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4TH SESSION, 37TH PARLIAMENT

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CONTENTS

Tuesday, November 4, 2003
Morning Sitting

Routine Proceedings

	Page
Second Reading of Bills	7765
Columbia Basin Trust Amendment Act, 2003 (Bill 79)	
Hon. R. Neufeld	
J. MacPhail	
B. Suffredine	
B. Bennett	
Hon. R. Neufeld	
Committee of the Whole House	7775
Youth Justice Act (Bill 63)	
J. Kwan	
Hon. G. Hogg	

TUESDAY, NOVEMBER 4, 2003

The House met at 10:03 a.m.

Prayers.

Orders of the Day

Hon. G. Plant: I call second reading of Bill 79.

Second Reading of Bills

COLUMBIA BASIN TRUST AMENDMENT ACT, 2003

Hon. R. Neufeld: I move that the bill now be read a second time.

The purpose of the Columbia Basin Trust Amendment Act, 2003, is to modernize the trust board and to eliminate duplication. The amendments introduced in this act include a number of streamlining changes to delete unnecessary requirements that are duplicated by other statutes and processes. The previous act applies financial information and reporting requirements to the board that mirror requirements already found in the Budget Transparency and Accountability Act and the Financial Information Act. These duplications are unnecessary. With this bill they are removed.

[1005]

The trust board is now enabled to appoint advisory committees as required instead of on an ongoing basis, saving taxpayers unnecessary costs. We are removing the dated requirement for the trust to create a plan for the basin. The Columbia basin management plan was established several years ago to benefit the residents of the basin area.

We are also removing the part of the act dealing with the conflict of interest. The Lieutenant-Governor-in-Council will now appoint directors of the Columbia Basin Trust, and all must sign extensive declarations as to conflict of interest. In addition, the trust board maintains guidelines with respect to ethical conduct and conflict of interest that are supported by similar government guidelines. With these provisions already in place, legislative requirements that duplicate them are redundant and removed from the act.

The amendments also implement decisions of the core services review for Columbia Basin Trust. The act recognizes the need to modernize the Columbia Basin Trust board to efficiently deliver on the legislated mandate of the trust. The changes will also clarify issues of ownership and control as they relate to the new accounting standards to ensure that auditors continue to include government's investment in the trust in government's summary accounts.

A smaller skill-based board will continue to be made up of Columbia basin residents. They will be guided by priorities set by basin area residents through the Columbia basin management plan. Government remains committed to supporting the work of the trust and to providing ongoing funding for local power pro-

jects that benefit the region. Basin residents will continue to receive through the trust one-half of the power project revenues. The trust's legislated mandate is to use income from its investments to further the economic, environmental and social well-being of basin residents.

Passage of this bill meets the needs of the Columbia Basin Trust's residents. I look forward to passing this legislation and demonstrating our government's firm commitment to complete the core services review for Columbia Basin Trust; to ensure the Columbia basin residents continue to receive the benefits of government's ongoing funding for power projects and the trust's reinvestment in power project income; and to fulfil the Ministry of Energy and Mines service plan commitment to reduce red tape and regulation.

We had extensive consultations through this process with the Columbia basin folks and the folks on the board of the Columbia Basin Trust, Mr. Smienk and Don Johnston. It's taken a while. I commend them for working hard with government to make this process as easy as possible for the benefit of those residents of the Columbia basin and the people of British Columbia.

J. MacPhail: Bill 79, the Columbia Basin Trust Amendment Act, 2003, does reverse exactly what the intent of the Columbia Basin Trust was, and that was to give local control over the resources and the wealth generation that came from the Columbia basin. What this government is doing by this legislation is taking the control out of local hands and putting it into Victoria.

I think this is a very appropriate time to review the history of the Columbia Basin Trust, set up by the previous administration. Let me just say that the bill was introduced last Tuesday, October 28. On Monday of that same week the Columbia Basin Trust issued a news release, and the news release headline is "The Basin Fund Investments Net \$2 Million for CBT."

This news release goes on to note that the Columbia Basin Trust — the locals refer to it as the CBT — "earned \$2,714,000 through its basin fund investments during the 12 months ending March 31, 2003." That represents a return on investment of 5.31 percent.

[1010]

Dave Strachan, the Columbia Basin Trust investment manager, commented that the purpose of the Columbia Basin Trust is to enhance the economic self-sufficiency of the basin by strengthening and diversifying the regional economy. He goes on to point out that the partnerships that the Columbia Basin Trust has been involved with, including the St. Eugene's Mission Golf Resort and the Kicking Horse Mountain Resort, have leveraged an additional \$108,309,534 for those investments. So almost \$110 million has been leveraged because of the Columbia Basin Trust.

In short, the Columbia Basin Trust is a regional success story, as are the businesses and services it is supporting. I have a list here of the funding that the Columbia Basin Trust supports — the projects — and this is just the list for the years 2002-03, but the fund

provided over \$4 million to local projects in the Columbia basin region. There are community projects. There are arts, culture and heritage projects. There are basin youth initiatives. There are community environmental projects. There are funding-for-families programs. There are community foundations that are funded. There are early childhood support programs. There are educational option programs. There are family literacy programs, and those are just.... There are literally hundreds of them here. No, I'm sorry; I won't exaggerate. There are dozens and dozens of programs here funded from the revenue generated by the Columbia Basin Trust.

That makes this Columbia Basin Trust a regional success story, as are the businesses and services that the fund is supporting. It's carrying out its mandate as passed by this Legislature in 1995. It's a success story, completely the making of the previous NDP government — a huge success story. Without the Columbia Basin Trust, the Kootenay regions would be far worse off.

Here's the mandate of the Columbia Basin Trust as it was reflected in the preamble of the Columbia Basin Trust Act.

"WHEREAS the desires of the people of the Columbia Basin were not adequately considered in the original negotiations of the Columbia River Treaty;

AND WHEREAS the government desires to include the people of the Columbia Basin in decisions that affect their lives and determine their future;

AND WHEREAS the government intends to work with the people of the Columbia Basin to ensure that benefits derived from the Columbia River Treaty help to create a prosperous economy with a healthy, renewed natural environment;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows...."

So there was the intent of the legislation: to return to the Columbia basin, to the Kootenays, the benefits that didn't flow from the original Columbia River Treaty. On April 20, 1995, the preamble was put to a vote here in this chamber, and it passed with only two dissenting voices, and neither of those voices is in this chamber anymore.

Among those supporting the sentiments of the preamble was the current Premier, although it must be pointed out that the Premier did not come easily to support for the trust. In fact, shortly after the accord was reached that led to the formation of the trust, the leader of the Liberal Party, the current Premier, was reported to have said that the people of the Kootenays were not happy with the deal and that "any partnership with Victoria would mean that Victoria calls the shots." Well, isn't that the ultimate irony?

[1015]

So it is here, with the ultimate irony, that we are today debating a bill that in fact increases the power of Victoria over that of the people of the Kootenays who the current Premier professed such concern for in 1995. Hand-wringing in 1995 and grasping at the only criticism he could manufacture for what was a brilliant

concept and has proven to be a brilliant trust, he worried and hand-wrung that Victoria would have too much control and would be calling the shots. That wasn't true. All of the board was from the region, from the Columbia basin, but now we have this Premier bringing about the truth that he was so hand-wrung about in 1995. It is him and his government that are now putting in place, by legislation, Victoria calling the shots.

When he worried about this, about the dominance of Victoria over the Columbia Basin Trust, he was joined by several members who were then in opposition but who are now part of his cabinet. Again, even though they worried about that small detail that never came to fruition under the previous government, on May 8, 1995, the Liberal caucus rose to support the Columbia Basin Trust.

The minister responsible for bringing in this current legislation was not in the Liberal caucus in 1995, and he did not participate in the two votes that I mentioned. But he did suggest during debate that the trust was a good idea and that, indeed, something similar to the Columbia Basin Trust would be of benefit to his area of the province, an area rich in resources and an area that does not always get its equitable share from those resources. I also note that now the person who made those comments is in a Liberal cabinet, such a trust still has not been set up for the region he represents.

I suspect the 1995 Liberal caucus support for the trust was for the same reason the government of the day, the NDP, brought in the trust. It was, I think, because they recognized the wisdom of the then member for Nelson-Creston when he concluded his speech at second reading of Bill 7 by saying.... That was Corky Evans, and let me quote from Mr. Evans: "This accord or this trust you're about to vote on asks if we believe that a bunch of people out there on the land can decide for themselves what is the best thing to do in decades to come to mitigate the decisions the people in here" — in this Legislature — "made."

That's what the member for Nelson-Creston did for his community then. From the evidence we have seen over the last eight years since the Columbia Basin Trust has been in place and operating, it looks very much like the people of the Kootenays are indeed the best at making those decisions for the benefit of their region and our province.

It was a historical day when the trust was brought into being. For the first time in our history we as legislators recognized that those who live in the regions, where so much of our wealth is generated, are also the ones best able to direct the benefits of that natural wealth to building local communities. For the first time, first nations people were going to be at the table when economic decisions were being made about their futures.

I hear it echoed every single time I go around this province, about the wealth generated in the regions and how Victoria never recognizes that wealth coming from the regions. Well, not only is this government not recognizing the regional generation of wealth, but

they're reversing the very important piece of legislation that entrenched local control over part of that wealth generation. It's interesting to hear the minister of the day stand up today and say the trust model is one that is being heralded, and he's right to do that because it is being heralded today as an effective and efficient model for regional economic development.

[1020]

When local governments and residents in the Thompson-Okanagan saw what that government had in mind for the Coquihalla Highway, it was the trust model they turned to, to say to the government — as they referred to the Coquihalla Highway: "This resource, this transportation corridor, is vital to our economic viability, and you, provincial government, cannot sell it out from under us. If you don't want it, then let us, the residents, have it, and we will run it for our own benefit."

That is exactly what the Columbia Basin Trust does, and I'm sure the community of Thompson-Okanagan would love to have a similar trust. When new resource exploitation is being touted by this government as the next nirvana, it is local residents and first nations that are saying that these resources must be managed as a trust for the benefit of the region in which the resources are found and not just for the profit of big business based in Vancouver or Calgary or Toronto or New York.

I recommend that all members of this House read the most recent annual report of the Columbia Basin Trust. I recommend in particular that they read the first couple of pages, which lay out in succinct terms how the trust came into being and why it came into being. I have it here. It is extremely well written, and I recommend it to every member of the House. It's the Columbia Basin Trust annual report from the years 2002-03. It's the organizational overview, the history of the trust. Let me quote from just part of that.

"During the creation of the Columbia River Treaty, there was a lack of consultation and public involvement of the residents of the Canadian Columbia basin even though they were the ones most impacted: 2,300 people along the Arrow Lakes and the Koochanusa, Duncan and Kinbasket reservoirs were displaced; 60,000 hectares — 500 square kilometres — of high-value, valley-bottom land was flooded; numerous first nations archaeological and burial sites were submerged or buried; areas that were critical to the cultural, economic and environmental well-being of the region were lost.

"The region is dealing with the ongoing impacts from the rise and fall of water levels: recreation on reservoirs is limited because of the large seasonal fluctuations of the water levels, thereby limiting potential economic development through tourism; fish and wildlife species and populations are impacted by the loss of key habitat, and this increases pressures on residual low elevation areas; dust storms around reservoirs impact human health at times of low water; transportation infrastructure in the region is more complex and difficult to maintain; agriculture and forestry activities are limited due to the loss of fertile, low-elevation land."

I just note for those in this chamber who may not have been in British Columbia, as I was not, or are too

young to remember that this treaty occurred in 1964. I go on to read the final paragraph on this first page of the Columbia Basin Trust annual report.

"By the early 1990s, people of the Columbia basin became aware that an opportunity for public involvement might present itself. The sale of the first 30 years of B.C.'s share of the downstream benefits through the Columbia River Treaty was about to expire. Residents of the region felt local people should be given more say in matters concerning environmental, economic, and social health." There's much more in that annual report about the history.

[1025]

The story of the Columbia Basin Trust is the history of this province, and it is the future of this province, but with this piece of legislation, Bill 79, the Columbia Basin Trust Amendment Act, 2003, that future is threatened. The future, with what this bill will set in motion, is going to look a lot like the past, a lot like before the Columbia Basin Trust was set up.

Now, the minister will tell us that nothing will change with this bill, that this bill is simply about living up to accounting principles and being more efficient in the way the trust functions, but what this bill does is change the very nature of the Columbia Basin Trust. At present there are 18 members of the trust's board. Twelve are there representing regional and first nations governments; six are there representing the provincial government. Local people, regional representatives and first nations have, far and away, the majority control of the Columbia Basin Trust — until now, until this legislation. When this bill passes, there will be 12 members on the board: one from each of the regional governments and six representing provincial government, all of them appointed by the provincial government.

Gone will be the local majority; gone will be local control. If, indeed, the local representatives disagree with the provincially appointed representatives, they will not be able to assert majority control, and they will not be able to exercise local authority. Gone. Look at it; just think about it. Out of 18 members on the original board, 12 were from the local areas and first nations, and at no time could Victoria-appointed members ever, ever interfere with local wishes. That's all gone now.

This government says that's just bringing administrative efficiencies. Well, how misleading. They are now doing exactly what the current Premier said was going to be awful under the previous government — that it was going to be Victoria in charge. Well, I guess he had second thoughts. It wasn't the previous government that gave Victoria control; it's his own government that's now doing it. This government will say it's about good governance. I'm sure the members representing the Kootenays will stand up and not once refer to the changes in governance structure, because it will be too embarrassing for them. They'll stand up and say how this is necessary for administrative efficiencies. Well, I'd take the Kootenays' record of economic development over this government's record any day.

The people of the Kootenays and the people of the Columbia basin won't be fooled by their members try-

ing to mislead what the truth is about this bill. They know that the province, under this B.C. Liberal government, is taking over once again the control of their economic future. It's back to the sixties. That's what this legislation is about.

[1030]

The current Premier thought in 1995 that any partnership with Victoria would mean Victoria would call all the shots. That's what he said. He was wrong then, because the Columbia Basin Trust Act ensured that, far and away, the majority control over the trust would be by and for basin residents, whose mandate was not tied to Victoria but stemmed from local residents alone. The Premier is wrong today, as he reverses his position, flip-flops from what he said in 1995 and now severs the link of local accountability that is central to the trust. Now he will replace it with political patronage. What the trust model does — before this legislation — is put control in the hands of those who are closest to the resource.

Let's just look at some of what the trust has invested in over its years: \$991,297 invested in a seniors housing project in Fernie; \$75,000 for seniors housing in Kaslo; \$32,000 for seniors in Nakusp; \$64,000 for senior housing in Valemount; \$1.3 million for seniors housing in Castlegar; \$150,000 for youth projects to help youth address the social issues that they face; a \$40,000 youth scholarship program; \$135,000 to the Akisqnuq Rediscovery Camp, which provides cultural, recreational and training programs by and to first nations; in partnership with the Columbia-Kootenay Cultural Alliance, \$200,000 for artists, arts, culture and heritage projects; \$730,000 for environmental projects; \$300,000 for a community broadband project; and more funding for women's shelters, film and video development, building healthy rural communities and protecting wildlife corridors. These are only a few of the projects funded by the Columbia Basin Trust, just since the time of this Liberal government's election.

What is clear is that the trust is making life better for those in the Columbia basin. We have in the trust and in the Columbia Power Corporation a huge economic engine that's being used to spur on local economic development and provide social infrastructure, and it is this local element that is most at risk with what this bill provides. It moves the locus of power from the Columbia basin now to Victoria. It puts in the hands of the Premier and the cabinet the ability to direct the future and the business of the trust — all this from a government whose most senior members supported the trust in 1995 and from a minister who has made a career out of fighting for a fair share for his region of the province.

Let me be clear. Even this minister's region has not benefited from his government as much as that region benefited from the previous NDP government. His own region suffers under this government in terms of fair share and local autonomy, and now this minister is leading the charge in the flip-flop by the current Premier and allowing Victoria to once again control the

wealth and the regional assets of the Columbia basin. Shame on them.

B. Suffredine: I rise to speak not only in support of the legislation but in support of the Columbia Basin Trust. When we were first elected, everything that government did was subjected to a process called core review. The function of that review was to determine what government should be doing and what it should not be doing — and if not an appropriate function, should we discontinue it?

The review of the Columbia Basin Trust was something that I'm sure all members of the Kootenays and the Kootenay caucus had concerns about, because it is viewed as a valuable asset to the Kootenays. It has done some good things, as the Leader of the Opposition suggested, but her concerns about the reversal of local control are just not supported by the real facts.

[1035]

As she was speaking, it occurred to me that the history of the Columbia Basin Trust is something that perhaps many people should consider. It was created, as she said, as a result of the government's concern that we find a way to return some of what is called the downstream benefits of the Columbia River Treaty to the Kootenays.

"Downstream benefits" is a term that's commonly used. It's an interesting phrase, but most people don't know what downstream benefits mean. It's millions of dollars that were to be paid at the conclusion of a fixed time frame under the treaty and that were to come back to the B.C. government. It was either going to be in cash, or it was going to be in the redelivery of power at a connection at Osoyoos.

The former government decided, once they had the ability to utilize the downstream benefits, that they should return them — they said — to the region. But when the Columbia Basin Trust was created, it was created in conjunction with a major project, which was really another power generation project. It seemed to be overlooked at the time, because it was spun very well by the former government that this was an investment in jobs in the Kootenays. Indeed, the creation of the Keenleyside Dam generation project did create some construction jobs for the time of its construction.

However, it wasn't the long-term generation of jobs that the Columbia Basin Trust was heralded as. It wasn't something that was going to create a new industry in the Kootenays that would carry on for centuries. In fact, it was a very long-term return — perhaps not an unwise investment. I don't criticize it as a poor investment, but I do say that it was really more of the same. We were complaining about the fact that the valleys had been flooded, that people who depended on farming for their livelihoods had no place to farm, and yet the way we spent the downstream benefits was largely in the creation of another dam project that generated more power.

When the Columbia Basin Trust was created, it had 18 directors — a rather large board if one has ever been in a board meeting with more than ten. Those sorts of

meetings often take a very long time. Virtually all of its money was committed to one project.

The Leader of the Opposition commented on the fact that the most recent trust report says they've generated \$2.7 million, and that's a 5 percent rate of return. A little bit of quick multiplication tells you that's only a portion of the trust assets that are invested. I would say between \$30 million and \$40 million is invested, so they're getting a decent rate of return on those assets. She didn't comment on the fact that the total investments by the trust are probably at the \$250 million to \$300 million mark and may be as high as half a billion dollars in terms of leveraged capital and things they're going to pay down. There's no comment on the total net rate of return.

There have been some good investments. The St. Eugene's Mission project is one which I support. I doubt that it is yet producing any good rate of return, but I believe it to be a good choice and one that's going to be great for the Cranbrook area. The Kicking Horse skiing area is also something that I believe will pay off in the longer term but isn't yet producing results.

The Leader of the Opposition seemed to overlook some of the investments made where there have been write-downs. I think there were several million dollars lost in a company called HeatWave Drying Systems, which was an experimental heating system for kiln-drying of lumber that didn't work out. It's perhaps an example of why it's necessary that we do make changes to the board, that we carefully select directors and that the Columbia Basin Trust doesn't make investments that are experimental in nature.

She said the Kootenays would be far worse off without the trust. I tend to agree, although not in the bigger numbers. Four million dollars in local projects is really where the publicity has been generated. The former government used relatively small community investments as a way of generating a political spin on the trust.

[1040]

One of the things the Leader of the Opposition hit on very heavily was that we're going to use this.... She called it that it'd be replaced with political patronage appointments. That's actually one of the things that I support most about the changes. This government has chosen to appoint all directors of the trust and other positions through what's called board resourcing. There is a necessary skills matrix they have to have in order to be on that board and to be able to make decisions.

Now, if I might just point out, she was talking about political patronage being what will replace the former system. I looked up the first board of directors from the first report I could find, and I found that the provincial appointments included such people as Jim Doyle, MLA from Golden; Jo Brown, who was a provincial appointee from Winlaw who happened to work for Corky Evans; and Ed Conroy, MLA from Castlegar. Then later on I found that Anne Edwards, the former MLA for East Kootenay, ended up on the trust board.

I can't imagine there being more political patronage appointments than that. I couldn't figure out where the skills were, the board-resourcing skills. Where did these people get the experience in managing a multi-million-dollar, half-billion-dollar corporation? That's the way it ran for years with almost every provincial appointee. You'd have to look at them and say: "What connection did they have to the existing government?" No wonder the Leader of the Opposition fears there will be political patronage. It appears that's the way her government operated.

She said she would trade the record of performance of the Kootenays over this government's anytime. I think I would agree with her, except that I wouldn't put "this" in there. I say I would trade the record of performance of the Kootenays over her government anytime. There is every reason to believe.... She read out a list of recent choices by the trust, choices that have taken place since the 2001 election while the core review was going on and while the directors of the trust were very, very conscious of the fact that their performance was under scrutiny.

She listed some excellent projects. I pick out, for example, the \$1.3 million invested at Castlegar in a seniors home called Castlewood Village. It's a well-done, great project for seniors in the Kootenays, and I hope we see more of these types of investments that are actually going to benefit the Kootenays. I've heard criticisms, and I've heard those criticisms in particular from people like the mayor of Nakusp.

Nakusp is an example of one of the areas that is absolutely the worst affected by the flooding of the valley. What are the major projects that have gone into the Arrow Lakes region in places like Nakusp to actually generate jobs and make it better in the Arrow Lakes? There aren't many. The only thing I can say is that the Columbia Basin Trust built an office building there. That's an interesting investment, but I don't think it generates large numbers of jobs in the Arrow Lakes region.

I'd like to see a board that focuses not on politics and patronage, like might be alleged, but on which regions have been affected the worst and how we can help fix the problem. The Nakusp region is a great example of.... Well, for example, the Needles bridge wasn't built. The trust took the view that it wasn't there to do jobs that government could have done. I took a little bit different view. I took the view that the trust potentially could have built the Needles bridge and sold it back to government, and that would not have been replacing the function of government.

I'm actively involved currently in trying to arrange discussions between B.C. Hydro, the Columbia Basin Trust, the mayor of Nakusp and the Arrow Lakes Transportation Infrastructure — a society — to try to see if we can get a partnership going that will result in the building of a proper boat launch at Nakusp that has been lacking for many, many years. Those are the kinds of things that actually generate jobs through tourism and through activities in the region. It's very important that the directors of the trust take a view that

is focused on economic and social benefits to the region, not local politics, and that's the one area where I believe the Leader of the Opposition has missed the point.

[1045]

The board, as it's currently constructed, has to some degree developed into a competition for the funds available that's based on parochial or local considerations. Every member of the new trust board will be resident in the Kootenays. The only difference is that they'll have to go through the screening process that makes sure they're qualified, and they will think regionally in making those choices. The Leader of the Opposition for some reason takes the view that just because an appointment is confirmed through the provincial government, one can't think locally anymore. One can't think for his or her own region.

I've seen the list of provincial appointees that have been made to date. They're all good, local people that have been involved in community affairs in places like Cranbrook and Nelson and around the region, and I think we can count on those people to deliver us top-notch leadership. We have to remember that this is going to be a half-billion-dollar corporation that's going to be making decisions on major investments, not just on whether or not we're giving money to a local arts group. Those are relevant things to do and great things to do, but that isn't the bulk of what they will do, and it's important that we have qualified people who make those choices carefully.

The board has been reduced, and certainly there are some concerns expressed about that, but that's for two reasons. It's to create sound management and normal operation of a board, to meet technical accounting requirements, and it has nothing to do with taking away control from the region.

As I've said before, all board members are residents. I know a number of them personally, and I must say that whether they're from my region or from other regions, I've been impressed by the quality of the people who have so far been appointed to the board.

This board for the Kootenays represents a huge asset for the future. It currently manages close to half a billion dollars. Hopefully, in the future it will be managing in the billions of dollars. I look forward to the appointments — even from the regional districts — being screened and to making sure those people have all the skills. Perhaps we can encourage them to think regionally too, to think about the big picture and how we can make the Columbia Basin Trust the best economic and social driver for the Kootenays that it can possibly be.

I certainly say to the minister: thank you, and congratulations for listening carefully to the Kootenay caucus. I know it took a very long time to come to these choices, and they weren't easy, but they're the right choices and the right thing to do.

B. Bennett: I am speaking today in support of Bill 79. Before I start in any detail on the legislation, I want to express my view that this legislation does not, as the Leader of the Opposition suggested earlier, remove

local control of the Columbia Basin Trust from the Columbia basin. As my colleague just stated, all 12 directors on the new board will be from the Columbia basin. I agree with my colleague from Nelson-Creston that the quality of the people who have been appointed so far by the province is extremely high. I'm going to talk a little bit later about the board's skills matrix behind the appointments to the board of the Columbia Basin Trust.

The future of the Columbia Basin Trust is not threatened. There is no one in this House trying to mislead anyone, as the Leader of the Opposition has said. I got a kick out of the Leader of the Opposition saying this is back to the sixties. What it really is, when you listen to the Leader of the Opposition, is the same old, same old.

She takes the facts of what it is that we're trying to do, which is improve something that is a good idea. The Columbia Basin Trust was a good idea when it was done, and I applaud the government that did it, but we're trying to make it work more effectively. So for the Leader of the Opposition to suggest that somehow or other we're trying to undermine the local control of the organization, or we're trying to change fundamentally what that organization does for my region, is just wrong. I guess it's politics at its worst because there are folks up in the Columbia basin area who actually listen to the Leader of the Opposition, and perhaps they'll get concerned about this.

I say to them that they don't need to be concerned. If they take the time to look at what this legislation is about, what they'll find is that it supports the original intention of the Columbia Basin Trust, which is to turn back some of the downstream benefits from all the flooding and all the repercussions of the flooding in the basin to the residents of that area.

[1050]

I think I have the same research assistant as the Leader of the Opposition. I want to go back and do a little bit of a history lesson in terms of how and why Columbia Basin Trust was formed. Canada and the United States, after the Second World War, were faced with a couple of major challenges. One was flooding from the Columbia basin, and another was a growing population and a burgeoning economy in the northwest and a lack of energy sources. That led, of course, to the Columbia River Treaty between Canada and the U.S., and it also led to the province being granted entitlement to the Canadian downstream benefits. That was the province of B.C., not anyone else. At that time, it was \$254 million (U.S.) that constituted the Canadian entitlement.

I should mention that in 1964, when Canada and the U.S. ratified the Columbia River Treaty, the express purposes of that treaty were for flood control and for the production of hydroelectric power. That made a lot of sense to the folks who did that then. What happens over time, of course, is that people start to use these reservoirs for other purposes like tourism and recreation. There are some fairly significant economic development issues around these reservoirs today. Unfortu-

nately, the treaty really doesn't specifically reflect these other values. As I say, it was created to manage the production of power and to control flooding.

The former government, the one that the Leader of the Opposition was a member of for ten years, did have an opportunity in my region to alter the arrangement around the reservoir that exists in the East Kootenay. That's called Kooconusa, which is an acronym for Kootenay, Kootenay River, U.S.A. and Canada. The NDP government of the day back in the mid- to late nineties had an opportunity to enter into a different sort of agreement on the Libby Dam, which is the dam in Montana that creates the Kooconusa reservoir.

They could have, at that time, included some criteria for socioeconomic considerations for the people who live in the East Kootenay. They could have recognized that that reservoir is actually used by people who recreate there. The people from Cranbrook, Invermere, Fernie and up and down the Elk Valley all love to recreate on Kooconusa. It's the only warm-water lake we have access to in the East Kootenay.

At that time the Libby Dam agreement, as I say, could have included some reference to that kind of activity and to a different kind of economic development around tourism and recreation. Unfortunately, despite the fact that many people in the region tried to persuade the former government to include that kind of criteria in the agreement, they were not persuaded. I think the temptation of maximizing the hydro revenues was probably too much, and they succumbed to the temptation and basically did not listen to the concerns of the region.

Now, when the Columbia River Treaty was signed by B.C. in Canada, I do agree with what the Leader of the Opposition said earlier. There's no question the people who lived in the basin weren't listened to. No one can dispute that. It's very easy, I can tell you, to go around the Columbia basin anywhere today and find people who were tossed out of their homes and basically told to move someplace else — given a chunk of land someplace that in most cases was not as nice as where they were living down by the river in the valley bottom.

So 2,300 people were displaced along the Arrow Lakes, Kooconusa, Duncan and Kinbasket reservoirs, and 60,000 hectares of high-value valley bottom land were flooded. Numerous first nations archaeological and burial sites were submerged or buried, which explains the passion that everyone in the Columbia basin has for the Columbia Basin Trust and just for the memory of what the region has given up for the benefit not only of the region, because the region benefits from downstream benefits.... I'm going to talk about a few of these benefits in a few minutes. We benefit in the region from the fact that our big rivers have been dammed up, but so does the rest of the province, and sometimes that comes up in discussion.

[1055]

I support the Columbia Basin Trust for a number of reasons. We are, as I said, burdened by some of the continuing impacts of the rise and fall of water with

dams. You let water out when you need the power, and you keep the water back when you don't. What that means on these reservoirs is that it's very unpredictable. It's very difficult sometimes to run any sort of a tourism or recreation business, and it's even challenging to enjoy the reservoir sometimes.

We've lost a lot of key wildlife habitat with those flooded valleys. We end up sometimes with dust storms in the summer when the water is low, especially in August and September. They're terrible dust storms. You can't see for miles around. It has made transportation infrastructure very challenging in the Columbia basin, having these long reservoirs that you have to get around or get over. All of these things are real, and all of these challenges that were created by the treaty are at least partially addressed by Columbia Basin Trust having the resources they have to invest in our communities.

When the Columbia Basin Trust was created, it was created.... I'm going to read from their website: "Residents of the region resolved that the local people should be given more say in matters concerning environmental, economic and social health. The Columbia Basin Trust was created in that spirit." The changes that we're making with this legislation are completely consistent with that spirit. Nothing has changed with regard to why the Columbia Basin Trust was formed in the first place.

Just a little bit about the sort of activities in our region that the Columbia Basin Trust participates in. We are extremely fortunate in the basin to have the Columbia Basin Trust. I can tell you myself, and I know from working with my three Kootenay colleagues over the past couple of years on issues in the Kootenays.... The Premier appointed the four of us to be a Kootenay caucus, which is the first time that's ever happened, I think, in the history of provincial government here in B.C. We have this caucus that meets with local leaders three or four times a year. I chaired it. I had the privilege of chairing it for the first couple of years, and my colleague from Columbia River-Revelstoke chairs it now. That's an opportunity for us to actually go around and listen to people in the region. It's been a terrific experience for us not only to listen to our own constituents but to travel around the whole region, the whole Columbia basin, and hear what's on other people's minds in other parts of the region. I think the Kootenay caucus is a wonderful idea. I'm glad that the Premier came up with it. It's been a pleasure to participate in that.

Columbia Basin Trust is involved in a number of different activities in our communities. Arts, culture, heritage — that will continue. Children and families — that will continue. I know the family literacy is something that I've been involved in, in Cranbrook over the last couple of years and support completely. There's no reason why that can't continue.

[J. Weisbeck in the chair.]

Economic development. I want to mention telecommunications specifically. The Columbia Basin

Trust, through the Columbia Mountain Open Network, has been involved in trying to bring high-speed broadband Internet into our smaller communities. Their focus actually is on the truly smaller communities — not the communities like Cranbrook or Trail that may already have it, but places that are smaller — the idea being that if we have high-speed broadband Internet in these small communities, folks can move there and enjoy the lifestyle that we have. We're a little biased. We think living in the Kootenays is probably the best place in the world to live. We think that folks can move there from all over the world and be plugged in and run their little business right from where they live. I applaud the Columbia Basin Trust in terms of its economic development around telecommunications and look forward to working with them in the future.

Education and training is something else that the trust has been involved in. There's no reason at all why that can't continue.

[1100]

Environment. They've done a number of really important things in the Columbia basin. One of my hobby-horses, I guess, is ecosystem restoration in the Rocky Mountain Trench. It now relates to our discussion about managing interface fire risks. The Columbia Basin Trust wildlife division has spent a lot of money on ecosystem restoration in the Rocky Mountain Trench. I applaud them for that. There's no reason why that can't continue under this new legislation.

Youth. Columbia Basin Trust does a lot of work with youth, and again with two sons raised in Cranbrook, I support what the trust has done around the youth forum. That's a two-to-three-day gathering of basin youth that focuses on skill building, youth issues and opportunities in youth networking. A division of this forum is a society in which all youth have the opportunity to develop their potential and to assume leadership in their community. There's no reason in the world why that initiative can't continue under this new legislation.

The Leader of the Opposition mentioned a project that was just announced, actually, by CBT on Tuesday, October 21. It's a seniors village in Fernie called Rocky Mountain Village. The Columbia Basin Trust has decided to invest \$991,297 in this seniors housing project in Fernie. Of course I support that. I'm glad they decided to do that. I can say there is no way this legislation would ever prevent that same decision being made. I don't know what the Leader of the Opposition is getting at with her comments around this.

I will say that particular seniors housing development is interesting, because it contains a component of assisted living. That particular seniors housing development actually will consist of about 50 units for long-term residential care patients. That is the institutional side. That's where seniors are going to get that 24-hour registered nursing care they need, where their health needs are such that they require that high level of care. I'm not going to get my numbers right, but it must be 26 assisted-living units, ten of which will be subsidized — the meals and the accommodation — by government.

It's interesting that the Leader of the Opposition would raise this particular project, because under the NDP there really was no such thing as assisted living. This project is going to be a prime example of what this government is trying to do for seniors in British Columbia. I'm glad we have the money coming forward from Columbia Basin Trust to invest in this project. I hope that the Leader of the Opposition will begin to recognize this, because it's important that everyone in the province understands what the long-term vision is.

The long-term vision for seniors is to make sure we have the care in the place they need it and they want it. Most seniors don't want to be in an institution, especially if they don't have to be. If their care needs are not such that they require 24-hour registered nursing care, then they should be someplace where they'd rather be, which is assisted living or possibly at home with some strong home support.

I'm actually glad the Leader of the Opposition has given me this opportunity to talk about this particular development in Fernie. It wouldn't be happening without this government. I'm glad the CBT has loaned the money to the project, and I'm excited about seeing it completed.

With respect to the actual legislation, I did want to talk about the change to how the board for the Columbia Basin Trust is created. That seems to be what most people will be interested in. That is probably the major change to the legislation. There are a lot of streamlining and housekeeping changes that were made to this legislation to make it easier to understand, to make it shorter. I don't know who could be against that.

[1105]

In terms of changing the way the board itself is appointed and, perhaps more importantly, the size of the board, we are taking the board from 18 to 12. I know, again, the Leader of the Opposition said we're removing the trust from local control. I'm looking directly at the act, section 5, and the Lieutenant-Governor-in-Council will appoint 12 qualified individuals, one of whom will be from the regional district of Central Kootenay. Well, that's in the basin. One will be from the Fraser-Fort George regional district. That's in the basin. One will be from the Columbia-Shuswap regional district. That's also in the basin. One will be from the Kootenay-Boundary regional district. That's in the basin. And one will be from the East Kootenay regional district. That's where I live; that's definitely in the Columbia basin. One will be appointed from nominees provided by the tribal council, and I'm sure they'll appoint somebody from the Columbia basin.

The other six directors that will be appointed — in fact, have been appointed by the province — are also from the Columbia basin. They're not from the east side of Vancouver or anywhere else in the province or around the world. They're from the Columbia basin. Now, I'm not familiar with the three folks who were appointed from the West Kootenay, but I am quite familiar with the three folks who were appointed to the board of the Columbia Basin Trust from the East Kootenay. I'm thinking of Evelyn Cutts from Fernie.

She was the mayor of Fernie for a term and a councillor for a couple of terms. She and her husband operate a marina and a campground on Kooacanusa — born and raised in the Fernie area, in the Elk Valley, both Evelyn and Bob Cutts. You couldn't find a person who is more local and more tuned into the values of the Columbia basin than Evelyn Cutts. I am proud to see her there, and I know she'll do a great job.

Another appointment from the East Kootenay is Mike Rouse. Mike Rouse has lived in the East Kootenay for well over 20 years. He retired as vice-president of Tembec Industries. He was with Crestbrook Forest Industries before that as an executive, worked his way up in the company, knows everyone in the region and is an extremely bright guy with a lot of good, solid fiscal and corporate experience. He's going to do a great job on the board.

The third member that I'm familiar with who was appointed from the East Kootenay is Ron Miles, a local lawyer from Cranbrook. Ron and his wife have five children that they are raising in the city of Cranbrook. They love to camp. They travel all over the Columbia basin region in the summer, camping. Ron is a big fan of the Kootenay ICE and has been in Cranbrook for decades. I just can't imagine that anyone would think that he's not going to be "local."

It truly is surprising sometimes, the lengths to which the Leader of the Opposition will go to create these negative kinds of impressions, but that, I guess, is why she makes the big bucks.

The term of office for directors is something else that I think probably will come up, so I'm going to speak to it — the term of office and the fact that there are 12 board members there now and once the act is brought into law, there will be six. I know and I can say that government will be consulting very carefully with the Columbia Basin Trust in terms of those 12 directors that are there. I'm sure that providing everyone is open and reasonable — the six members, the six directors that the board wants to keep — there's a very good chance they would be the six directors that would stay. I don't know why they wouldn't be.

In terms of the length of term the directors are appointed for, there may be questions around why the Lieutenant-Governor-in-Council has the flexibility around those appointments that it does in this legislation. Very simply, it's important on a board like this, which is managing the kinds of assets that this board manages — there's about \$800 million worth of power assets involved with this organization — that they are staggered and that they all don't come up for renewal at the same time. I mean, with a board of 12 people you would want to have two or three coming up for renewal at one point and then, perhaps six months later, a few others. That's the reason why the Lieutenant-Governor has maintained that kind of flexibility around the appointments.

[1110]

I did want to just touch on the board's skills matrix. One of the very positive changes around this legislation goes to the direction that government is trying to

give all agencies, all boards, all commissions, all committees: let's get the very best people possible on these boards.

The board skills matrix for the Columbia Basin Trust that this government has created after consultation with the Columbia Basin Trust and with Columbia Power Corporation, which is the arm of the Columbia Basin Trust that builds and operates the power projects — and, might I say, very successfully; they've done a good job — was established on March 15, 2002. Essentially, people who are appointed to the Columbia Basin Trust board must have the necessary skills to effectively manage the trust.

The three fundamentals of the trust's success include invest wisely, spend wisely and engage basin residents. I don't know what anyone could find to be critical of there. Each director is expected to have an advanced understanding and a working connection with a significant number of people in the basin. There's supposed to be a multicultural component on the board and the ability to work effectively with people of all races, religions and persuasions; the ability to work effectively in a group; superior communications ability; understanding and experience with board structures and processes. They should be respected in their fields and have the ability to represent the wider perspective of the basin rather than the perspective of the appointing body.

I think in terms of any suggestion that, because the province will continue to appoint six people.... To say that somehow or other — with the board being smaller, being 12 instead of 18 — those six people are going to be controlled like puppets by the province is an insult to the people who are appointed by the province. Certainly, under the board skills matrix it says very clearly that they have to represent the wider perspective of the basin rather than the perspective of the appointing body.

I can tell you that the three people who were appointed from East Kootenay will be making decisions that they think are in the best interests of the Columbia Basin residents. They are not the kind of people who, even if you wanted to, you could pull their strings. They're just not those kinds of people, and we don't want those kinds of people on this board or any other board.

There are a lot of other criteria set out on the board skills matrix that the province has come up with, and this has really professionalized our boards and our commissions over the past year, year and a half, and will continue to do so as there is turnover.

I think I'll wind it up. I am extremely supportive of the legislation. I know it took a lot of work from the Minister of Energy and Mines to get to this place, and I support the effort that he and his staff have made with this legislation. I do want to thank the Minister of Energy and Mines for all the time he took to consult with the Kootenay caucus and all the time he took to listen to the people from the region. I know he had many meetings with the people from the trust itself. Thank you for the opportunity.

Deputy Speaker: Closing second reading debate on Bill 79, the Minister of Energy and Mines.

Hon. R. Neufeld: It's my pleasure to close debate on Bill 79, Columbia Basin Trust Amendment Act, 2003. I want to thank the two members from the Kootenays — for Nelson-Creston and for East Kootenay — for bringing forward their knowledge of the Columbia Basin Trust, what benefit it has been to the region and what benefit they see the Columbia Basin Trust continuing to be to the region.

Although we listened to the Leader of the Opposition talk about how terrible every bill is, she never seems to want to actually acknowledge something that is good and that moves us towards having better understanding of what happens in the Columbia Basin and being able to act on it.

This act deals with about 11 sections. It's a short act. As I said, we've had extensive consultation with people in the Columbia basin through Mr. Smienk and Mr. Johnston, and the MLAs that come from the Kootenays have also had extensive conversations with many people in the Kootenays. Yet when you listen to the Leader of the Opposition, you'd think we were doing something absolutely terrible, when in real terms we're not.

[1115]

We're actually modernizing something. We don't change the preamble; we don't change the direction of the Columbia Basin Trust; we don't change anything that the Columbia Basin Trust residents have with the Columbia Basin Trust — nothing. We actually leave it there for their benefit, exactly as it has been before.

What we've done is changed the number of board members. We've reduced it from 18 down to 12. Can you imagine how unwieldy that is — 18 members? In fact, the trust agrees. Interesting. You have the Leader of the Opposition talking about how terrible that is, but the trust agrees that it wanted a smaller board. They wanted a smaller board that was skills based. That was brought up by the member for Nelson-Creston when he talked about the original board, which was appointed by the NDP — by that member who spoke against us.

We appointed six people from recommendations by people from the Kootenays — six people that were knowledgeable about the Columbia Basin Trust, six people that bring actual good, independent viewpoints to that board — unlike the NDP, who appointed MLAs to that board. Talk about interference in what takes place in the Kootenays — that is the ultimate.

What we've done is said, also, to the Kootenay area: recommend to the cabinet, to the Lieutenant-Governor-in-Council, the other six members. We'll mesh them together with the six that are appointed by government so that you have a good skills base, you have good knowledge there, and you have 12 members that can actually run the Columbia Basin Trust. That is something that the Columbia Basin Trust brought forward to us, but for some reason the Leader of the Opposition wants to bring it in as if it's some form of control.

The whole act deals mostly with appointment of directors, removal of directors, those kinds of things — responding to the wishes of the people in the Columbia basin. It does a number of other things. It removes the obligation to appoint advisory committees. There's no need to appoint advisory committees. We believe the people on the board are smart enough to know that if they need an advisory committee on something, they'll actually appoint a group of people who will give them advice. Talk about giving the authority to the people in the region rather than prescribing it.

Every argument that the Leader of the Opposition made is wrong — absolutely, unequivocally wrong. She makes the arguments and leaves. That is so unfair to those people in the Kootenays, because all we're doing is responding to them and, in fact, giving them more authority. That member knows full well that when she was in government, there were other regions in the Kootenays that approached that government of the day to include them in the boundaries of the Columbia Basin Trust — the same as I was.

That used to be just totally up to government. That was arranged by the past NDP government. What we've said is: it is no longer just the government that makes that decision. We would make that decision only with the approval of the Columbia Basin Trust board. We are returning more power to the Columbia Basin Trust board than what they had before. This is good news, absolute good news for those folks in the Columbia Basin as we move forward in today's world of general accounting principles, in trying to meet new demands and still keep that authority within that basin so that can benefit all those folks in the basin. All the things that the member for East Kootenay and the member for Nelson-Creston read out about the good things that the Columbia Basin Trust has done in that region will continue. It will continue with the new board. It will continue with this bill. No different. But you know what? All those decisions will be made by those folks in the Columbia basin, unlike what the Leader of the Opposition said.

[1120]

I want to close the debate on this, saying that the Leader of the Opposition is blowing in the wind on this one — big time. What she should have done is read the act, listened when we did a briefing for her caucus to what the Columbia Basin Trust Amendment Act, 2003, Bill 79, does, and actually been supportive of it. If she's really unsupportive, if she doesn't like the Columbia Basin Trust, if she's not happy with it, then she should stand in this House and vote against it.

I move second reading.

[1125]

Second reading of Bill 79 approved on the following division:

YEAS — 60

Falcon	Coell	Hogg
L. Reid	Halsey-Brandt	Hawkins

Hansen	J. Reid	Bruce
Santori	van Dongen	Barisoff
Roddick	Wilson	Masi
Thorpe	Hagen	Murray
Plant	Clark	de Jong
Nebbeling	Stephens	Neufeld
Coleman	Jarvis	Anderson
Orr	Harris	Nuraney
Brenzinger	Belsey	Bell
Long	Chutter	Mayencourt
Trumper	Johnston	Bennett
R. Stewart	Hayer	Christensen
Krueger	McMahon	Bray
Les	Locke	Nijjar
Bloy	Suffredine	Cobb
K. Stewart	Lekstrom	Brice
Sultan	Hamilton	Sahota
Hawes	Kerr	Hunter

NAYS—1

Kwan

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

Bill 79, Columbia Basin Trust Amendment Act, 2003, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

[1130]

Hon. G. Plant: I call committee stage debate of Bill 63.

Committee of the Whole House

YOUTH JUSTICE ACT

The House in Committee of the Whole (Section B) on Bill 63; J. Weisbeck in the chair.

The committee met at 11:32 a.m.

On section 1.

J. Kwan: First, before we get started, I'd like to thank the Attorney General's office for arranging a briefing for the opposition on this bill, and I also thank the public servants from the Attorney General's office, the Solicitor General's office and the Ministry of Children and Family Development who provided the briefing.

The timing of the bill, the Youth Justice Act, is of course very interesting. The government is getting a lot of heat about the increase in property crime under its

watch. However, youth crime is actually declining, and youth crime, by the way, has been declining for the last ten years.

Under the former NDP government, B.C. became a leader in the country in dealing effectively with youth crime. It is widely recognized that B.C. along with Quebec under the previous government are the two provinces that are leading the pack in Canada in this area. The current B.C. government has used that success behind the scenes and the resulting youth crime decline, I think, to justify cutting successful youth justice programs by some \$500,000 per year.

Here in the House we've seen backbencher after backbencher stand up and use this bill to fearmonger about youth crime. Outside the House the Solicitor General has used this bill in perhaps the most cynical political way possible, hammering a right-wing law-and-order message — and I quote Mike Smyth here — "to play to the public's anxiety about rising crime rates."

The public, of course, does get anxious about crime. That's perfectly understandable, particularly because of serious incidents that occurred in the last week involving youths, knives and serious injuries. Bill 63 would have had, unfortunately, no impact at all on any of those cases. The one action by this government that probably had the most effect is the loss of school liaison officers and the lack of enforcement for the existing bills.

These are troubling incidents which I think concern all of us, and of course they receive high media profile. What doesn't get a lot of press and what you don't see this government even mentioning in its news release is the fact that youth crime had been on the decline for the last ten years. That raises a question. In light of the fact that youth crime had in fact been decreasing for the past ten years, I'd like to ask the Attorney General just what the real impetus is behind this bill. Let me just ask that question: what is the real impetus behind this bill?

[1135]

Hon. G. Hogg: I'd like to first introduce Alan Markwart, the assistant deputy minister in our ministry who has responsibility for youth justice and mental health, and thank him for being a part of these proceedings.

The member made reference to youth crime declining over the past ten years. In fact, youth crime has been declining for longer than that, and it is part of the encouraging part of the development of youth justice in this province and indeed across Canada.

The specific question with respect to why this legislation at this time has at least three parts to it. First is the federal legislation which was introduced on April 1 of this year, and we have to provide provincial enabling legislation to allow that to work. Second, the amendments to the Correction Act and the movement which the last government made in moving youth justice into the Ministry of Children and Family Development, therefore creating a separate provincial juris-

diction for adult and youth.... This allows the amendments to consolidate that organizational move and ensures that it is facilitated through the legislation.

Third, it provides some sanctions and appropriate penalties for serious provincial statutes which were not in existence prior to the proposed legislation before us today.

J. Kwan: Well, it's interesting, because the opposition had canvassed the issue of what other provinces are doing in response to the federal bill.

It's interesting, because the opposition did canvass the issue with the other provinces in terms of what they're doing with the new federal bill, and there appears to be no similar zeal elsewhere in the country to toughen up penalties for youth. In fact, no other provinces appear to have a bill regarding youth crime even on the agenda — not even this government's role model, the right-wing reactionary policy of Ralph Klein's government in Alberta. Perhaps it's because youth crime, as I mentioned before, is actually on the decline and is in fact on the decline everywhere in this country. Perhaps other provinces are focusing their energies on responding to problems that are growing.

You'd think that this government — faced with problems such as the highest unemployment rate in a decade; a looming deadline of April 1, 2004, when income assistance recipients will be kicked off of welfare on some arbitrary date that's been set by this government; the crisis in the resource sector in terms of softwood lumber; the pine beetle epidemic, etc., — would actually focus on those issues. Particularly with the Minister of Children and Family Development, with his restructuring in the state that it is, that energies would be put in those sort of pressing areas instead of this bill....

[1140]

It's hard not to think that this government is trying, as Mike Smyth says, to pander to public anxiety to score some cheap political points. It has been suggested by experts in the field of youth justice that the government already has all the laws it needs on the books to address youth crime and doesn't need this bill — that to effectively deal with youth crime, we need to enforce existing laws and provide sufficient levels of intensive support, something this government is not doing.

In fact, the government has been cutting the kinds of early intervention programs that are effective in preventing youth crime: school-based social equity programs, youth and family workers and anti-bullying programs. They scrapped universal child care and cut child care subsidies, and now, of course, they're reducing social assistance to young families by as much as \$200 per month.

In the AG's own ministry, they've slashed the Crown prosecutors budget. They've cut victim services, and the ministry that funds enforcement, Public Safety and Solicitor General, has its budget cut every year. This year it will be chopped a further \$35 million, cutting 180 people. Policing and community safety is bearing the brunt of these cuts, losing some \$19 million.

Just this last week, as I mentioned, there was a knifing incident that occurred in a high school in East Van, and of course we're all very concerned about that situation. Furthermore, we're concerned with the schools losing their police liaison officers.

The school principal had warned that the loss of the police liaison officer would put pressure on police ability to enforce even the existing laws, and with fewer officers patrolling the schools, the principal questioned how effectively the government's new laws could be enforced. The question is: if police are already under pressure and existing laws are not being enforced, why is the government now bringing in a bill and putting more pressure on the overtaxed police system?

[1145]

Hon. G. Hogg: I followed closely and think I heard at least three questions within that, and the first was: why were we proceeding when the information that the member has is that other provinces which she canvassed are not proceeding? That is contrary to the information which we have.

In fact, Nova Scotia has passed and made provisional changes. Saskatchewan, Nunavut and P.E.I. have amended their legislation. Several of the other provinces are in the process of making these changes as well. They are not including in those stronger sanctions or stronger measures, as British Columbia is, because they already have those within their current statutes. So in fact, there will be some similarities with respect to that.

With respect to the issues of early prevention, certainly this government has put more and greater emphasis on early childhood development, has put more expenditure and more funding into that and is coordinating that — as well as the issues of family development and the support for families in that area.

The third question I heard was the issue of police and saying why, at this time, would we be putting greater pressure on police. In fact, this does not create any new offences, so there is no new pressure on police officers across this province. The only option or the only sanction that is being provided is sentencing for offences which are already being prosecuted.

This gives a little more teeth to the legislation in order to be able to respond to some offences, but it does not create any more pressure on the police. They are all offences which are currently on the books. It is only providing a stronger sanction with respect to those that are prosecuted.

J. Kwan: It's interesting, because the minister says they are putting more resources into programs for youth at risk, but just recently.... We know, actually, the government is cutting programs drastically. This minister's ministry is cutting some \$500,000 per year in terms of program cuts in the ministry. Most recently, on November 1 in the *Vancouver Sun*, the community, the people who are on the ground who are experiencing the blowback of the loss of these programs, are commenting on the issues that youth at risk are faced with.

Here's a quote from November 1, an article by Amy O'Brien in the *Vancouver Sun*. It is actually quite a lengthy article, so I won't actually quote the whole thing but rather just a couple of points from it. It states in the article:

"... with the passing weeks and months, the police and youth workers continue to lose the resources that help them save lives while the number of at-risk kids continues to grow."

Then it goes on to say:

"It is a vicious reality with few solutions, and there is waning hope of a long-term fix before more of these kids die."

The article goes on to read:

"'The death and dying is real,' said Sandy Cooke, executive director of Covenant House, an agency that provides food, counselling and emergency shelter for youth. 'I know over 100 kids who have died.'

"Compared with last year, there are about twice as many youth in downtown Vancouver who are at such a high risk of hurting themselves or being killed that the youth workers and officers who meet weekly spend hours developing 'safety plans' for them."

The article goes on to talk about the risks that children and youth are faced with and the frustrations that people are experiencing — the number of youth that has doubled in comparison to the previous year. Then it goes on to talk about the lack of resources available to provide the assistance. That's just one article. There are other articles as well.

[1150]

Yet another one on November 1, also by Amy O'Brien, talks about the loss of programs in the Ministry of Children and Family Development. While the youth workers say they like the direction which the ministry is going, and that is to try and prevent the youth or provide for a system where children in care or youth in care have a better alternative than they are.... But the reality is that they say, in theory:

"I like the way the ministry is going. I think it's important that we look after each other, and I love to live in that kind of community. But we have to teach people the value of that first. We can't just mandate it, because the people that end up getting lost are the kids."

Then it goes on to read:

"There's an unwritten expectation out there that social workers do not take any young person over the age of 16 into care, and it doesn't matter how motivated the young person is.... The reality is that services to kids between the ages of 16 and 19 have been decimated.

"Judy McGuire, acting executive director of the Downtown Eastside Youth Activities Society, said teens are falling through the cracks of the system at younger and younger ages.

"It used to be, when they turned 19, you would see these kids die. They would just fall apart because their support would vanish,' she said. 'We're now seeing this same phenomenon with kids who are 14, 15 and 16. There is just nothing there.'"

The earlier quotes that I put on the record, Mr. Chair, are from Michelle Fortin, the executive director of Watari.

Again, just picking from the articles, the people on the ground out there are saying that the support ser-

vices are in fact not there, contrary to what this minister espouses. That's one point.

The other point I want to raise with the minister is this. The minister says the bill is necessary to fall in line with the federal Youth Criminal Justice Act, to address those changes. He says other provinces are bringing in legislation, although when we canvassed them.... I think the question was asked during the briefing with staff, and I don't believe staff had actually advised us that that was being done. I'll take the minister's word for it to say that it is, in fact, being done in other provinces as well.

What I'm interested in is whether there are other options available to the province in terms of addressing the federal changes, especially the notion of needing to provide for provincial flexibility and the flexibility to bring in tougher penalties, including custody. What other options are available to do that?

Hon. G. Hogg: I'm sorry; I don't think I grasped the essence of the question. Could I have that repeated, please?

J. Kwan: The question to the minister is: what other options are available to the province to bring in tougher penalties, including custody issues, for the province to consider? For example, we understand from people in the youth justice field that intensive support programs constitute one of the key interventions with youth. Was this an area in which the province could have expanded under the Youth Criminal Justice Act's new provincial flexibility provision?

[1155]

Hon. G. Hogg: The member made reference to \$500,000 reductions. In fact, there has been a 25 percent reduction in community service contracts and in aboriginal contracted alternative measures programs, and that is because there's been a 30 percent reduction in the community caseload. There have not been reductions consistent with that, so the funding levels are now consistent with the workload demands that are in that.

The member made reference to the youth services budget. It remains constant. It is the same this fiscal year as it was in the past fiscal year. Some reference was made to the Vancouver area, and Vancouver has changed its focus to a more family-based approach service model from a group home model and has increased the number of youth agreements within that model.

She made reference to some deaths and certainly referenced Sandy Cooke. I've known Sandy since he came to British Columbia from Quebec, and Sandy has been here well over 20 years. I'm sure the deaths he is referring to over that period of time and in fact the deaths of children in care are dropping. So the number of children in care, if that's the specific reference the member is referring to — the rate of that is reduced.

The specific question around intensive supervision. This government and this ministry are moving toward

a comprehensive range of services, and in fact British Columbia is the leader in community-based alternatives. We have the lowest rate of incarceration in Canada, and we have the lowest rate because we have a large range of community-based alternatives that provide for that type of assistance and support. B.C. is the leader in intensive support and supervision programs, and those have been expanded under this government.

J. Kwan: Just a quick response — and I'll note the time as well. It's interesting, and we'll continue this debate, I'm sure, after the lunch hour.

The minister mentions the reduction in caseloads and the reduction of children in care. One has to beg the question, though. How many of those cases are being reduced as a result of the children between the ages of 16 and 19 who are not being referred at all to be in care? I quoted earlier the article from the people on the ground who are saying that the reality is that the services to kids between the ages of 16 and 19 have been decimated.

"There's an unwritten expectation out there on social workers to not take any young person over the age of 16 into care, and it doesn't matter how motivated the

young person is." This is a direct quote from the article dated November 1 by Amy O'Brian in the *Vancouver Sun*. This quote is actually from Michelle Fortin, the executive director of Watari.

So these are some of the issues, and we'll continue this debate, Mr. Chair, after the lunch hour. Noting the time, Mr. Chair, I move the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 12 noon.

The House resumed; Mr. Speaker in the chair.

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

Hon. G. Plant moved adjournment of the House.

Motion approved.

Mr. Speaker: The House is adjourned until 2 p.m. today.

The House adjourned at 12:01 p.m.

ERRATA

Monday, November 3, 2003 (vol. 17, no. 16), page 7720. A remark made by the Hon. J. Reid was attributed to Ms. MacPhail. The on-line versions of this transcript have been corrected. Text should read:

Hon. J. Reid: If this member understood business, if this member understood how to read a balance sheet, if this member understood....