stood up yesterday and introduced a bill touting the independent nature of B.C.'s administrative justice system. Will the minister explain why the government, through legisla-

tion, is pre-empting the due process afforded to unions and their members under the Labour Relations Code that this government has passed?

Hon. R. Neufeld: Nothing here usurps the Labour Board's authority to make decisions on application from anyone who would like to make an application to them.

[1735]

J. Kwan: This government is ordering the Labour Relations Board not to apply section 38 of the Labour Relations Code in regard to the Transmission Corporation. It reads as follows: "...(a) the authority and the transmission corporation must not be treated as constituting one employer of those transfer employees under section 38 of the Labour Relations Code." Why did the government not let the Labour Relations Code decide this?

Hon. R. Neufeld: The Transmission Corporation is independent of B.C. Hydro. They are not a common employer.

J. Kwan: The government has actually taken action to prevent the Labour Relations Board from deciding on their own whether or not section 38 should apply or how they would actually move forward on this issue. The government has actually brought in legislation to preclude the Labour Relations Board from utilizing this section for transferred employees. It does beg the question whether or not that's valid constitutionally. It does beg the question whether or not it would be subject to challenges in the courts. It does raise the question: why would the government use such a heavy hand if there's no intention whatsoever to take away rights for employees?

Eight minutes left for debate on this bill. I'm told by the Clerk that we have to stop by a quarter to in order for us to get all the votes in. I have barely even scratched the surface for this section of the act in terms of questions that we have, and we still have at least two other major sections that we want to canvass with the minister.

On that basis, the opposition will be voting against this section. Then we simply have to move on to section 16, just because we have no more time.

Section 7 approved on division.

Sections 8 to 15 inclusive approved.

On section 16.

J. Kwan: Why has the Lieutenant-Governor-in-Council been given carte blanche to make any regulation "respecting any other matter necessary or advisable to carry out this Act?"

Hon. R. Neufeld: This type of clause is used when there is something brand new being established to en-

sure that the government has the ability to ensure that the act can be carried out.

J. Kwan: It's basically a blank piece of paper that says: "You know what? Just in case we actually haven't done anything or covered the things that we need to cover, here's a blank piece of paper with our name signed on it, and you can just write anything on it without British Columbians knowing what is being written on that blank piece of paper." It's like writing a blank cheque. That's what this section allows.

[1740]

Can the minister then tell this House exactly what this legislation does not allow the Lieutenant-Governor-in-Council to do with the Transmission Corporation?

Hon. R. Neufeld: Really, as I said earlier, what this is — because it's new — is to allow the Lieutenant-Governor-in-Council to make regulations to carry it out. Those regulations will be public. The public will be able to have a look at them. They're not held in secret. Again, I'm going to go back to the fact that B.C. Hydro and B.C. Transmission Corporation are mandated to actually provide the lowest-cost-possible power to British Columbia.

We're going to do the right regulations to carry out the act so that we can actually achieve that goal. If you go back to the energy policy, that's the main goal. We would put nothing in there that would not be able to reach that goal or that would prohibit us from reaching that goal.

J. Kwan: The minister is asking for a couple of blank cheques, but he says: "Don't worry. We won't do anything untoward with that." It's sort of like the gaming issue that we just dealt with earlier. The government actually says, "We won't expand gaming," and then what do they do? They expand the gaming quietly.

I don't want to waste time talking about that now, but the minister is actually saying to people: "Don't worry. Trust me. Everything will be fine." With all due respect, many British Columbians do not trust you. The opposition doesn't trust this minister, and this minister is asking for a blank cheque under this section, section 16.

The opposition does not support this section.

Section 16 approved on division.

Sections 17 and 18 approved.

On section 19.

J. Kwan: The government has indicated that B.C. Hydro and BCTC are required to be governed by the B.C. Utilities Commission. Can the minister explain why this legislation makes a mockery of the BCUC by proscribing its authority completely and effectively forcing it to report to cabinet?

Hon. R. Neufeld: All this section does is give the same special direction to BCTC as given to B.C. Hydro.

That's been there for a long time. If the opposition didn't like that, they had an opportunity for ten years to remove it. It's exactly the same as before.

Maybe to the question earlier....

J. MacPhail: We didn't have BCTC.

Hon. R. Neufeld: Well, the same as what applies to B.C. Hydro now will apply to BCTC also. That has applied to B.C. Hydro for a long time.

Let me go back to some discussion earlier about the blank cheque. Under the Adult Guardianship Act it's similar to what took place in the last section, or the Business Paper Reduction Act, Company Act, Consumer Protection Act, Cooperative Association Act or Corporation Capital Tax Act, Cosmetologists Act, Criminal Injury Compensation Act, Electronic Transitions Act, Greater Vancouver Transportation Authority Act — I remember when that was brought in.

Those conditions are much the same as what was put in those acts.

J. Kwan: You know, we have less than a minute to go, and I'm not even expecting an answer from the minister, because he has not actually provided any information to this House. He's just reading some script that he's been given, sort of like all the other ministers in this cabinet.

I just want to put on record these questions. Why are the minister and the government interfering in the independence of the BCUC to set rates? The government recently stated that ICBC rates should not be set in caucus. Why the double standard for transmission rates?

Hon. R. Neufeld: Again, what this section says is that rates are not set by government in cabinet behind closed doors. They're actually set by the B.C. Utilities Commission.

[1745]

J. MacPhail: Mr. Chair, in closing this debate, by being forced to close this debate, here's what the opposition says: the public will test this government about the changes of their legislation on hydro rates, on the economic viability of using a public corporation and on any changes that arise to any of those aspects as a result of this government.

I predict this: hydro rates will go up substantially, and their use as an economically viable tool of B.C. Hydro for industry in this province will become far less effective. This legislation, as with dozens of others.... I'm sorry; I don't want to exaggerate — a dozen other bills. All will irreparably change the face of the economy in this province. The effects of the economic downturn because of this government's actions are already taking effect. This bill will be but one piece of legislation that will continue the downward decline of the economy in this province. There will be one set of

feet at which that responsibility can lie, and that's with the Premier.

Section 19 approved on division.

Section 20 approved.

Title approved.

Hon. R. Neufeld: I move that the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 5:46 p.m.

The House resumed; Mr. Speaker in the chair.

Reporting of Bills

Bill 39, Transmission Corporation Act, reported complete without amendment.

Third Reading of Bills

Mr. Speaker: Pursuant to the time allocation order on the order paper, the question now is third reading of Bill 39.

Third reading of Bill 39 approved on the following division:

[1750]

YEAS — 54

Falcon	Coell	L. Reid
Halsey-Brandt	Whittred	Cheema
Hansen	J. Reid	Bruce
Santori	van Dongen	Barisoff
Roddick	Masi	Lee
Thorpe	Hagen	Plant
Collins	Clark	Bond
de Jong	Nebbeling	Stephens
Abbott	Neufeld	Chong
Penner	Jarvis	Orr
Harris	Brenzinger	Bell
Long	Trumper	Johnston
R. Stewart	Hayer	Christensen
Krueger	McMahon	Bray
Les	Locke	Wong
Suffredine	MacKay	Cobb
Hamilton	Sahota	Hawes
Kerr	Manhas	Hunter

NAYS — 3

Nettleton	MacPhail	Kwan
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Bill 39, Transmission Corporation Act, read a third time and passed.

Tabling Documents

Hon. R. Thorpe: I have the honour to table the 2003-04 to 2005-06 service plan of the Vancouver Convention Centre Expansion Project Ltd., in accordance with the Budget Transparency and Accountability Act. [1755]

Mr. Speaker: Her Honour the Lieutenant-Governor will be arriving shortly, so I'd ask members to please remain in their seats.

Royal Assent to Bills

Her Honour the Lieutenant-Governor entered the chamber and took her place in the chair. [1800]

Law Clerk:

Community Charter
 Safety Standards Act
 Safety Authority Act
 Forests Statutes Amendment Act, 2003
 Forest (Revitalization) Amendment Act, 2003
 Court Jurisdiction and Proceedings Transfer Act
 Enforcement of Canadian Judgments and Decrees Act
 Health Services Statutes Amendment Act, 2003
 Industry Training Authority Act
 Transmission Corporation Act
 Utilities Commission Amendment Act, 2003
 Forest (Revitalization) Amendment Act (No. 2), 2003
 School Amendment Act, 2003
 Teaching Profession Amendment Act, 2003
 Insurance Corporation Amendment Act, 2003
 Community Services Labour Relations Act
 Transportation Statutes Amendment Act, 2003
 Miscellaneous Statutes Amendment Act (No. 2), 2003
 Cam Glass Inc. (Corporate Restoration) Act, 2003
 M&M Insulation Ltd. (Corporate Restoration) Act, 2003
 Score Resources Ltd. (Corporate Restoration) Act, 2003

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

Clerk of the House:

Supply Act, 2003-2004

In Her Majesty's name, Her Honour the Lieutenant-Governor doth thank Her Majesty's loyal subjects, accept their benevolence and assent to this act.

Hon. I. Campagnolo (Lieutenant-Governor): I would like to thank you all for this last year and wish you all a revitalizing summer period of recess of the House.

On Monday of this week at 10 o'clock in the Legislature, I'd like to invite those of you who are able to come to the unveiling of Her Majesty's portrait which was taken during her visit to us last October and which will commemorate the actual fiftieth anniversary of her coronation. I will look forward to seeing you all then.

Her Honour the Lieutenant-Governor retired from the chamber.

[Mr. Speaker in the chair.]

Hon. G. Collins: I move that the House at its rising do stand adjourned 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 thirty-seventh 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 that time and date. 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 purpose of this order.

Motion approved.

Hon. G. Collins: I move that this House do now adjourn, and I wish everybody a safe and enjoyable summer.

Hon. G. Collins moved adjournment of the House.

Motion approved.

Mr. Speaker: The House is adjourned until the call of the Chair. I wish everyone a very productive summer working in their constituency offices.

The House adjourned at 6:04 p.m.