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OFFICIAL REPORT OF  
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THE HONOURABLE BILL BARISOFF, SPEAKER

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

**FIFTH SESSION, 38TH PARLIAMENT**

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Honourable Bill Barisoff

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Afternoon Sitting

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MONDAY, MARCH 9, 2009

The House met at 1:37 p.m.

[Mr. Speaker in the chair.]

### Introductions by Members

**Mr. Speaker:** Hon. Members, before we get started, I understand that there are in excess of a hundred firefighters here with us today. I would like to, on behalf of all the House, welcome all the firefighters, because I know that all of us appreciate the exceptional job you do for the people of British Columbia. Would the House please make all the firefighters welcome.

**Hon. I. Black:** I understand that a member opposite and myself have the opportunity to make one or two remarks on our firefighters today. Specifically, I wanted to simply introduce members of the B.C. Professional Fire Fighters Association executive. Michael Hurley is their president; Larry Thomas is the secretary-treasurer; Richard Melnyk, vice-president for the Kootenays; Jay Brownlee, vice-president for Lower Mainland; Reid Wharton, vice president for the Island region; John Iverson, vice-president for the northern region; and Larry Hollier, vice-president for the Okanagan region.

Would the members please join me in making the executive members feel most welcome.

**M. Farnworth:** Hon. Speaker, on behalf of the opposition, I also want to join with the government side and yourself and welcome the executive of the firefighters as well as all the members who are here. This is an event that I think all of us look forward to each year, an opportunity to meet and discuss issues of concern to firefighters and recognize the terrific job they do in protecting our communities throughout the province. With that, we all welcome you here today.

**R. Thorpe:** Joining us in the House today are the mayor of Princeton, Randy McLean, and the chief administrative officer, Patrick Robins. I was pleased to assist them in organizing some meetings with ministers and ministers' offices. Would the House please make them feel very welcome.

### Statements

#### TERRACE AND HOCKEYVILLE COMPETITION

**R. Austin:** I am delighted to report back to the House that an extraordinary event took place in my home community of Terrace this weekend where, live on CBC television at eight o'clock on Saturday evening, we were crowned Hockeyville 2009. We garnered 1.9 million votes, and that doesn't come easily.

It was done as a result of many people joining a committee and working very hard and giving up a lot of their own time to galvanize the community and galvanize all of northwest B.C. and indeed many people in British Columbia who voted. So I would like to, with your indulgence, Mr. Speaker, take just a minute to recognize and put on the public record those community citizens who worked hard on this event.

[1340]

They are the following: Bob Park, Coun. Bruce Martindale, Steve Pereira, Bruno Belanger, Tom Harwood, Luke Holden, Orlanda Price, Colin Smith, Andrew Deans, Coun. Brian Downie, Steve Smith, Stacey Mann, Tammy Braid, Dustin Quesada, Chris Moldenhower, Dave Birchhead, Garen Thorhold, Debbie Letowsky, Chris Cain, Sarah Zimmerman, Kevin Kennedy, Roger Harris, Van New, Ojuna Miagowa and, last but not least, Karen Fielding, who was the spokesperson. If any of you watched it live on television, her emotional reaction.... She just broke down with joy. That's the same for everybody in Terrace.

Now it just remains for us to wait for next September, when we will host an NHL game and the puck will drop in Terrace, British Columbia.

### Introductions by Members

**Hon. J. McIntyre:** Today in the members' gallery we have a very special visitor from India. Mr. Ashok Das, the consul general for India, is making his first official visit to Victoria.

I had the pleasure of first meeting him last December and then again most recently in January during the India's Republic Day reception. I would like to thank him and his wife, Dr. Erica Das, for their generous hospitality during the event and, of course, their beautiful daughter Ashik for the lovely flowers.

I understand that several of my colleagues have met or will be meeting the consul general during this trip for what I'm sure will be very productive meetings. Would the House please make him feel very welcome.

**H. Lali:** I would like to join my colleague from Penticton who introduced one of the mayors from my riding, Randy McLean, and the administrator.

Also, I would like to join the minister who just introduced Ashok Das, who is the Indian consul general based out of Vancouver. We had lunch with you earlier today, hon. Speaker.

I just want to point out to the House that Mr. Das pointed out to us that India is going to the polls next month. There will be 714 million people voting, and there will be 800,000 voting stations. When you look at that and compare with the British Columbia elections, it makes us look like a little grain in a bucketful.

Again, I'd like to make both sets of my guests welcome. Would the House please join me.

**Hon. W. Oppal:** I rise in the House today to recognize a group of people who have come here to Victoria today to celebrate and recognize the winners of the 2008 provincial Nesika Awards, which is an award for multiculturalism and the promotion of multiculturalism.

With us here today are the chair of the B.C. Multicultural Advisory Council, John Halani and his wife Anar, Senator Yonah Martin, and Elsa Giovanna Fogale, who's a winner of the individual category award. She's here with her husband Antonio.

Also, there's a large group of young people and adults who have come here from Campbell River. The Campbell River multicultural and immigrant association has done a remarkable job in defusing racism and promoting multiculturalism in the Campbell River area. They were awarded in the organization category, and they're winners for the Youth for Diversity initiative.

As well, I want to introduce Craig Giles. He's a Crown prosecutor from Vancouver who works in my ministry. He specializes in the gang-related files. I'd ask the House to make all of them welcome here today.

**M. Karagianis:** I have a special guest in the House today, a young gentleman by the name of Mohamed Al-Aulaqi. Mohamed is from Yemen. He's here attending Pearson College in the first of two years. Today he is shadowing me, learning a day in the life of an MLA. I would ask the House to please make him very welcome.

**Hon. M. Coell:** I have two friends in the House today, Raj and Buncy Pagely, who are great community workers in greater Victoria. Would the House please make them welcome.

**C. Trevena:** I, too, would like to recognize the group from Campbell River who are in the gallery today, Youth for Diversity. They've been presented with a Nesika Award.

[1345]

We have joining us in the gallery — and I hope the House will make them very welcome — Alice Maundrell, Barb Reed, Loushauna Kegler, Ryuichi Nakahara, Jessica Korhornen, Kaleigh Hanuse, Raelynn Horan, Antony Stevens, Brandi Bedard, Shawn Trimblett, Brittany Beckley, Amanda Lamontagne, Lisa Bridges, Martina Murray, Samanth Boudreau, Jeffrey Oviatt, Judy Nguyen, Anna Nguyen, Kaylene Johnstone, Isabelle Harper, Chris Preston, Shelby Mitchell, Genoa Alger, Gina Mooney, Serena Belliveau-Townend, Andrew Baldry White, Rebecca Bennett, Vojtech Cerney, Amy Yeoman.

They are joined by Helen Henley, the board president who nominated them; Rachel Blaney, executive coordinator of the Campbell River immigrant multicultural association; and Tara Jordan, coordinator for Youth for Diversity.

Also in the precincts, if not in the gallery, are the parents of a couple of the young people — Wayne and Nancy Johnstone.

I hope the House will make them all very welcome.

**V. Roddick:** In the precincts and gallery today are a total of 52 highly engaged grade 11 students from Delta Secondary School. Many thanks to their teacher John Powell, who brings his classes here year after year. Also accompanying him is the newly retired — I don't think that word really does apply to you — former principal of DSS, Ray Holme. Would the House please give them an enthusiastic welcome.

**K. Conroy:** I rise in the House today to introduce Mary Lynn and Brett Rackison, who are both constituents and good friends of mine and residents of Warfield. Brett is a retired tradesperson from Cominco, and Mary Lynn is here to receive a community achievement award. She's receiving this award for all her excellent work in health care in the community where she serves, in Trail. She's on the hospital auxiliary, and she is a director of volunteers for the regional hospital.

Could the House please join me in welcoming them both.

**Hon. I. Chong:** I note that in the public gallery today we have a visitor — a friend I've known for a while — former Vancouver city councillor Mr. B.C. Lee, who I understand was one of the judges for the Nesika Awards. I would ask the House to please make him welcome.

**Hon. I. Black:** Beyond adding my congratulations to Elsa Fogale, one of the winners today, I have a special announcement and introduction to make today.

Friday was a special day in my family. I didn't think I'd do this. Sorry, guys. We have a new family member named Cassandra Janelle Lee May Laumann, who is the newly adopted daughter of my sister. We had a wonderful weekend, starting when my wife and I got to meet them at the airport at eight o'clock coming back from Hong Kong and Taiwan.

So it was a very, very exciting weekend in our family, and I wanted the House to join me in welcoming the most welcome new member of my family.

**J. Nuraney:** I would also like to add my welcome to John and Anar Halani, two of my very good friends. Both of them have a very long track record of community service. John also happens to be the consul for Uganda. Would the House please join me in offering them a very warm welcome.

**H. Bloy:** It's a real pleasure for me to introduce someone in the gallery today who has been a community worker for many years not only in her own community but in the whole community of British Columbia. She is the first Korean appointed to the Senate. I was in Ottawa a few weeks ago to see her installed as a new Senator, along

with our former colleague. It gives me a real pleasure today to introduce hon. Senator Yonah Martin.

### Tributes

#### SOUTHERN OKANAGAN SECONDARY SCHOOL BASKETBALL CHAMPIONS

**Hon. G. Hogg:** There's a wonderful buzz in the air. It's the sound of hornets — Oliver's south secondary boys basketball team, the Hornets. They are the B.C. double-A basketball champions of our province — a team that remarkably only lost one game all year, to White Rock Christian Academy.

Mr. Speaker, I know that you are a proud alumnus of Southern Okanagan Secondary and a former star Hornet yourself. In fact, I've seen your jump shot, I've seen your defensive shuffle, and I've seen you get fouled out many a time.

[1350]

I know that you want to extend your congratulations and best wishes to the team, to Coach...

**Mr. Speaker:** Mo Basso.

**Hon. G. Hogg:** ...Mo Basso, to all of the Hornets, to South Okanagan Secondary and to the community of Oliver on their great victory. I ask the House to join in congratulating the Speaker's alma mater on their 2009 double-A basketball championship season.

#### SIMON FRASER UNIVERSITY BASKETBALL CHAMPIONS

**H. Bloy:** Not to be outdone, I want to congratulate the Simon Fraser University women's basketball team, the Clan, for winning the Canadian championship this past weekend and their coach, Bruce Langford.

### Introduction and First Reading of Bills

#### WORKERS COMPENSATION AMENDMENT ACT, 2009

Hon. I. Black presented a message from His Honour the Lieutenant-Governor: a bill intituled Workers Compensation Amendment Act, 2009.

**Hon. I. Black:** Mr. Speaker, I move that Bill 8 be read a first time now.

Motion approved.

**Hon. I. Black:** I am pleased to introduce an amendment to the Workers Compensation Act. Through this bill, lung cancer will be the ninth cancer added to the list

of cancers already identified as occupational diseases for long-term firefighters.

Firefighters are regularly exposed to dangerous toxic fumes in the course of their duties, and occasionally that exposure can lead to cancer. With this amendment, lung cancer for firefighters who are non-smokers will be recognized by WorkSafe B.C. as an occupational disease and enacted for firefighters effective May 27, 2008, as announced publicly by government last May.

B.C. continues to be a leader in recognizing presumptive occupational diseases associated with long-term employment as a firefighter. I would like to take this opportunity to thank the British Columbia Fire Fighters Association for all the work they have done in helping move this forward.

I move that Bill 8 be placed on the orders of the day for consideration at the next sitting of the House after today.

Bill 8, Workers Compensation Amendment Act, 2009, 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.

### Tabling Documents

**Mr. Speaker:** Hon. Members, I have the honour to present the annual report of the British Columbia Legislative Library, 2008.

### Statements (Standing Order 25B)

#### CELEBRATING WOMEN AND THE SPIRIT OF THE CRANES

**V. Roddick:** Canadian research has found that the non-profit sector is made up mostly of women. Eliza Olsen of the Burns Bog Conservation Society declared eight years ago that the outstanding women in B.C. needed to be recognized.

Celebrating Women and the Spirit of the Cranes was born to coincide with International Women's Day on March 8 and the return and nesting of the fascinating sandhill cranes in Burns Bog. These cranes existed in large flocks in Delta only a generation ago, and it's thanks to the Burns Bog Conservation Society and the Reifel Bird Sanctuary, in conjunction with the Delta Farmland and Wildlife Trust, that their numbers are slowly beginning to increase once again. They are fascinating and graceful birds with stunning red heads.

Through the ages cranes have featured in the folklore of Japan, China and North American first nations. Cranes symbolize industriousness, loyalty and creativity — the same qualities of the women who make a difference in our communities.

[1355]

Women are recognized for the following categories: arts; business; community spirit; education; fledgling chicks, which is 30 or younger; science and technology; and trades.

This year's celebration is being held Saturday, March 21, at the Pacific Inn Resort on Highway 99 by White Rock and the border, with Daphne Bramham, author and journalist, and Miriam Palacios from Oxfam Canada as the guest speakers — and with Duncan McCue, CBC reporter as emcee, since the evening does also include men. We look forward to seeing you all there.

#### YOUTH FOR DIVERSITY

**C. Trevena:** Youth for Diversity, Y4D, is an amazing group of young people, an award-winning group of young people — young people who care about our society and how our society will develop, and who have today been presented with a Nasika Award.

They promote diversity within schools, within the school district and within our community. Young people from grade 7 to grade 12 state that one of their aims is to make a difference, and they do to the schools they're in and to our community covered by school district 72.

Coming under the umbrella of the Campbell River Multicultural and Immigrant Services Society in Campbell River, the 40 young people work on how to respond to and prevent racism and discrimination. Diversity is diverse. They discuss discrimination in terms of age, sexual orientation, class, physical and mental ability, gender identity, size and ethnicity.

It's their ideas and through their initiatives that make things happen. They've looked at meaningful media, led a pro-D day and taken their message to elementary schools across the school district. They've written and performed social justice skits for more than 2,000 students and community members. They've organized speakers to present on sexism, homophobia and racism to more than 1,200 students in Campbell River schools.

They've seen problems in the school system — for instance, the use of the derogative term "you're so gay" and gone to the board of education to bring about a change in policy. In their own words, they want to learn leadership skills, and their own actions show they do. They encourage others to learn about inclusiveness and racism.

They are deserving of an award and deserving of continuing support. They're examples for our community, for the province and, looking at the respect they have for one another, for us in this House.

#### CAMERON SENIORS CENTRE

**H. Bloy:** I became one of many other people of my generation to become a senior nearly three years ago, if 60 is the age of a senior. All of us have parents and neighbours who through illness, disability and loss of

independence are not able to enjoy life the way they once did.

In fact, in my riding of Burquitlam over 70 percent of seniors live alone — above the provincial average. Senior centres help those living alone out of their homes and interacting with others, improving their quality of life. There are four senior centres in my riding of Burquitlam, but I'm just going to talk about one today, Cameron Seniors Centre, of which I am a member.

Cameron Seniors Centre is a great spot to meet new acquaintances, to take dance or art classes, singalongs, sample great foods on outdoor restaurant excursions and generally have a fascinating time with a friendly mix of people. In addition to activities around the Lower Mainland, the centre offers many tours around British Columbia.

Recently I was able to provide a grant of \$100,000 to the centre to help build a seniors exercise park on site. This will specialize in outdoor recreational equipment and activities designed to improve mobility, coordination and balance and to give our seniors yet another avenue for exercise programs in addition to the many activities already offered at the Cameron recreational seniors centre.

So what is the secret of long life — living a healthy lifestyle? As we all know, aging isn't what it used to be. Since I turned 60, I think 60 is the new 40. It's what everyone keeps telling me. It's places that we want to thank, like Cameron Seniors Centre, which encourage older people to embrace life and stay active. I would encourage all people to stay active.

#### CLAYOQUOT SOUND CENTRAL REGION BOARD

**S. Fraser:** In 1994 five Nuu-chah-nulth central region chiefs negotiated the interim measures agreement with the then provincial government. This important agreement acknowledged the government-to-government relationship, provided some local control over decision making and established the Clayoquot Sound central region board.

[1400]

The CRB, as it is known, brings together leadership and representation from the five Nuu-chah-nulth Nations of Clayoquot Sound — Hesquiaht, Ahousaht, Tla-o-qui-aht, Ucluelet and, of course, Toquaht — together with leadership and representation from local government, and it is a management model that is held up very proudly and deserves all of our continued support.

The IMA has been renegotiated several times. It is now known as the IMEA, the extension agreement, extension being the "e." It predates the so-called new relationship by over a decade, yet it is the living embodiment of the goals and principles of the new relationship. Its wisdom is decades ahead of its time.

Goal 3 of *The New Relationship* refers to ensuring that lands and resources are managed in accordance with first nation laws, knowledge and values and that resource development is carried out in a sustainable matter. Principle 1 of *The New Relationship* uses words like: "We will mutually develop processes and implement new institutions to achieve the following: integrated intergovernmental structures and policies to promote cooperation, including practical and workable arrangements for land and resource decision-making and sustainable development." These indeed define the central region board of Clayoquot Sound.

Even though the IMA and the CRB predate the so-called new relationship, there is no better example than the Nuu-chah-nulth IMEA and the Clayoquot Sound central region board of processes and institutions that meet the purported goals and principles of the new relationship.

I would like to applaud the *tyee ha'wilth*, who are the central region chiefs, for accomplishing so much in negotiating this forward-thinking agreement and board structure and to recognize that there has never been a more important time to support them.

#### RIDE FOR DAD

**R. Hawes:** In Canada one out of seven males will be diagnosed with prostate cancer at some time in their lives. There are almost 25,000 men each year who hear those terrible words: "You have prostate cancer."

Happily, the treatment success rate is very high when there's early detection. Even though prostate cancer is the most commonly diagnosed cancer in men, it has the lowest mortality rate of all cancers in men. I hope all males 50 and over and those with family history know and heed the symptoms and have regular checkups.

Research has presented new treatment options which make this cancer much less debilitating, in most cases, than it was in the past. With continuing research, even greater success will be achieved.

To that end, the Ride for Dad takes place through the Fraser Valley each year. The ride features motorcyclists riding to raise funds for prostate cancer research. This year the ride takes place on May 31. The ride starts in Vancouver, travels through Maple Ridge, Mission, Abbotsford and then ends in Cloverdale. Last year over a thousand riders took part in this event, which raised over \$100,000 in pledges, and this year promises to be even bigger.

On behalf of my male colleagues and males everywhere, especially those approaching the age of 50, thank you, Bob Blumenauer; your executive who organized this ride; and all of the riders. Your participation and your generosity may one day protect all of us from hearing those dreaded words or maybe even having to endure the hated sound of a snapping rubber glove and the procedure that follows.

#### ALAYNE KEOUGH

**S. Simpson:** All of us in this chamber know special people — those who are passionate, hard-working, committed to their values and their community, whose contribution cannot be measured and is never truly replaced when it's over.

Alayne Keough was one of those people. She passed away on March 2 from lung cancer at her home in Vancouver. She was too young, at 63.

Alayne had a special commitment to community and to those in our society who are most vulnerable. For the many years that I knew her, she never wavered in her determination and life's work to eradicate poverty and to ensure that our most vulnerable citizens were recognized, respected and supported.

Her activism started with her involvement in her children's school, leading to her becoming the chair of the Vancouver School Consultative Committee. It included her neighbourhood in Kitsilano, where she provided real leadership — this continued right up until her death — as the co-chair of the West Kits Residents Association.

[1405]

Alayne's professional life reflected her beliefs and values, working with the organizations like the Tenants Rights Action Coalition, DERA and the B.C. Public Interest Advocacy Centre. Alayne believed strongly in our political process and in the NDP. Active in Point Grey and as a member of the provincial executive, Alayne was never shy to challenge the NDP leadership if she felt they strayed from our values or she disagreed with their priorities, but it was always done in the spirit of making the NDP better, never to tear it down.

For all her activism, family came first. Nothing was more important than her husband of 33 years, David, and their three children, Amber, Elizabeth and Stephen, as well as the rest of her family — and of course, the many others, like many of us on this side of the House, that she touched in a very real way.

Mr. Speaker, when people die, we often speak of legacy. With Alayne, that legacy was very clear — how she lived her life, the love she showed for others, her dedication and accomplishments for making this a better place. We would all be proud to leave such a record when our time comes.

To David and her kids: they have very much to be proud of. Alayne truly left the world a better place for being here, and she will be terribly missed.

#### Oral Questions

##### LAYOFF OF HASTINGS RACECOURSE WORKERS FOR OLYMPIC GAMES

**C. James:** Late last week workers at the Hastings race-track were informed that they're going to lose their jobs

from February 1 to March 2 to make way for the Olympic Games. That's 200 hard-working British Columbians without a paycheque for a full month. My question is to the minister responsible. Will he please explain to these workers why hosting the Olympics is putting them out of work for a month?

**Hon. C. Hansen:** In less than a year British Columbia is going to be a pretty exciting place as we host the world. We will have athletes from over 80 countries come to British Columbia for the Winter Olympic and Paralympic Games. We will have about 8,000 athletes in British Columbia. We will have about 250,000 visitors in British Columbia, and it's going to be a pretty exciting place.

We know that companies are looking at their strategies in terms of how they can best accommodate their businesses, their employees and their customers during that period of time. I think every employer in British Columbia has to look at how the games are going to impact them and make sure they make decisions that are in the best interest of all concerned.

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

**C. James:** This minister missed the entire point, as this government always does. It doesn't meet the best interests of the 200 workers who are going to be out of work for the entire month. In fact, according to Hastings racetrack's management, they tried to explore other options. They tried options to save the jobs. They were told no. The racetrack will be closed to guests and to employees.

My question, again, is to the minister. How does throwing 200 British Columbians out of work, work as an economic stimulus for the Olympics?

**Hon. C. Hansen:** We know that the Leader of the Opposition opposed the Olympics from day one. She cannot resist any opportunity to find even the most remote opportunity to bash the Olympics. On this side of the House, we actually support the Olympics. We know it's a huge economic stimulus for British Columbia.

Nobody is saying that British Columbia is going to be business as usual during the 17 days of the Olympics. But I can tell you that as a result of the Olympics, there will be literally thousands and thousands of jobs that are being created today, will be created in the months ahead and will be created during February of next year.

I can say that even for the workers at the racetrack, they're going to have increased opportunities after the Olympics, increased job opportunities, because the attention of the world is going to be on us.

After the Olympics, after we have that opportunity to showcase to the world, I can tell you that there will be even more people coming to British Columbia. There

will be even more people coming to visit Hastings Park in the months and years ahead.

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

**C. James:** The minister forgets that these are workers. They're losing their jobs for an entire month. They're not getting Olympic tickets. They're getting pink slips from this government because of the direction that they're taking.

The management at Hastings said they were eager to explore other options. They wanted very much to stay open. They wanted to keep people employed. They wanted to use this as an economic opportunity for Hastings. They tried to negotiate with VANOC. They tried to create some flexibility, and they were told no.

[1410]

Again, my question is to the minister. Is this the legacy that you want to leave and your government wants to leave — economic hardship for Hastings employees? And can you tell this House how many other people are going to lose their jobs during that month?

**Hon. C. Hansen:** It's my understanding that the live horse racing at Hastings Park doesn't actually start until April of each year. But I think it's important that the Leader of the Opposition, once and for all, stand up and tell this House and tell British Columbians: does she support the Olympics, or doesn't she support the Olympics?

I can tell her that the vast majority of British Columbians support it. Every one of us on this side of the House supports the Olympics, and it will be one of the greatest job generators in British Columbia's history.

**S. Simpson:** Maybe the minister should know that while horse racing doesn't start, almost 200 people are working on that site during that month, and they're being told they will not be going to work for a month. They're being laid off. Many of these are my constituents. They support the Olympics. They were excited about the Olympics, and now they hear they're going to be laid off.

What do we hear? What does the management say? They say: "We did attempt to negotiate with VANOC to create some flexibility around this requirement. However, a recent meeting confirmed that our...closure is an inevitable and unfortunate reality." Will the minister tell us — will he tell those 200-odd workers — what they should feel about the Olympics now that they've been pink-slipped for a month? What's he going to do to help them out?

**Hon. C. Hansen:** There is no question that the hosting of the 2010 winter games is going to be the biggest thing that British Columbia has ever undertaken. It is the biggest event that this province has ever seen.

We know that there will be some disruptions, but I can tell you that the net benefit to this province is going to be enormous. The thousands of jobs that are created as a result of it are going to be significant. The jobs that are going to be created afterwards because of the ability to showcase British Columbia to the three billion television viewers from around the world is going to be something that's going to truly define British Columbia and create huge new opportunity for this province in the years to come.

**Mr. Speaker:** Member has a supplemental.

**S. Simpson:** This is a question of priorities for this government and, through them, for VANOC. This government found no problem, and VANOC found no problem, to give GM Place \$20 million to use their facilities during the Olympics.

Yet for these workers at the track.... We hear rumblings about workers at Edgewater Casino. We hear rumours about other workers at other sites that are on the restricted footprints who all get month-long layoffs.

How come this government says that it's okay to give GM Place \$20 million to use their facility, yet these workers have to take a month's layoff? Is that what the legacy is all about?

**Hon. C. Hansen:** I get it that there are members of the official opposition that would actually really like to see the....

Interjections.

**Mr. Speaker:** Members.  
Continue, Minister.

**Hon. C. Hansen:** I get it that there are members of the official opposition that don't support the Olympics, that there are members of the official opposition that actually would like to see it fail, for some bizarre reason. But on this side of the House, we recognize that it's a huge economic opportunity for British Columbia.

It's a huge opportunity for us to showcase to the world the wonderful things that British Columbia can offer, and we know that a year from now we are going to be tremendously proud of the tremendous legacy that is left from the Olympics for the future of British Columbia.

[1415]

**M. Farnworth:** What the minister doesn't get is that 200 workers are losing their jobs for a month. Can he tell them where they're going to get their mortgage payment from and where they're going to get their rent payment from? That's what they're wondering.

But on a bigger question, besides those 200 workers, can the minister tell us what work has been done as to

how many other workers in that restricted area are also going to be losing their jobs? How many other workers, Minister? Tell this House and the people of British Columbia.

**Hon. C. Hansen:** As the member knows, the RCMP have responsibility for security for the games, and they are planning the security areas around each of the venues to ensure that not only the athletes are safe and not only are our visitors safe but that the general public is safe as well. So there are going to be restrictions and restricted access to some of the venues in order to accommodate the security plans that the RCMP are putting in place. But that is part of planning for an Olympic Games.

I can tell you that I wouldn't have any difficulty to talk to any one of those workers and explain what a great opportunity this is going to be for the Hastings racetrack for the future — the great opportunity to invite more people to come to British Columbia, the opportunity to ensure that those jobs are even more secure in the future because of the increased tourism, the increased visitors that we're going to see in British Columbia — because of the fact that we can showcase British Columbia to three billion viewers from around the world.

**Mr. Speaker:** Member has a supplemental.

**M. Farnworth:** If the minister is going to stand there and explain to these workers why it's so great that they're losing their jobs for a month, will he make a commitment that they won't have to worry about making their mortgage payment and that they won't have to worry about paying their rent for that month?

**Hon. C. Hansen:** Actually, February of next year is going to be a pretty exciting time, and I know that there are lots of people that are trying to find out how they and their families can enjoy the Olympics for the full duration of those 17 days.

I've talked to people who were in Salt Lake City, who lived in Salt Lake City during the Olympics seven years ago, and they said that it was one of the most memorable, exciting times for their families that they could actually be part of and enjoy the street celebrations in their communities during that period of time.

It is going to be an exciting opportunity for British Columbia. It will be something that will be part of every British Columbian's memories for many, many years to come.

**H. Bains:** The 2010 Olympic Games were promoted as B.C. games, and it was sold so that everyone will benefit from these games, but those workers at Hastings Park find out that that was a cruel joke with them, and that is a broken promise by this government. So again to the minister: will he take immediate action and make

sure that those unnecessary layoff notices are rescinded immediately?

**Hon. C. Hansen:** As the member knows, the province does not own the Hastings racecourse nor the slot machines. That is what needs to be kept open during that period of time. It's interesting that these members talk out of both sides of their mouth. You know, on the one hand, they purport to express concern about slot machines. On the other hand, they're there trying to defend them.

What we're talking about at Hastings Racecourse is not the horse-race operations, because they won't start until April. What we're talking about is a casino that is going to be temporarily closed down to accommodate the security plans for the Olympics. That is an arrangement that has been arrived at, obviously, between the RCMP and the operators of the racecourse.

**Mr. Speaker:** Member has a supplemental.

**H. Bains:** People of this province, including those 200 workers.... They waited seven long years for a once-in-a-lifetime experience to enjoy those games. Now they are told that, instead of Olympic tickets, they will be getting pink slips for that one month.

[1420]

Now, will the minister assure this House and do the right thing — that no other worker will be losing their jobs as a result of these games?

**Hon. C. Hansen:** This is the opposition Olympic critic, and he has lost no opportunity, over this last number of years, to bash the Olympics. We on this side of the House support the Olympics. We on this side of the House know how exciting it's going to be for British Columbia. We on this side of the House know what a huge economic opportunity it is — the thousands of jobs that are going to be created between now and next February, the thousands of jobs in British Columbia that will be created as a direct result of the 17 days of the Olympics and the 12 days of the Paralympics.

We also recognize the hundreds of thousands of jobs that will be created in British Columbia because of the opportunities and the legacy that will flow from these games.

#### LAYOFF OF VANCOUVER WORKERS FOR OLYMPIC GAMES

**R. Fleming:** We all know how on top of the security games file this minister has been. He has alluded in the House this morning that he has a plan. So these 200 jobs shouldn't come as a surprise to him at Hastings Racecourse.

My question to the minister is with regards to all the other excluded areas in the security perimeter around

Olympic venues. Tell this House today: if he does have a plan, how many jobs are going to be lost for British Columbians who are living in the area of Vancouver for their families?

**Hon. C. Hansen:** I think that question demonstrates just how out of touch this particular member is. The security plan is being developed by the Integrated Security Unit of the RCMP and the federal government. They are working with VANOC in terms of what areas have to be cordoned off and have limited public access because of the required security for the athletes and for the visitors.

The RCMP, quite frankly, are doing a first-class job of delivering on that, and they have my full confidence.

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

**R. Fleming:** Surely the minister has been briefed on this file. He wouldn't be caught flat-footed on the security contingency around the games. The question is very, very simple. The 200 jobs at Hastings Racecourse....

The minister says he's been briefed, so either he has no plan — which would be the height of irresponsibility, for this minister not to know how many people are losing their jobs — or he does know, in which case he should tell this House today how many workers can expect to lose their jobs in Vancouver.

**Hon. C. Hansen:** I will repeat my previous answer, because clearly the member was not paying attention. The security plan has been developed by the Integrated Security Unit of the RCMP and the federal government. They have full responsibility for that plan. It is not the province's plan.

I have full confidence in the RCMP in the work that they have done to date in developing that security and what they have in place to implement that plan.

#### OLYMPIC GAMES SECURITY COSTS

**M. Karagianis:** Documents obtained through FOI and marked "secret" show that the Finance Minister knew that the security costs of the 2010 Olympics were much higher than the \$175 million. But for years he has refused to tell the public the truth.

My question is to the Minister of Finance. The FOI shows that the government failed to factor in significant provincial security costs, and it shows that taxpayers could be on the hook for a lot more. So will he stand and tell the House when he knew his Olympic budget was a sham? And why did he fail to be upfront with British Columbians on it?

**Hon. C. Hansen:** Actually, the member is wrong. Members of the opposition have said on many, many

occasions that I have always insisted that the cost of security would never be more than \$175 million. I have never said that.

[1425]

What I have said consistently over the last three and a half years is that the federal government has the responsibility for developing the security plan and that the provincial government has an obligation for 50 percent of a portion of the security cost. We negotiated that with the federal government over that period of time.

What I said consistently is that we were not going to agree to writing cheques for more than our \$87.5 million until somebody could demonstrate to us that our share of that was going to require greater than the \$87.5 million.

We actually finalized those negotiations with the federal government just a few weeks ago. In fact, they were finalized on the morning in which the security number was announced.

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

**M. Karagianis:** Well, British Columbians know that this \$175 million was a complete and utter sham. But let's look at some reality here. Local policing costs — not in the budget. Traffic management costs — not in the budget. Fire services — not in the budget. Now the minister is saying: "Don't worry; everything will be fine. That's \$21 million that will cover all of it."

Again to the minister. Will he stand up in the House today and guarantee that \$21 million will cover those costs, or will he admit that he plans to hit the taxpayers once again with more Olympic-size surprises?

**Hon. C. Hansen:** Once again, the member is wrong. The arrangement that we negotiated with the federal government is that they take full responsibility for all of the security plans and all of the security budget over and above the \$87.5 million that we transfer from the province to the RCMP for our share of those security costs.

What the member is talking about is something that is called urban domain, and that is a cost to local municipal police forces. What the RCMP has built into their budget is just under \$22 million to assist with the cost of urban domain policing.

**J. Kwan:** It's this minister who has provided false information. Budget after budget, he insists that....

**Mr. Speaker:** Member, whoa. Whoa.

Interjections.

**Mr. Speaker:** Members.  
Member, withdraw that statement, please.

**J. Kwan:** I withdraw.

The minister provides misleading information to this House budget after budget....

**Mr. Speaker:** Member. Member, just take your seat for a second.

Now, Member, I would advise you to choose your words much more carefully, and I would hope that you would withdraw the remarks that you've just said.

**J. Kwan:** I withdraw.

It's this minister who provides incorrect information. Budget after budget, the minister insists that the Olympic security cost is at \$175 million. Even Budget 2009 continues to say that. That's proven wrong to date.

Now FOI information states and I state clearly that any policing services outside the perimeters of the games venue are the responsibility of local police. What does that mean? That means costs are being off-loaded to municipalities.

I'd like to ask the minister this question. Who's going to pay for that? Is it the local government who would have to assume the costs, or would this government pay for the local policing costs that are going to increase as a result of the Olympic games?

**Hon. C. Hansen:** I will start by saying I take offence by the member's opening comments. I would, quite frankly, challenge her to find any reference where I have said unequivocally that the security costs will not exceed \$175 million.

For her to stand in this House and to make that accusation is absolutely unfounded, and I challenge her to find any evidence of that. We....

Interjections.

**Mr. Speaker:** Just take your seat for a second.  
Members. Members.  
Continue, Minister.

[1430]

**Hon. C. Hansen:** We recognize that the urban police forces in British Columbia are going to continue to do the fine work they always do, whether it's during a fireworks festival or whether it's during a Grey Cup party or whether it's during the 2010 Olympic and Paralympic Games.

I can also assure the House that the RCMP have built into their budget, their \$900 million budget.... There is almost \$22 million that is specifically in that to fund urban domain policing costs.

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

**J. Kwan:** Let me just quote *Hansard*, May 16. This is from the minister: "...there's absolutely nothing to indicate that the approach to security for these games is in

any way inappropriate or underfunded...." This is based on the budget that was tabled of \$175 million. Is the minister just kidding when he said it was not underfunded?

Well, now we know what the budget is going to be. Local governments, who are going to have to absorb the costs.... And there's only one taxpayer, as the Premier likes to tell British Columbians.

Can the minister tell this House who is going to pay for the local policing costs that are going to be downloaded to municipalities?

Interjections.

**Mr. Speaker:** Members. Members, let's listen to the question and listen to the answer, please.

**Hon. C. Hansen:** I'll be very quick. I just answered that. She should have been listening to my previous answer.

#### OLYMPIC GAMES SECURITY COSTS FOR RURAL B.C.

**K. Conroy:** Well, perhaps the minister can answer this. Can he confirm today that communities in rural B.C. will not incur additional security costs due to the Olympics?

**Hon. C. Hansen:** Actually, we hear lots of examples of visitors who are going to be coming from all around the world to British Columbia for the Winter Olympic and Paralympic Games. I have every expectation that some of those visitors are actually going to travel up to Trail and perhaps ski at Red Mountain during that period of time. Others are going to go up to Kamloops, maybe ski at Sun Peaks during that period of time. We know that some of the teams from around the world are going to come to communities such as Rossland to train. We know they're going to come to Kamloops to train.

I know that's going to be a cause for great celebration, not only for the visitors that come during the games but for those who are going to come in the months and years afterwards when they watch the television coverage and realize what exciting and dynamic places Trail and Rossland are and what great winter destinations they are. They will be back.

Interjection.

**Mr. Speaker:** Minister.  
Member, you have a supplemental.

**K. Conroy:** Well, actually, the minister is wrong. He's dead wrong because there are going to be additional security costs for rural B.C. Airlines that serve communities like Trail have been told that they are not going to be allowed to fly into Vancouver during the Olympics.

For two months they're not going to be allowed to fly into Vancouver. In fact, they will have to fly into Abbotsford or Comox, reroute their passengers there — get off the plane in Abbotsford and Comox, be put through security there, then get back on a plane and go to Vancouver.

Who's going to cover those costs? Is it going to be the municipalities? Is it going to be the tourists that are coming? Is it going to be the airline itself? None of who can afford to cover those costs. Who's covering the costs for security out in rural B.C.? Let's hear who's covering those costs today.

**Hon. C. Hansen:** I think what the NDP opposition continually try to ignore is the huge benefits that will come from these games. When you figure about \$10 billion worth of economic activity....

Interjections.

**Mr. Speaker:** Members.  
Take your seat.

Interjections.

**Mr. Speaker:** Members.  
Continue, Minister.

[1435]

**Hon. C. Hansen:** When you consider the \$10 billion worth of economic activity that will come as a result of us hosting the games, that's going to produce tax revenue to British Columbia.

When those visitors come to Rossland to ski, that's actually going to pay salaries and jobs and keep people employed in Rossland. The hotels and restaurants in Rossland are going to benefit from the increased revenues they're going to get. That's going to help them pay for their civic taxes, which are going to go back into those communities.

The taxes we collect from that \$10 billion worth of economic activity are going to help pay for our education system in this province, our health care system in this province. It's going to help pay for a police system throughout British Columbia. So if anything, we should be supporting the Olympics. It's time for the opposition to get on board.

**G. Coons:** It's so clear that this minister is so out of touch and arrogant with what's happening with rural B.C. He doesn't know what's happening in this file. Now the residents in the Bella Coola Valley also fall under this realm of secrecy, and this minister needs to come clear.

What's happening to the people of Bella Coola Valley and their airport, as far as their security? Will they have to fly to Port Hardy or to Comox before they come to Vancouver? Will the minister answer that question for those in the Bella Coola Valley?

**Hon. C. Hansen:** As I've gone around British Columbia, I have sensed the excitement that all British Columbians are starting to feel about the Olympic and Paralympic Games. During Spirit Week in the one-year countdown celebrations, we had 120 communities in British Columbia that were already starting to celebrate 12 months ahead of time. I'd love to see the look in children's eyes in the public school system when they start talking about Quatchi or Miga or Sumi and the great excitement that they get from the Olympics.

I also know that some of the visitors that come here for the 2010 Olympics are going to be able to sail on the new *Northern Expedition*, which is going to be plying the waters from Port Hardy up to Prince Rupert and over to Haida Gwaii, to really experience the beauty of this province.

[End of question period.]

### Orders of the Day

**Hon. M. de Jong:** I call continued second reading debate on Bill 5, Supply Act (No. 1), 2009.

### Second Reading of Bills

SUPPLY ACT (No. 1), 2009  
(continued)

**M. Karagianis:** I rise to continue my debate on Bill 5, the Supply Act, 2009. I had an opportunity to outline some of my concerns. I know I only have a few minutes left here as I speak to this bill, but I think that I do want to wrap up and talk about, really, what the major reasons were for my lack of support for this supply bill.

I think, first and foremost, there is, as I discussed on Thursday, the implication here in the support for the supply bill that, in fact, it supports a budget that I do not support. So I want to make sure that my concerns here are noted on this. I understand the need for a supply bill to go through and continue running the province for the next number of months, but certainly, if it implies support for a budget that I don't support, then that is a concern for me.

Second, I think, are the unknown future implications. Let's be clear that we are talking about \$15 billion, almost half of the annual budget of this province, being spent in the next five months. Given the fact that the government seemed to have no idea what was to transpire over the past five months, I don't have any confidence that we have any kind of enlightenment on what's likely to occur in the next five months.

[1440]

What will the implications of the next five months in this province have on this budget? What bearing will it have? You know, we've seen an unprecedented

change in the economy of the world, and the fact that the government seemed so completely oblivious to it up until just very recently makes me have great concerns about what will happen in the next five months and what implications that will have on this \$15 billion expenditure.

It's unclear, without the kind of scrutiny that we would normally expect to have on budget estimates, what we can expect or, in fact, what will transpire. So I would have to say that I'm here to reiterate that my confidence in government is gone, and I know the confidence of my constituents has been eroded by both the budget and the government's behaviour up to this point.

Certainly, with five months to go in this supply bill, \$15 billion to be spent.... Clearly, the language within the bill does say as and how and when the government sees fit. I think it's fair to note that without appropriate scrutiny of the budget and an appropriate estimates process.... We're spending almost half of the budget here in the coming five months, and I think it does bear some serious oversight by this House, and it's our responsibility to make that known.

So without the confidence of my constituents in government's actions, I have a right to be concerned about this. It's a lot of money. I'm not sure that I expect the government will be able to anticipate what's coming, given their past number of months of, I guess, inabilities and ineptness with the current fiscal situation in the province. Without those knowns in the coming five months, what implications will that have? Does it mean cuts to jobs here in the province?

I know, as I noted on Thursday, that the complement for the public affairs bureau will stay the same while public employees throughout the province here are being asked to take a diminished workweek in order to help tighten the belt of British Columbians. So in this \$15 billion there seems to be lots of room for a couple of hundred public affairs bureau people while there is less room for the public servants in my constituency, certainly, and throughout the province.

I stand to wrap up my remarks by saying that I do have concerns about this. If I had more confidence in government, I would feel more secure about it, but I don't. Therefore, I don't get any confidence that the government has listened to the concerns, answered the concerns. I've heard no debate whatsoever from the other side of the House to show us exactly what government's position is. I've only heard the very able, thoughtful and discerning remarks from this side of the House.

If the government members want to be able to support this, if they've got supportable argument on this that would allay the concerns of British Columbians and certainly the people in my constituency, then I'd be happy to hear those.

**Hon. M. de Jong:** I appreciate the opportunity to become involved temporarily in the debates around Bill 5.

I listened carefully to much of the commentary that took place last Thursday — some today. The member, having extended the invitation, I'm sure will want to hear the reply to that invitation, as I'm sure will the opposition critic and particularly the Leader of the Opposition.

We have heard.... At worst, I would characterize some of the commentary around Bill 5 from the opposition as bordering on the bizarre, and the best thing I can say about it is that it is remarkably troubling.

I've got a couple of objectives besides providing a bit of a respite for the opposition members from whatever it is they are endeavouring to do during the course of this debate. I'd like to get some facts on the table about what is taking place here, what is likely to take place, I hope, in the future, what can take place if we choose to turn our minds to it.

[1445]

I'd actually like to test, by virtue of some of the things I have to say, just how serious the opposition is about some of these comments they have been making, some of these statements they have been throwing around in this chamber over the better part of the last couple of days.

To use a phrase that the member for Nelson-Creston has made famous, I'd like to explain to the folks at home what's going on here. For the people watching, the folks at home: what are we doing here in this chamber?

Well, it's called interim supply. The best way I can describe it for the folks at home is it's a form of bridge financing. It is to ensure that the operations of government can continue to take place, the people who work for government can get paid, the people who rely upon funding from government can continue to receive those moneys, and that that can happen during the time the budget and the estimates that flow from the budget are debated in this chamber.

The usual process, of course, is that the budget is tabled. Parenthetically, I emphasize the fact that for the last eight years, that has been on a date predictable and set in law. The budget is tabled along with the estimates. We have a debate that is prescribed for, in the standing orders, a certain number of days.

Then we go into what is called Committee of Supply where members, generally members of the opposition, have an opportunity to query individual ministers and ministries about the specific appropriations that are set out for those ministries. That usually takes place.... I think almost without exception: budget in February, budget debate by March. We enter into the estimates debate, and they take place through to the end of May.

I can't think of a year certainly in the last eight years where they didn't extend right through to essentially the final day of the session, which, of course, is also prescribed for now in our standing orders.

In 2009, as was the case in 2005, that usual process is interrupted. It's interrupted by a little exercise in democracy we call an election. Parenthetically, I might add, there's no mystery about when that election will take place, because that too is now embedded in law.

The kind of manipulation that used to take place around selecting a date that is of primary benefit to the governing party can't occur any longer. You know what? We're proud of that. We're proud that we made a pledge prior to assuming office in 2001 that said we were going to establish in law when the election is going to be, and we have abided by that pledge.

Despite lots of arguments that there might have been a more advantageous time to hold an election, we're having an election as prescribed by law in May. We back up from there when the writ is dropped so that the usual proceedings in this House are interrupted. For the better part of a couple of days now in response to that circumstance, members on the opposition side have risen in their place and suggested that somehow what has taken place here is perversion of the budgetary process.

I don't know. I guess when you're sitting back in your office and the coach taps you on the shoulder and sends you on the ice, you've got to think about something to say. But what the opposition is saying makes absolutely no sense. Let's review....

Interjection.

**Mr. Speaker:** Member.

**J. Brar:** Point of order, Mr. Speaker. The House Leader stood up and started making complaints about the comments made by the opposition. We are talking about Bill 5, the Supply Act. So we would like to hear the position of the minister on the Supply Act, not on the comments made by the opposition.

[1450]

That's what we're debating here, and that's what he should be talking about. That's my complaint.

**Hon. M. de Jong:** Well, I can assure the hon. member — and I don't doubt the fact that he is troubled by what he is hearing — that if sense were a prerequisite for what the opposition had to say, I would be on my feet a lot more often than I am.

If the hon. member thinks about what is taking place, I don't doubt that he is embarrassed, and I'm here to help him through that. I urge members of the opposition to look back through the journals of this parliament and find a time when we have spent over a week on supplementary estimates — over a week. An opportunity to discuss the expenditure of a sizeable amount of money — that's fine. That's great. That's appropriate.

But to suggest, when this opposition has had more time than any opposition I can think of to examine those

supplementary estimates and then vote upon them, that somehow the government is attempting to pervert the budgetary process is just wrong. It is disingenuous. It is inaccurate. It is all of those things that you expect to hear from an opposition that, I think, has run out of constructive commentary — if they ever had constructive commentary — long ago.

We're into interim supply. The bill we're debating today, and I think the opposition critic knows this, has been introduced fully a month in advance of when it is required. I cannot remember — and I confess, I did not check — when a parliament has had the interim supply bill fully a month before the end of the fiscal year. I cannot remember.

I stand to be corrected, and yet here are members of the opposition, bereft of anything constructive or useful to say, suggesting that somehow there is a perversion of the budgetary process taking place when nothing could be further from the truth.

I listened yesterday when the member for Nanaimo... Here's what the member for Nanaimo said. Sorry; it was Thursday. "This is the fundamental job of the people of British Columbia that is given to us, by the privilege and honour of representing them in this assembly, and that is to decide and approve what the Crown does with our cash."

Can't argue with that. Can't argue with that in any way, shape or form.

Interjection.

**Hon. M. de Jong:** That might be all the hon. member has to cheer about before I'm done.

Those high-minded words attached to high-minded principles must have been acquired by that member for Nanaimo sometime after 1996 — April 1996, to be precise — because there are members in the opposition who weren't here and won't have a memory of this. But there are leading members of the opposition caucus who were here and will remember a dramatically different chronology — dramatically different.

[1455]

The day was April 25. There was a throne speech. A couple of days later, on April 30 in the morning, there was a budget speech. That was a rather famous budget, but I won't characterize yet why it became famous.

Several hours later the government that introduced that budget dissolved the House and hit the campaign trail with no spending authority whatsoever — not one vote, not one opportunity for this chamber...

I see the member for Surrey–Panorama Ridge. He wasn't here and thinks that's probably funny. Well, maybe it was. But if you want to talk about a perversion of the budgetary process, a government that operated without any authority from this chamber... They used something called spending warrants. Those were a convenient little instrument, a convenient little tool

that some members either were directly involved in or orchestrated from behind the scenes.

The election in 1996 occurred. The campaign took place, the vote occurred, and the government of the day, the New Democratic Party, was elected. The party that I represented was not. I was disappointed; they were celebratory.

They came back on June 25 and fessed up. Actually, the previous budget had been nothing but a cruel joke. They introduced a second budget, and that's where the term fudge-it budget acquired its marquee value in British Columbia. But what's also interesting — and I don't want to dwell on that story, which is well known — on June 27, after having to acknowledge that they were operating without any authority whatsoever from this chamber, on the basis of warrants, the government of that day introduced an interim supply bill.

For guess what. This was after the election. Five months. So I'm trying to reconcile. Particularly for the members of this opposition who were members of that government, I'm trying to reconcile what they did with what they say and the nonsense we're hearing in this chamber over the past couple of days. So that's, as the opposition likes to say, history.

All right. Well, let's talk about the present. The opposition says they want to debate the estimates. Let's talk about that. "Let's go," says the member for Vancouver-Kingsway. I like it when the member from Kingsway gets rallied. "Let's go." Well, let's talk about that.

I suspect that member and maybe many of the other members who have spoken or want to speak are or aren't aware of what the standing orders say. Those standing orders say that the Committee of Supply can't begin to consider the estimates until the budget debate has completed. I know — rules, pesky rules. But if on the one hand the argument is, "Let's get to the estimates," then maybe a prerequisite to that would be that we complete the required number of days for the budget debate — six days, according to the standing orders, or, by consent, less. It can be less if the parties consent to that.

For over two weeks I have sent via the appropriate channels, I think, an invitation. I have repeatedly requested from the Leader of the Opposition a proposal that would see us move through this work in an orderly way. For over two weeks the Leader of the Opposition has said: "No, I won't authorize sending that proposal. We'd rather sit on the sidelines. We'd rather make erroneous, nonsensical statements in the House and complain."

[1500]

I have said it. Maybe I am a bit testy, because I've heard some of the commentary. And you know what? Despite our political differences, I have tried — I hope without fail — to never mislead in terms of the operation of this House. I hope I've been faithful to that.

I have said and will say again that the government intends to be in this chamber doing the people's work

until the beginning of April. I have said that, and I will say it again.

We would prefer to spend that time productively and would like to work cooperatively with the opposition to that end. Or we can continue to spin our wheels, listening to the kind of nonsense being spouted by the opposition — manufactured, disingenuous arguments that have no application to what is taking place with respect to an interim supply bill that is before the House.

I guess that's what the opposition wants to do. I guess that's what you do when you don't know what else to do, when you don't have any ideas, when you are afraid to confront some of the other issues that may come before the House. But it flies in the face of what they say, and this is what I find troublesome.

If the opposition is really serious about wanting to move into and complete the estimates debate, and in the absence of any actual proposal from the opposition leader for how we do that, then I have a proposal for the opposition leader. Let's agree on a schedule. I'm all for that. Let's get through interim supply, the budget measures bill, the budget and the estimates. Let's agree on a schedule. Let's get to that estimates debate.

If the opposition is of the view that it doesn't want to spend the allocated six days on the budget speech proper, let's talk about that. We can reduce that. Collectively, we can come to a schedule we agree on, but we've got to be interested in more than just criticism. We actually have to be prepared to make some decisions, and I know the opposition leader has difficulty with that concept. Let's finalize this work before the House rises for the pending campaign.

Here's something else the opposition leader can consider. If she decides that more time than the remaining three weeks is required, I want her and all the members of the opposition to know that we're prepared as a government caucus to have this House sit past the date presently set for adjournment on April 2.

Just tell us. Just come with a proposal. Just say: "This is our idea about how we can get the work done." But it does require the opposition leader to do something that she is unaccustomed to doing — that is, take a position that goes beyond merely criticizing others.

So I have been unsuccessful — I confess, and I regret — at engaging the opposition and the opposition leader through the usual processes. But there it is. If the members opposite are serious about wanting to get to this work.... But maybe they're not. Maybe it's all just a bunch of rhetoric. Maybe, in the absence of anything meaningful to say, it's easier just to manufacture arguments, manufacture complaints.

British Columbians have got an important decision to make on May 12. We've got some time before that. We can spend that time productively. I'm certain there are still some significant differences of opinion that separate

the government from the opposition. We can engage in debate that will define and reveal what some of those differences are and help British Columbians make that choice, as they see fit, on May 12.

[1505]

Or we can continue to listen to this utter nonsense that has, quite frankly, gone beyond being embarrassing for any one party. It is embarrassing for this chamber, and it ill serves the members of the opposition, who have been elected to perform a task — to represent their constituents and serve as Her Majesty's Loyal Opposition.

If they're serious about performing those tasks, then bring a proposal that would see us move on to this work. If they choose not to, if the Leader of the Opposition has so little regard for the work we do, I guess we'll continue to see and hear what we have heard over the last few days.

Mr. Speaker, thanks for letting me participate.

**J. Brar:** We're talking about Bill 5, the Supply Act. It was very surprising for me to sit in this House and listen to a lecture from the House Leader opposite — not the debate about the bill, but a lecture from the House Leader opposite complaining about the opposition debating the bill.

[K. Whittred in the chair.]

If I want to summarize what the House Leader of the government said.... The first attempt the House Leader made has shown that the House Leader is completely desperate to get out of this building. He has no interest to debate the bill, which is a very important bill for the people of British Columbia. We are talking about \$15 billion. That's \$15 billion for five months, and the Minister of Education here....

Interjections.

**Deputy Speaker:** Member. Order, Members. Order. Every member of this House will be given the courtesy of being listened to.

Continue, Member.

**J. Brar:** We are talking about \$15 billion, which is almost half the total budget. The leader of the government side is saying to the opposition: "Don't ask questions. Just give us a blank cheque."

Madam Speaker, we will not give them a blank cheque. We will ask the questions. The people of British Columbia want to ask the questions of this government. It is completely nonsense to stop the opposition from asking questions.

This is not the first time, by the way, they have tried to silence the opposition since they came into power. If

you look back when there were only two members of the opposition, they failed to give them opposition status. That was nonsense. That was unacceptable to the people of British Columbia, because the people of British Columbia want the opposition to hold the government to account. The people of British Columbia want to ask questions.

This is hard-earned money of the people of British Columbia. The Government House Leader standing up in this House asking the opposition not to ask questions — that is nonsense. That is completely nonsense. We will stand up in this House, Madam Speaker. We will continue to ask the questions which are very important to the people of British Columbia. That's our role. That's the role we are trying to fill here.

[1510]

This government is trying hard to run away from this place and start working for the election. That's the only interest they have. At this point in time, people are not in their interest.

**Deputy Speaker:** Order, Member. Member, will you confine your remarks, please, to the general principles of Bill 5.

**J. Brar:** Madam Speaker, I will try my best to do that. That's what my concern was.

Just a few minutes ago the House Leader stood up in this House and spoke for about 20 minutes. There was absolutely nothing in his speech — nothing — about Bill 5, the Supply Act. It was all complete nonsense, criticizing the opposition as to why we are asking questions. That's our role — to ask questions — and we will continue asking questions for the people of British Columbia.

This government has been running from accountability. This government said to the people of B.C. at the very beginning that they would be the most transparent and open government, and here they are, trying to intimidate the opposition for asking questions and trying to stop them from asking questions. But that will not happen. That was just a dream of the House Leader of the government.

The Supply Act is a very, very important step in this House. We are talking about \$14 billion — approval for five months. That requires a lot of scrutiny. The people of British Columbia want us, as the government, to make sure every hard-earned dollar of the people of British Columbia is used for the right purpose and in the right way.

What the government is trying to do... They want the opposition to sign a blank cheque. We are not going to do that, because that's a lot of money, and it's the hard-earned money of the people of British Columbia.

For the people who are watching TV, I would like to just briefly try to tell them what the process is and what is in fact happening here. The first step to introduce the Supply Act is the introduction by the minister. That's

where the minister actually introduces the Supply Act, explaining how much money and how much time that money will last.

After that, we go to the second stage, which is the debate, where every member of this House from the opposition as well as from the government side has the responsibility to stand up in this House and speak to the bill, either in favour or against the bill, for 30 minutes. So each member — all 79 members of this House — has that responsibility.

It's very surprising that it's only the members from the opposition who are trying to debate the bill, which is very important. It's \$14 billion that we're talking about. The members from the government side are silent. They are completely silent, with some exceptions.

After the second stage we go to the third stage, which is called committee stage. That's a very important stage where the opposition has the right to ask questions, the responsibility to ask questions, which we call clause-by-clause questions. Every minister will stand up and be asked questions against each line in the budget. That's where the real debate takes place. That's where the real accountability is placed. That's where the real scrutiny is done by the opposition.

What the government is saying is that they don't want to go to that stage. They don't want to be accountable to the people of British Columbia. They don't want to answer the questions of the people of British Columbia. That's the issue, and that is what is called nonsense.

When I was a student going to college, my father was a farmer. My father was paying for my studies. Each time I went to him, I asked him for money. He did give me the money, but he asked me a lot of questions because he wanted to make sure that the money he was giving me was used for the right purpose, that I was accountable.

[1515]

It was very little money — probably \$100 per month — but my father, who was a farmer, tried to do his due diligence to make sure that money was used for the right purpose.

When I was the executive director of a non-profit organization in Surrey called SEEDS, each time I made the budget, my board of directors would ask me questions about every item on the budget to make sure the money of the people was used on the right track. Similarly, the government, who was going to fund the programs, was going to ask me questions about every line of the budget which I put in there. So there was proper work done to make sure every dollar was used for the purpose it should have been used.

But here we are talking about \$14 billion for five months, and the government doesn't want to answer questions from the opposition. That is a problem, and that is what we can define as nonsense. That is actually nonsense.

I'm one member of the House. There are a lot of questions that I want to ask, which the people of Surrey

want to ask, on this Supply Act, and I will just ask a few of them.

The first one. This government, the day they came in power, made a big promise to the people of Surrey. The promise was that they were going to provide the best health care when you need it and where you need it. But in fact, they did the opposite. They started closing hospitals. They started cutting beds. They started privatizing a lot of health care services. People, of course, were very concerned.

Then they went back in '05, during the election, and they said: "Okay...."

**Deputy Speaker:** Member, could you please confine your remarks to the general thrust of Bill 5.

**J. Brar:** The people of Surrey want to ask questions about the crisis in health care. This is about five months, Madam Speaker.

**Deputy Speaker:** Member, Bill 5 is an interim supply bill.

**J. Brar:** Madam Speaker, Bill 5 is an interim supply bill that basically is going to continue the services for the people of British Columbia, which also include the health care services. That's what I'm talking about.

People in Surrey, particularly at this point in time when the economy has gone down like this, are very concerned about the crisis we have in the city of Surrey. They want to know that the promises made in the past — whether there's any money in the budget to make any progress on that.

The promise was made to build a new hospital. My question is: the people of Surrey want to know if there is any money in the Supply Act to make sure the work goes on. That's really a very important question. I think they are very concerned, particularly when we see the economy going down.

The second question. They also made a promise. The Premier went to Surrey during the middle of the election and made the promise that the Premier is going to build a new state-of-the-art emergency room. At this point in time the people of Surrey are very concerned about the height of crisis we have at the emergency room in Surrey, and they want some action. They want some action right now.

They're very concerned whether this Supply Act will help in any way. That's a question.

I'll just give you one story. Just a few months ago a young teenage girl who was walking in the park with her grandma was bitten by a dog. She had to go to the emergency room. She had to wait for six hours, and she received 40 stitches. That is the crisis I'm talking about. That's the height of the health care crisis we have in the city of Surrey.

People want to know whether this Supply Act will offer any hope to the people of Surrey. I think that's a very general question, and people want to know that. I want to ask that question, but the government is saying: "You cannot ask that question."

You cannot ask that question because they want to just shut down this House. They want to go out and start working on their election. At this point in time the important thing for them is the election, not the people of British Columbia, and that's my concern.

The third thing. They made one more promise to the people of Surrey. That was building the Port Mann bridge. When I ran the first time in the by-election, at that time we were very surprised to see that the government made the announcement the very first day of the by-election and said that they were going to twin the Port Mann Bridge — that everything is ready, the business plan is ready and the budget is there.

They made all those kinds of promises. We are talking about October 2004. Then what we saw, during the last five years, was the government inappropriately blaming the opposition — that we don't support the bridge and so on.

But after five years the minister went out almost everywhere, had huge consultations with the community about twinning the Port Mann Bridge. Finally, after five years, they continued saying that they are going to twin the Port Mann Bridge, which means the existing bridge will stand, and they will build one more bridge. That continued for five years.

The minister went on very passionately about that almost everywhere. But after five years of that work — I don't know how much money was spent on that, how many people were consulted or how many business plans were prepared — the minister wakes up and says: "We are going to actually build only one bridge." The cost of the bridge the first time we asked here, in '05, was \$600 million. Now it's \$3.3 billion.

People have questions. People have very general questions. People want to make sure that taxpayer money is used in the right way. From \$600 million to \$3.3 billion is a lot of money. People of Surrey, people of British Columbia, want to know how a project can go from \$600 million to \$3.3 billion. The government has a responsibility to explain that to the people of British Columbia.

But what they're telling us: "Shut down this House. Let's go out...." They're interested in an election. They have no interest in the people's issues, and that's a very serious concern.

The other thing about the Port Mann Bridge I want to say... The minister said it will be a P3. This whole discussion was about P3. But then at the end, they said: "Oh, the investor is not prepared to finance this anymore." Therefore, the people of British Columbia will pay the price.

We are talking about the budget here. People want to know what changed with that. People want to know how much they have to pay. People want to know how much delay will be there because historically, if we look at Surrey, all the projects they announced have been delayed more than four times.

The minister will continue and still build it in 2013. I think he didn't speak to the Minister of Health. The Minister of Health has a program there as well, which is basically expansion of the ER, a very small project compared to twinning the Port Mann Bridge, which is \$3.3 billion. The expansion of the ER is probably just \$200 million.

[1525]

The Minister of Health is postponing that project from 2010 to 2014. The announcement was made in '05, and now it will be built in 2014, which means it will take about nine years.

But the Minister of Transportation is telling us a different story. He's telling us that the Port Mann bridge, a much bigger project which is \$3.3 billion, will be built in 2013 in just three years. So either the Minister of Transportation is wrong or the Minister of Health is wrong. There's something wrong there. The people of British Columbia want to ask those questions, and the government is running away from answering those questions.

Interjection.

**J. Brar:** The minister on the other side says: "We're right here, but not to answer the questions, though, because we're not going to the third stage. We're not going to committee stage. We don't want to go there."

The question now is: are there any options? Are there any better options where the people of British Columbia still have the opportunity to ask questions? Are there any options where the opposition members can ask their questions? Are there any options where we can hold the members on the other side accountable that there's proper scrutiny of the bill? Let me tell you. There are some options.

Option 1 is this. It was the government who brought in the set schedule for the elections, and they chose to set the schedule just after.... The election will take place a couple of months after the bill is introduced. That is an excuse for not having the debate on this bill. We said — our House Leader on the opposition has said, and many other members have said that as well — that we can postpone the election date so that the people of British Columbia have the full scrutiny of this bill, so that they're fully satisfied before we pass the bill. But the government says no, they will not change that goalpost, because they don't want to answer the questions of the people of British Columbia. So that is the option.

The second one. What they want is that we approve the Supply Act for five months, which is almost 45 per cent of the time in one fiscal year — five months. When the election is going to take place on May 12, and we can

be back here next month, why do we need to approve for five months? I don't understand that. Nobody is prepared to answer that question because they want to shut down this House, go out and fight for the election. That's what the agenda is.

People, for them, are not important anymore. It's all about the elections. It's not about the debate and the accountability and the scrutiny of this bill. They just want to run away from that, and that's why it was very surprising for me that the leader of the government would stand up in this House and give a lecture — not debate on this bill but give a lecture to the opposition — saying this was completely nonsense and has no meaning. The only thing he should have done is debate this bill as to how this bill is better. If he thinks that way, he has the right to say that.

[H. Bloy in the chair.]

He didn't say anything about the bill other than lecturing the opposition, and we will not tolerate that. We will stand up for the people of British Columbia. We will continue asking questions for the people of British Columbia. We will do our job. If they want to run away, they can't run very far because we have an election coming on May 12. The people of British Columbia will send them a message that you need to be accountable, and that message will be delivered pretty soon.

I would like to conclude my comments. My fellow member probably will follow me. We are ready to debate, and it is the government who is running away from this debate. That is a shame, and that is an insult to the people of British Columbia. That is running from accountability. That is running from scrutiny of this bill.

[1530]

**A. Dix:** It is, of course, a great pleasure to rise and speak on Bill 5, the Supply Act. Just before the outstanding speech by the member for Surrey—Panorama Ridge, we heard from the Government House Leader, who is expressing a sense of shock and dismay in this House that the opposition has spent all of one legislative day debating a bill that authorizes spending in the order of \$13.39 billion — \$659 million on capital and \$1.153 billion on voted revenue transfers appropriation.

The Government House Leader was shocked. He was shocked that the opposition might have points to make about this spending. In fact, it's one of the fundamental roles of parliament, which is to authorize the spending, to ask questions — grievance before supply. It's to ask the questions, to raise the points, to raise issues. We've had all of one day of debate on a bill.

It's right here in section 2 — I know you're following along very carefully, hon. Speaker — which authorizes \$659 million in capital spending. Section 1 authorizes \$13.39 billion in operating spending.

The Government House Leader comes to this House today, doesn't address some of the issues around the bill — whether five months is appropriate or another period would be appropriate — but complains that we've spent a single day of legislative debate on \$13 billion.

A cabinet minister once got in trouble in this House for saying: "What's a hundred million dollars?" Well, \$13 billion is a lot of money, and it's our obligation as legislators, I think, to discuss that — to discuss the Supply Act, to have a reasonable debate on the Supply Act.

That's what we're doing now, and if one day and one hour is too long, one starts to understand why the Legislature sat four days last fall and why last year's sitting days were the shortest number in history.

This was the speech the Government House Leader just gave on this bill — Bill 5, the Supply Act. He said that one day of debate was too much for him, that he did not want. . . . He thought we were filibustering, because we'd had one day of debate. They called this debate on Thursday. We have one day of debate. We have so far one hour of debate today, and it's too much. He's overwhelmed by the amount of debate that we've had on \$13 billion in spending.

It is absurd, of course. It is entirely reasonable, and not just entirely reasonable but expected, for the opposition to address the issues in Bill 5, and that is what we have been doing. They are critical issues. They are critical issues for taxpayers. They are particularly important issues at this time when the economic circumstances of British Columbia are in such difficulty.

In fact, it's not surprising. We went through this at length, so let's discuss it at some length. They introduced in this chamber. . . . The Government House Leader referred to it in his speech on Bill 5. They brought this chamber back, and we had a throne speech. The Government House Leader talked about the length of time of those speeches in his speech on Bill 5.

They had a throne speech, and we had one half-day of debate on that throne speech. Oh, they were proud of the throne speech. They gave it one-half of a day. The Government House Leader gives a speech on Bill 5, and he doesn't even refer to debating the throne speech. That's how proud they were.

Of course, it had to be the emptiest throne speech in history. You wouldn't have thought that there were serious issues facing British Columbia in all kinds of areas, from children and families to the economy to health to education. To have such an empty throne speech is unbelievable. There were more calls for action from Ottawa than there was action proposed in British Columbia in that throne speech.

[1535]

One-half of a day. One-half of a day of debate so far. The Government House Leader cares so much about his throne speech that he's abandoned it.

Then we have the next day. We have a budget brought in, in British Columbia. This precedes. . . . Really what

we're talking about is the third in the cycle of three bills of regret on the part of the government. After they passed the original balanced-budget bill — run six deficits in ten years — they have decided to abandon balanced budgets in the short run. That was regret No. 1.

In that bill they also banned supplementary estimates. They said: "We can't have supplementary estimates." The next week, we're debating supplementary estimates. My colleague from Surrey-Whalley rightly cited St. Augustine, "Give me chastity but not yet," to describe their position on supplementary estimates.

Now we have this bill. They introduce a budget. The standing orders say six days of debate on this budget. The Government House Leader specifically and at length talked about this during his speech on Bill 5 just a few moments ago. The budget is supposed to be followed by six days of debate. Who controls the debate in this House? It's not me. It's not the member for North Island. It's not even the member for Skeena. Surely it's not the Minister of State for Intergovernmental Relations. Surely it's not them.

They can call the budget debate at any time, and they could have done it. We could have had the six days of debate on the budget. They chose not to do that. They chose to do it in the order they chose to do it. Fair enough, but then don't come to this House in your major speech — the only substantial speech from the government side on Bill 5, where this was the centrepiece of your speech — and start complaining that we haven't called the budget debate.

They control the calling of legislation in the House. They've decided on the order of that legislation. Because they messed up in their legislation in the past, we had a go-over in the first week, when we were supposed to debate the throne speech. Then last week we debated supplementary estimates, which they have apparently banned in British Columbia. Now the Government House Leader is giving a lengthy dissertation about how one day of debate — one day of debate — on \$13 billion in spending is too much.

"It's beyond the reasonable," he says. "It's not fair to this Legislature," he said. He pleaded. "It's not fair," he said, "to have one day of debate on \$13 billion." That is the standard.

No wonder he's anxious. No wonder this Legislature has sat less in the last year than at any other time in recent memory. If that's the standard, one day for \$13 billion, what would ten days be? What would ten days be?

It is, I'm telling you, an astonishing position to hold, that they would lecture the opposition — having refused to allow this Legislature to sit in the past, having repeatedly and systematically used time allocation or closure to pass major pieces of legislation. Then they come in here at the end, and they say: "Oh, we'd like to talk to you about this."

Let's be clear. There's a parliamentary calendar. We're going to sit to the parliamentary calendar. That's what's

going to happen, unless the government does what it did in 2005 and shuts it down early. So when they're asking how we might come to the conclusion that they might shut it down early, well, they did it last time. That's how we come to that conclusion. They did it last time in the first week in March.

**J. Horgan:** Creatures of habit.

**A. Dix:** Creatures of habit. So that is the concern.

We've had this trilogy, and it's not like a good trilogy. It's not like, say, for people watching at home, *The Lord of the Rings* or something. This is not a good trilogy here, this trilogy of financial regret that we've seen from this government.

Failure after failure. An economic package that failed last fall to do anything. They cut ferry fares, and then they raised them on February 1. That was a key point in the Premier's ten-point plan. They failed then.

They come in and introduce balanced-budget legislation, which gets rid of the balanced-budget provisions which they put in. Six deficit budgets in ten years is what they've done, and over that period, 2.6 percent economic growth. It's the least of any government since before the Second World War. That's the record.

[1540]

They come in. They bring in supplementary estimates. I don't think that debate was extended in any reasonable way. I know that the member for Surrey-Whalley did an outstanding job of holding the Minister of Finance to account on those issues. He did an excellent job. We even tried to ask the Minister of Health some questions, and while we didn't get any answers, we asked all the pertinent questions.

We had that debate, and now here we are debating this Supply Act. I think it's the job of the opposition. When presented at a time of difficulty with a budget for 2008-2009, which the government says will be in surplus but will probably be in deficit, a budget for 2009-2010 that will be reapplied after the election, that this arguably....

At a time when government has to play a major role; when forest workers are losing their jobs every single day; when people in our communities from Vancouver to Burnaby and the Lower Mainland, who are losing high-tech jobs to people in the forestry industry.... People across the province who are losing their jobs are asking questions about tomorrow.

I think it's a reasonable question for an opposition to ask whether five months of supply isn't too much, whether we should have those questions answered quicker than that, whether three months of supply is appropriate at a time when the government itself seems to change its position on key financial issues, not every week but every day.

We had the Minister of Finance last week give an example of that on Olympic spending and on his

Olympic projections, which changed. They were one thing one day, and they were another thing the next day.

What we heard today in question period was that the things that were said before didn't exist. They were non-things. "They're now new things," he was saying about that, and he never said what he said before. That word, that number — \$175 million — never passed his lips before last week.

**An Hon. Member:** Clear as mud.

**A. Dix:** It's clear. This is a critical time, I think, for the economy of the province. I would argue — this period argues — for serious questions to be asked about the need for five months of supply. That's what we're doing in this second reading debate on the issues. We're asking those questions. We're raising those points, because the government doesn't seem to get it. They do not seem to get it.

They have repeatedly and institutionally disrespected the very reforms that the Government House Leader talked about in this House. Now we're debating this bill, and why is it serious? Because we have a budget before us that cuts services to children in care at a time when we receive a report, a very significant report, that says, for example, that 49 percent of male children in care end up in the youth justice system.

These are serious issues at a time when we're dealing with major issues of violence in our society. The government is cutting the budgets, cutting the supports for children in care — clearly in the budget. I think that we as an opposition might reasonably ask some time.... Whoever is the opposition after the election may want to reasonably ask questions about that — some time before five months from now.

We're in the midst of a gang war. The government introduces a budget that cuts prosecutors, that cuts court services, that cuts corrections. I think that we as an opposition — we have asked some of those questions in question period, appropriately — might want to ask some questions and raise issues about that. Surely five months of supply, which is actually limiting the government....

It says precisely what they can spend in that five-month period. They've decided — and my colleague from Port Coquitlam has raised some of these issues significantly — that crime and safety is not a priority for them when it comes to the rubber hitting the road. They like to talk about it, but when it comes to the budget, they don't deliver.

These are significant questions that we would like to ask about and raise and deal with in Committee of Supply — that any opposition, whether it's our opposition now or the Liberal opposition after the election, might reasonably want to ask. I think they should have the opportunity to ask them.

[1545]

That is why my colleague from Surrey-Whalley — in what, I have to say, was a lesson in parliamentary debate that he gave in his second reading speech on this issue — raised so many of these significant questions. In fact, what the government is doing is inconsistent with the tradition around interim supply. I think it's reasonable for us on the opposition side to ask why they are doing that, why they are moving away from past traditions in terms of the time line for interim supply.

The Minister of Finance says that the standard is from 2005. That's the standard. They did five months then. They closed the House down early, and they did five months of interim supply. That's what they did.

The Minister of Finance, though, doesn't raise that issue. Because it sounded to me like when the Government House Leader was raising that issue, he thought five months was a bad idea. He was debating that issue, and it made it seem like he thought five months was a bad idea.

Why aren't we debating this issue now? Why hasn't the government defended its decision to go five months rather than four months or three months in this interim supply motion? Three months, by the way, was and has been the standard for a long time. There have been rare exceptions to that. This government is two for two. So you've got to ask yourself: if they're two for two, why don't they stand up in the House and defend that issue?

We believe that the important issues that this budget raises.... It's issues around crime and safety and the funding for crime and safety, issues around the stimulus package or the lack of an adequate stimulus package, issues around — and this is an important question — what I think is a fanciful projection around the number of income assistance recipients we're going to be facing this year. It's a significant question when you're talking about debating five months of interim supply in a recession, a recession which they said, not months ago but weeks ago, they could handle and have a balanced budget.

These are significant and important issues. This budget was inadequate. We will be debating the issue of the budget itself in its full form in the general budget debate, whenever the Government House Leader chooses to call it in the House. To date he's only done that for one day. We've now had one day, one hour and 20 minutes of debate on \$13 billion of interim supply.

Interjection.

**A. Dix:** And the minister across the way says: "That's too much." One day is too much. She is annoyed by the filibuster, she says. One day for \$13 billion. That's their position. No wonder they brought in closure a record number of times. No wonder we only sat four days last fall and three days in the fall of 2006. No wonder we've sat fewer days than any legislature in history, if you com-

pare the record of this government to the record of past governments. No wonder.

They do not respect the debate in this Legislature. They get impatient with the debate in this Legislature. They think they got elected to be the executive council. They got elected to be MLAs. They got elected to sit in this Legislature, and they are contemptuous of the process in this Legislature.

So we have — repeatedly — the use of closure by this government, and now we get lectured on this very debate on Bill 5 by the Government House Leader. We get lectured about the amount of time we're spending on this debate. One day is too long for \$13 billion.

If the parliamentary calendar says we're sitting to the end, we're going to be sitting to the end. We're going to be holding this government to account every single opportunity we get. What part of that do they not understand? What part of that message do they not understand? What proposal is it that the Government House Leader is talking about?

We were ready to debate last October. At the beginning of October, when these issues of the financial crisis were coming to British Columbia, we were ready to come here and meet and discuss those issues. This place was left dark by this government. They didn't want to debate then. We ought to have had a debate then, because that's when the situation was getting more and more serious for our constituents in British Columbia.

[1550]

How did they respond? They responded with nothing. They refused to let this House come back, and now they have the temerity — and for the member from Port Coquitlam, that means they have the gall... They have the gall to say that we are not providing adequate debate in this House, when they have shut it down, when they've used closure in a record fashion.

Can you imagine the arrogance of this government to come here and say this — to not defend the facts of this supply bill, but to come in with an arrogant display like that? They shut it down. Fewer sitting days than ever before. The greatest use of closure in history. They bring in a bill banning supplementary estimates one day, and then they call supplementary estimates the next day.

They claim they're in favour of balanced budgets. They run a majority of deficits. These are the reasons: six deficit budgets in ten years now — six in ten. All is solid. The fact of the matter is that their argument here is lacking in credibility.

The only good news is that they've woken up, and I look forward to members on the government side rising in this debate and actually defending the government's record in this regard. The issues that we're talking about.... The people who are affected by this \$13 billion in spending are the people we were elected to represent.

When the government fails on health care and there are clogged emergency rooms and people waiting for

surgery — that's what this debate's about. When there are too many special needs kids and too many kids who are in illegal classrooms that we said shouldn't be allowed — more than three special needs kids in a classroom — that's why we need this debate.

When children in care are failing to get the services they need.... We know this in our communities. We've started work on some right now for kids from 12 to 17 who have had services gutted that they used to get. The alternative sometimes to problems of gang values — those very alternatives gutted. That's why we're here in this debate.

There were, in my constituency of Vancouver-Kingsway, two shootings in seven days — one on Anzio Drive, one at Kingsway and Slocan just yesterday — and the government in the \$13 billion we're talking about right here has cut services to prosecutors, cut services to courts. That's why we're here in this debate.

This debate is a significant debate — this debate around the budget. We will take every opportunity.... So that it's clear to the Government House Leader, we will take every opportunity to take part in this debate.

I am delighted that the House is at least sitting now, in spite of the fact that in 2008 and 2007 and 2006 we sat less as a Legislature than ever before, as the problems facing our society are more complex than ever before.

Interjection.

**A. Dix:** The Minister of Transportation is inspired. I can't wait for his response in the debate. After they have repeatedly used closure.... After the people of Surrey-Cloverdale.... After they brought in closure, the Minister of Transportation got up and voted for that gas tax which he's going to double in two months and triple a year after that. He used closure to bring that in.

Interjections.

**Deputy Speaker:** Members. Members.

Member, just one moment.

Please allow the member that has the floor to make his remarks. Thank you.

Continue, Member.

**A. Dix:** So that's the record, and I understand that the Minister of Transportation gets unhappy when we remind him of how he used closure to bring in that unpopular tax. I know he's upset. I know that drives him....

Interjection.

**A. Dix:** The fixed legislative calendar. The Minister of Transportation says that all the days are optional in the

House. He thinks all the days are optional in the House. It's irritating for him to have to be here. When we sit fewer days in 2008 than ever before, he says: "It's an optional skate." That's what he's saying.

[1555]

I think the people of British Columbia, when the economy was suffering in the fall, would have expected their Legislature to be at work, and they chose to leave it silent. That was, I think we all have to acknowledge, a serious mistake.

This is the reason that we've been raising.... Oh, and I know it's hard. I know it's difficult for the Government House Leader to accept this: one day of debate for \$13 billion in spending. Oh, more than that — \$14 billion in spending. You've got to carry the \$659 million. One day of debate and it's too much. It's unreasonable.

We look forward to the Government House Leader calling the budget debate, which he has failed to do but once since the budget was tabled. We look forward to the Government House Leader calling the throne speech, which they're apparently proud of, but it doesn't even sound like they want to vote on it in this House. They don't even want to debate that throne speech. They're so embarrassed by it. I understand why they're embarrassed. I read the throne speech. I understand why they're embarrassed.

So we will take every opportunity.... My colleague from Port Coquitlam, the Leader of the Opposition, my colleague from North Island, my colleague from Vancouver-Fairview, my colleague from Malahat-Juan de Fuca and all the members of the opposition will take every day, every opportunity, to hold this failed government to account.

Thank you very much for listening to my speech on this issue.

**Hon. W. Oppal:** I hesitate to interrupt this riveting dialogue that has been going on here, but I seek leave to make an introduction.

**Deputy Speaker:** Proceed.

### Introductions by Members

**Hon. W. Oppal:** The Federation of Law Reform Agencies of Canada is visiting our city here for their deliberations. That agency is a coordinating body for law reform agencies across Canada. The federation meets every second year. This year we are honoured to have them visit Victoria.

Law reform agencies, of course, ensure that the law meets the needs of society by proposing updates, revisions, consolidations and new concepts to the legislation. The federation is a coordinating body for law reform agencies across Canada. Please join me in welcoming the federation's 25 members to our province.

### Debate Continued

**Deputy Speaker:** Seeing no further speakers, I'll call on the minister to close debate.

We'll take a five-minute recess.

The House recessed from 3:57 p.m. to 4:02 p.m.

[Mr. Speaker in the chair.]

**Mr. Speaker:** Minister of Finance closes debate, seeing no further speakers.

**Hon. C. Hansen:** It gives me great pleasure to close debate on Bill 5. There were a lot of things I wanted to say at the close of the debate, after listening to the input from opposition members on Thursday and earlier today. My colleague the Government House Leader, I think, summarized a lot of that for me.

I think it was important to put on the record in *Hansard* the fact that what is being proposed here in Bill 5 with this interim supply bill is totally in keeping with parliamentary practice in this House. We heard speaker after speaker from the official opposition certainly implying and in many cases explicitly saying that the way we were presenting interim supply this year was very unusual. There was even the inference that somehow it was undemocratic and unparliamentary — what was being proposed here today.

The Government House Leader earlier today talked a bit about the tradition of interim supply in this province. I just wanted to add a bit, because I do have a bit more of the specific background.

The Government House Leader mentioned that this is probably the first time in many, many years that an interim supply bill has been brought forward to this House for approval as early in the year as has been done this year. The Government House Leader is correct, in that this was first presented to the House on February 26. In fact, there is not another case in the last 22 years, which is as far back as I have information, where the interim supply bill has been brought forward this early in the legislative calendar.

What's interesting is that during the late 1980s and throughout the 1990s, typically what was being asked for in a normal year, a non-election year, was an interim supply of three months. The practice of this government going back to 2002 has been to ask for only two months' interim supply for each of those years, the one exception being the election years. In the last election year four years ago, we asked for six months' interim supply to make sure that the new government had an opportunity to bring the House back into session and, in that case, to table a new budget.

[1605]

This year we are waiting to see a response from the official opposition as to the proposal that was put for-

ward by the Government House Leader today. If they would like to accept the Government House Leader's offer to have this House move quickly into an estimates process that allows for those estimates to be completed before this Legislature adjourns for the election, that's certainly something that I know the government would take into consideration.

In fact, it may be in everybody's best interest that we actually get through that entire estimates process before the election is called. It would give the opposition members a chance to actually ask questions of individual ministers with their spending proposals, which are contained in the estimates.

It may well mean, if they were to take up that particular offer, that it wouldn't be necessary for an interim supply bill to be passed with the five months that is being proposed. The only reason that we are asking for five months is to allow us to get through the election, for new members of the Legislature to be sworn in, for a new executive council to be sworn in and then enough time for government to do the work it has to do before this House could be reconvened.

If the estimates are not passed before the election, then it would be necessary for a government to pass a new budget. Therefore, these five months of interim supply would be absolutely necessary.

I think the Government House Leader also pointed out some of the unusual years. One of the most unusual years was 1996, when the government of the day did not pass any interim supply at all but rather called an election and basically left the operations of government without any funding. In other words, even the salaries to pay government employees were not in place, because this House had not approved an interim supply bill that would allow for that during the election and until such time as the House could be reconvened afterwards.

They actually ran government based on spending warrants, which is something that has not been used in the entire time that this government has been in office, since 2001. There are still some very, very unusual circumstances where spending warrants may be required, but this government certainly does not use spending warrants — a sharp contrast to the government in the 1990s, when we saw spending warrants being used basically every single year during that period of time.

The other difference in the way this government has approached interim supply is that in every single year that we have been in government, we have introduced it as a conventional bill, and we are taking it through each of the three stages in the normal course of legislation being presented.

What's interesting when you go back prior to 2001 is that in every single case, it was introduced as a Standing Order 81, which actually allows for the government of the day to push through all readings of that bill in one sitting. That is certainly what the NDP government did

in every single year except one. That was 1984-85, when they introduced it as a conventional piece of legislation.

The other year, actually, if you go back to 1986.... The other year that was not Standing Order 81 was 1988. That was also pushed through all readings in one sitting of the House, but it was done by the unanimous consent of the House rather than by Standing Order 81.

If you look back over *Hansard* from the debates on Thursday, you will find a lot of things said by members of the opposition that really are full of hyperbole — the statements made that this was "not in keeping with parliamentary tradition." I think anybody who examines the record will find out that this is very much in keeping with parliamentary tradition.

There's one other point that was made. I'm not sure if it was made by the opposition Finance critic. It may have been the speaker immediately after him. There was a reference made to the Economic Forecast Council. It was made during the debate on second reading of this bill and has also been said in this House in other circumstances, and it's something that I wanted to correct.

What was said was that the Economic Forecast Council had asked for a meeting with the Finance Minister in early February. That, for the information of the Finance critic, is not the case. There was no such meeting requested by the Economic Forecast Council for early February.

In fact, they've said that on many occasions. We've actually gone back to double-check the meeting requests that have come into my office, and there were no such meeting requests, not only on the part of the Economic Forecast Council, but there were no meeting requests that came in from any of the individual 12 members of the Economic Forecast Council as well.

[1610]

This interim supply bill that is before us will allow for government to continue to pay its bills, allow for government workers around the province to continue to receive their paycheques during the months of April and May and June and until such time as this House is able to reconvene.

As I say, there is an opportunity now for the opposition to come back to the Government House Leader with a proposal in terms of how we can actually get on to the estimates process, get those completely resolved. Then those public servants that are administering programs on behalf of the people of British Columbia.... Not only will they have the funding through a normal estimates process and through a regular supply bill to fund those programs, but they will also be able to have their own salaries and benefits paid for as a result of a final and complete supply bill.

We will leave that with the members of the opposition to deliberate on. Certainly if they have an interest in getting on to estimates and completing the estimates process before this House recesses for the general election, that

is something that I think they would probably find a favourable response to from this side of the House.

With that, I move second reading of Bill 5.

Motion approved.

**Hon. C. Hansen:** I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 5, Supply Act (No. 1), 2009, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

**Hon. I. Chong:** I would now call committee stage of Bill 2, Budget Measures Implementation Act, 2009.

### Committee of the Whole House

#### BUDGET MEASURES IMPLEMENTATION ACT, 2009

The House in Committee of the Whole on Bill 2; H. Bloy in the chair.

The committee met at 4:13 p.m.

**The Chair:** We'll recess the House for five minutes before proceeding on Bill 2.

The committee recessed from 4:13 p.m. to 4:16 p.m.

[H. Bloy in the chair.]

On section 1.

**B. Ralston:** I just wanted to confirm that this change reflects the change in the naming of the members of the executive council.

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

Section 1 approved.

On section 2.

**B. Ralston:** I want to ask the minister if he can explain the purpose of the amendment to section 5 of the Balanced Budget and Ministerial Accountability Act that's set out in section 2 of this bill.

**Hon. C. Hansen:** What it was is that for every minister, there is a target they have to meet. They have to ensure that their ministry comes in at or under the budget appropriations that are approved by this House through

the main estimates or through supplemental estimates or through appropriate access to contingencies.

In the case of the revenue minister, it has always been a different target, and that's that the revenue minister has always had to achieve revenue targets that have been set out at the start of each fiscal year. With the dissolution of the formal Ministry of Small Business and Revenue, that particular revenue target has now been restated so that instead of it being a target for the minister of revenue, it is to be a target for the minister responsible for the Income Tax Act.

The net effect of this is that the Minister of Finance not only has a budget management target on the expenditure side, which the Minister of Finance has always had over the last seven years, but in addition to that, the Minister of Finance now has a second target that must be met. That is the target for the revenue numbers that normally in the past would have to have been met by the minister of revenue.

**B. Ralston:** So how does that calculation lead to the Ministerial Accountability Bases Act? What's the process whereby those two calculations form the basis of the judgment that might be required in the Ministerial Accountability Bases Act?

**Hon. C. Hansen:** It means that the Finance Minister actually has triple jeopardy against that 10 percent holdback on the ministerial salary. In every ministry, the minister gets that 10 percent holdback returned only if they meet their expenditure targets. In the case of the Minister of Finance, he or she not only has to meet the expenditure targets, as every minister does, but will also have to meet the revenue targets that are set out in advance of the fiscal year and, in addition, also have to meet the responsibilities under the carbon tax revenue-neutral accountability.

The Minister of Finance, in order to have returned that share of the holdback, would have to meet all three of those targets.

**B. Ralston:** If, for example, the minister met two of the three targets, would there be an apportioning of it, or is it an all-or-nothing?

**Hon. C. Hansen:** No. In fact, if the Minister of Finance does not meet all three of those, then he or she will lose that 10 percent portion.

[1620]

Section 2 approved.

On section 3.

**B. Ralston:** Can the minister explain the purpose of the amendment that's sought in section 3? There is what is referred to as an Accounting Policy Advisory

Committee, and I think this section seeks to repeal its automatic disestablishment. I'm not quite sure why that's necessary.

**Hon. C. Hansen:** This particular committee, the Accounting Policy Advisory Committee, was established as part of this government's commitment to go to generally accepted accounting principles. We were the first province in Canada to make that transition. We are, in fact, the only province that has completely shifted to generally accepted accounting principles in all of Canada.

This particular body is made up of accounting professionals and has been an invaluable source of advice to the province over these years while we have been implementing GAAP and, more recently, extending that to the SUCH sectors as well.

Originally, this provision was in the Budget Transparency and Accountability Act, with a sunset provision on it so that this particular committee would cease to exist as of March 31, 2009.

Given the invaluable ongoing advice that this committee provides to government, we are proposing to continue this committee in the future and not to have it sunset at the end of this month. So this change just allows for the committee to continue to exist.

**B. Ralston:** Can the minister advise the number of members of that committee and who the current members of that committee are?

**Hon. C. Hansen:** I don't have that with me. I met with them, actually, last fall when they were having one of their meetings. To the best of my recollection, I think there are about eight or nine members that serve on this committee.

**B. Ralston:** Does this body provide advice exclusively to the minister, or is it open to other members of the Legislature to seek their opinion on accounting policy?

**Hon. C. Hansen:** Going back to the previous question, the committee has a minimum of five and a maximum of nine members. That's what's provided for. As I said, I believe there are eight or nine that serve on it currently.

They provide advice to the minister from time to time. As I say, I met with them last fall. Their interaction is primarily with Ministry of Finance staff. From time to time they would be providing advice to ministry staff with regard to accounting policies generally. As I say, much of their work has revolved around implementation of GAAP.

Section 3 approved.

On section 4.

**B. Ralston:** In the *Estimates* set out for the fiscal year ending March 31, 2010, there's a reference on, I think, page 2 in "Estimates Accounting Policies and Presentation Changes," which talks about prepaid capital advances. I gather that this process, or this use of what are called prepaid capital advances, will be discontinued.

In the explanatory text that accompanies this, it says: "As this is a correction of an accounting error, the change will be made retroactive in the *Public Accounts*. The ministries will no longer be charged with PCA...." That stands for prepaid capital advances amortization.

Can the minister explain to someone who is not an accounting professional what is meant by "a correction of an accounting error"? I understand this process had been used for many years. I've never heard it identified as an error before. Perhaps the minister could explain that.

[1625]

**Hon. C. Hansen:** The member is correct that prepaid capital advances have been used for some time in British Columbia. Really, what has happened in these last number of years is that as we have made that shift to generally accepted accounting practices, the prepaid capital advances are no longer seen as the appropriate vehicle under GAAP for the allocation of capital expenditures to various ministries.

When the term "error" is used, it's not that somebody made a mistake. What it is, is that it is not consistent with how capital should be presented and appropriated under generally accepted accounting practices. So in order for us to be totally GAAP-compliant, we are making that transition away from prepaid capital advances.

What will happen retroactively is that we will be able to restate the capital appropriations for these last eight years — or back to April 1, 2009 — so that they do reflect the appropriate reporting of these accounts as would be required under GAAP.

**B. Ralston:** As I understand it, in the previous practice, what were called the prepaid capital advances were advanced from ministries to government organizations. They will now be designated as grants, and the Minister of Finance will make those grants directly from the treasury.

I understand that rather than these prepaid capital advances being carried on the individual financial statements of the ministries, they'll all be consolidated under the Minister of Finance and the Ministry of Finance and come from a single fund. It seems to me — perhaps the minister can correct me — that may make that process somewhat less transparent, given that there's one pool, and they don't come directly from the ministries to the organization. But if I'm wrong on that, perhaps the minister can correct me.

**Hon. C. Hansen:** Actually, this process will enhance transparency, because what this means is that in the vote for each ministry, they will be allocated a capital budget that they will have responsibility for. This actually is an added part of accountability under the BBMA targets that each minister has to receive. So this shift actually provides, first of all, more transparency and more accountability on the part of the individual ministers.

**B. Ralston:** I appreciate the minister's comments, and I'm looking at the present 56.1(2) of the Financial Administration Act, which this seeks to alter. As it reads now: "The appropriate minister may make from the consolidated revenue fund a prepaid capital advance to an institution for its capital expenditures." I'm not following the explanation that's being made of the change and why it would be more transparent. That seems to me to be relatively straightforward.

[1630]

They are disclosed in the statements of the individual ministry, and they're made in accordance with this section. How does that enhance transparency — the changes that are proposed?

**Hon. C. Hansen:** For the first time, this capital funding is actually set out as a distinct vote that comes before the Legislature for approval.

[K. Whittred in the chair.]

In past years these capital expenditures were in the schedules that were part of the budget presentation, the budget documents. This way, there is a specific vote. It can be debated in the Legislature, and ministers are individually accountable for delivering within the appropriation that's set out in that vote for their appropriate ministries.

In this case, it is set out as Vote 45 that will be debated by this chamber. In past years, if ministers were to exceed their appropriations for capital, it was actually considered statutory. This way, they have to live within that appropriation. There would be a process by which they would be able to access the capital contingency should that be required, but in a way that is, first of all.... I think that in the way it's set out in the budget documents, it gives much more transparency and much more certainty to what is allocated to a specific ministry.

**B. Ralston:** I thank the minister for that explanation. I do have the estimates of March 31, 2010, with me. I gather they've been prepared on the assumption that this vote or this amendment would pass.

Could the minister show, in the case of an individual ministry, or give me an example of how that would be displayed to the reader?

**Hon. C. Hansen:** He'll find Vote 45 on page 181.

**B. Ralston:** I thank the minister for that example. It does appear to be the capital funding for four separate ministries. Is the minister saying, then, that there's a lead minister who would be responsible for that, or would that...?

I'm thinking of the estimates process where that questioning would come. Typically, or sometimes, when one asks one minister to respond, he or she will say, "Well, in fact, I'm not responsible," and refer to another one, often someone whose estimates are already completed.

Just for the sake of understanding the process and where those questions might be raised, could the minister advise: who will be the responsible minister who will be able to answer the questions in the estimates process about, in this case, Vote 45?

**Hon. C. Hansen:** The ministers responsible for each of these ministries, as set out on page 145, Vote 45, have responsibility for their capital budgets.

**B. Ralston:** Well, I thank the minister for that answer, and I'll be able to reference it should it be required in the future or by other members of the Legislature. I think that's quite helpful.

Are there any other consequences to the presentation of the public accounts by incorporating this change that's proposed and explained in that note on page 2?

[1635]

**Hon. C. Hansen:** I can't think of anything else of significance. I would also refer the member to page 203, which is the summary of ministerial accountabilities for operating expenses. In there he will note that, for the first time, ministers of those particular ministries are not only responsible for their operating budgets, but they are also responsible for their capital budgets as well as part of their ministerial accountability.

**B. Ralston:** As I understand this section, this amendment is retroactive, I think, to a date in 1998. Is that correct?

**Hon. C. Hansen:** Yes, that's correct. That allows us to bring the presentation of the province's financial statements back to that time to allow us to bring those presentations into compliance with generally accepted accounting principles.

**B. Ralston:** Is there any particular reason for selecting that date as opposed to, I don't know, April 1, 2000? Is there any magic to that date? I'm just wondering why that was selected.

**Hon. C. Hansen:** That's the date at which prepaid capital advances had started to be used in the province of British Columbia.

**B. Ralston:** That's obviously some staff with the institutional memory there. I appreciate that.

Other than that, there are no other consequences to adopting this other than the changes in the display to the reader for the purposes of the public accounts. There are no other consequences to adopting this. There are no financial consequences, I take it, just... I don't expect so, but just to be clear.

**Hon. C. Hansen:** No.

Section 4 approved.

On section 5.

**B. Ralston:** Section 5 "authorizes the Minister of Finance to make a grant to a government organization for its capital expenditures." I take it this is a continuation of the same principle that we spoke of in section 4 and that this would be displayed to the reader in the same way.

**Hon. C. Hansen:** The member is correct. This is basically a technical amendment that would flow from the elimination of the prepaid capital advances.

**B. Ralston:** What definition is used when referring to "government organization"? That's the reference in the explanatory note and in the proposed amendment. Could the minister state what's meant by the formal definition of government organization in this one?

**Hon. C. Hansen:** The definition of government organization as it can be found in the Budget Transparency and Accountability Act says: "'government organization' means a corporation or other organization that is within the government reporting entity, other than the government itself."

**B. Ralston:** Obviously, that wouldn't include, for example, a municipal government or local government.

**Hon. C. Hansen:** No, that's not correct. Municipalities are not part of the government reporting entity.

Section 5 approved.

On section 6.

**B. Ralston:** This is an amendment to the Hospital District Act which removes the reference to prepaid capital advances. I take it that it's being advanced in accordance with the same principles we've discussed in our discussion of sections 4 and 5. Is that correct?

**Hon. C. Hansen:** That's correct.

[1640]

Section 6 approved.

On section 7.

**B. Ralston:** Can the minister explain the rationale for exempting the government from paying any fees? In his introduction at second reading, the minister referenced some accounting transparency motive for this amendment, but I confess that I didn't understand it.

As I understand it, the land title authority is a separate authority meant to sit.... Although connected to government, with relatively independent organization, it takes fees from the public to carry out its duties. I'm wondering why.... This would seem to detract from the apparent independence of that authority — if I'm correct.

**Hon. C. Hansen:** This basically is an administrative streamlining. What has been happening over the last number of years is that, ministry by ministry, they have been paying fees into the Land Title and Survey Authority, and at the end of the year, if there were surpluses from the operations of the authority, that would be returned to government. So this basically saves the dollars going back and forth throughout the year and just allows for government ministries to access these services without paying that upfront fee.

**B. Ralston:** Can the minister advise, then: what's the volume? I mean, what is the dollar amount of fees that we're looking at that will no longer be collected by the land title authority? And what is the return to the Crown, I guess is what you're saying, at the end of the year? I'm wondering what kind of numbers we're looking at, whether that's millions or tens of millions or something more substantial.

**Hon. C. Hansen:** This would result in about \$2 million less that ministries would have to be advancing to the authority in any one particular year.

**B. Ralston:** The amendment makes reference to the government. Is that meant to be the government reporting entity, including Crown corporations or the commercial Crowns, or what's the ambit of the exemption that's provided here?

**Hon. C. Hansen:** This would apply only to the direct government operations. This is what we refer to as the CRF-funded ministries, the consolidated revenue fund ministries. So it would not apply to other government organizations, as we had discussed earlier. This would be just central government itself.

**B. Ralston:** Then what's the rationale for drawing the line there and not extending it further since there are

other entities where the entire revenue is public, comes from government? If the rationale that's being advanced is to streamline, I'm not sure why you would draw the line there.

**Hon. C. Hansen:** While this is an administrative efficiency as it pertains to government ministries themselves, it was felt that it was still appropriate that Crown corporations, SUCH sector entities and other entities that are within the government reporting entity should still be paying these fees going forward. But it was felt that for administrative efficiency, the fees would not be paid by government ministries and other parts of the direct government, the central government organization.

[1645]

**B. Ralston:** I don't mean to be flippant, but I'm having difficulty following the argument that removing the obligation to pay a fee advances administrative efficiency. Surely, the transaction still has to be drawn, the documents still have to be processed, presented to the registry. The only additional feature is the accounting entry in terms of the cost of that individual transaction.

I know the government collects fees, say, in the Ministry of Health, medical services premiums. There's no argument there that collecting fees impairs administrative efficiency. At least, I haven't heard it. So I'm wondering why this particular authority was selected in this way for this treatment.

**Hon. C. Hansen:** Basically, what this does is restore the historical practice. Before the establishment of the Land Title and Survey Authority, it was, in fact, part of government. It was part of a government ministry — that service as it was provided — and, as such, government ministries were not paying directly for those fees. So what this does is re-establish that practice that was there prior to the establishment of the Land Title and Survey Authority.

The operations of the survey authority are still such that it is the fees from.... Whether it's private sector clients or whether it's Crown corporations or whether it's SUCH sector entities, it is those fees that actually pay for the administration of the authority. So all this does is basically return to the historical practice whereby ministries were not paying directly on a fee-by-fee basis for the services of land title and survey.

**B. Ralston:** The authority itself, did it make representations? Is this something that's initiated, a request that's initiated, by them? Or is this something that's initiated by general government?

**Hon. C. Hansen:** It was initiated by government.

Section 7 approved.

On section 8.

**B. Ralston:** Can the minister explain the rationale for this proposed amendment to the Land Tax Deferment Act?

**Hon. C. Hansen:** What this amendment does is to clarify wording, basically, to make sure that we can keep municipalities whole. So the land tax deferment program allows for... Individuals in British Columbia who are going through financial difficulty can defer their property taxes for 2009 and 2010. Basically, the municipalities are kept whole in that it is the province that allocates those dollars to the municipalities, so the municipalities still collect as much tax revenue as they would have otherwise. In fact, it gives more certainty to the municipalities because they can count on getting these dollars.

What this is, is a technical amendment that just makes it clear that these funds can be allocated from the consolidated revenue fund to ensure that local governments get the revenues that they anticipated.

**B. Ralston:** As I understand the amendment, it's being made retroactive to 1974. Is that correct? And if so, could the minister explain why that is necessary.

**Hon. C. Hansen:** This is retroactive to 1974 because that's when the Land Tax Deferment Act was first enacted. So if we are going to clarify the wording for this year and going forward, we also want to make sure that we give certainty to the language that has been used for the program for the period from the enactment of the legislation in the first place.

[1650]

**B. Simpson:** Does the minister have a sense or an expectation of how many individuals may utilize this ability and what kind of monetary range there might be that the provincial government is going to have to backstop the municipalities?

**Hon. C. Hansen:** The data that I have actually reflects both the seniors property tax deferment program and the new program that is being brought in for these two years. You'll find this on page 199 of this year's main *Estimates* that were tabled on February 17 — there under land tax deferment program.

For payments of outstanding loans and payments to local governments for deferred property taxes, it is anticipated in this coming fiscal year that there would be receipts that would come into government of \$45 million. This would be the seniors program for those property taxes that would be repaid to government.

What would flow out during this period of time is about \$181 million to municipalities under this pro-

gram, but that \$181 million would be a combination of both the seniors deferment program and the new financial hardship deferment program. I don't at this time have a breakdown of how that \$181 million is reflected between the two programs.

**B. Simpson:** Just so I'm clear, there are the numbers, but when the Premier announced his ten-point plan and he announced that we were going to do this hardship deferral, did the Ministry of Finance have any kind of quantification or expectation of what that would look like — how much money the government would have to actually have assigned to backstop that?

**Hon. C. Hansen:** The ministry would have done those estimates at the time. This number of \$181 million actually is the sum of those two programs. I just don't have it physically at my disposal right now, but I will endeavour to get it to the member as soon as we can get that information from the Ministry of Finance. I'll provide it to him in the way of a note.

**B. Simpson:** There was the initial thinking that must have gone into it, hopefully, before the Premier's ten-point plan, but subsequent to that, we have seen a further significant downturn in our resource-based economies. Certainly, the forest industry has laid off thousands more people, the mining industry is laying people off. So the idea of hardship and potential hardship is growing.

Has the ministry done any update of what they think this deferral program might look like, and have they updated the figures subsequent to that?

**Hon. C. Hansen:** The ministry has done those estimates, and it is on that basis that they have developed this number of \$181 million as the estimate for this coming fiscal year.

But at this point to date, there has not been significant uptake on this program, which I think probably... There are obviously families around the province that have been impacted significantly by layoffs in some of the resource sectors because of the global economy. Probably as we get farther into the year, we will see more families, first of all, recognize that this is an opportunity for them to defer their property taxes should they wish to do so.

[1655]

We'll probably get more certainty as the year goes on. But part of this amendment that's before us gives us the flexibility to deal with the demand, even if the demand should, in fact, increase as the fiscal year progresses.

**B. Simpson:** As I understand the amendment, it does give the government that flexibility. But on the flip side of that, it also means as an opposition that we're not tied into any explicit figure. You've got to have the flexibility.

You've got a forecast estimate, but that could shift fairly dramatically.

The minister's own comments about not a lot of uptake right now leads to my final question on this section: what is the government going to do to ensure that people are informed that this is an option for them?

I think a lot of people, as the minister is aware, don't necessarily pay attention to a speech given by the Premier. I'm not sure that it's clear to people out there that this is an option for them. Is there going to be any advertising? Is there going to be any information provided to people that they can actually access this program?

**Hon. C. Hansen:** I think, as the member knows, the budget for advertising has been significantly decreased by 76 percent for the coming fiscal year, so our ability to advertise is going to be much more limited as we go forward.

We are working through community organizations, through councillors, to try to make sure that this information is available. It's set out on the website so that people can look at exactly how they can access this particular program and what they need to do to apply for it. We've actually kept the application process very simple, to ensure that people aren't intimidated by the application process.

Just for example, when it comes to determining what constitutes financial hardship, we have left that totally up to the individual to self-declare, so it's not that they have to go through some kind of a means test or produce statements or cheque receipts or anything like that. It's simply a self-declaration that they and their family are facing financial hardship and, therefore, would like to be able to access this particular program.

It is certainly our hope that banks, for example — community banks that are interacting with families — would be able to pass on this information. I would think, for example, that some of the trade unions around the province might also want to make sure that their memberships are aware of these opportunities.

It is a great program. I think it can provide a family with a really significant amount of support to be able to defer their property taxes through these two years, if they're facing those kinds of difficulties.

**B. Simpson:** As the minister well knows, we believe that there's a lot more that needs to be done. If you can't make mortgage payments, tax relief doesn't really help you.

But on that, the minister has given a whole bunch of not-for-profits, banks, labour unions, etc. What about the tax notices? Is it possible to work with the municipalities — when they actually get their tax notification, just put an application straight in there? Give the municipalities application forms. They stuff it in the envelopes, it goes out, and everybody gets a direct application in their tax notifications. It seems to be the most simple

way of making sure that everybody knows the program is there and how easy it is to access. They can access it right away.

**Hon. C. Hansen:** It's a good suggestion. I'll follow up on it.

Section 8 approved.

On section 9.

**B. Ralston:** Can the minister explain the relationship between section 9 and section 7? One is the Land Act, and one is the Land Title Act, but they appear to exempt the government from paying fees to the same authority that was referred to earlier.

**Hon. C. Hansen:** In terms of the Land Title Act and the previous one that we had discussed earlier, which was the Land Act, both acts have to be amended in order to provide for the exemption that was discussed earlier.

[1700]

Sections 9 and 10 approved.

On section 11.

**B. Ralston:** This is a change to the poetically named Special Accounts Appropriation and Control Act. Can the minister explain the purposes of the proposed amendment in section 11, which seems to relate to the BC150 cultural fund subaccount? This was created in the budget, as I recall, last year, in supplementary estimates, so I'm wondering why this amendment is necessary at this time.

**Hon. C. Hansen:** As the member will recall and as he mentioned, the BC150 cultural fund was established at the end of the '07-08 fiscal year. What this amendment does is allow for the fund to be able to receive monetary donations from stakeholders as well as donations in-kind that would come from non-government sources.

**B. Ralston:** Does it have any relation to the fund balance or the interest that the fund is earning this year that may enable government, as well, to offer a further subsidy or revenue to this particular fund?

**Hon. C. Hansen:** For any additional cash donations that would come into the fund as a result of this amendment, that would result in higher disbursements that would go out to the arts communities.

**B. Ralston:** As I read subamendment (a), it allows the Minister of Finance to add money into the BC150 cultural fund subaccount. Is that not correct?

Interjection.

**B. Ralston:** As I understand it, it would allow the minister to add money. I'm not sure of the language. Is it simply that after the minister accepts the money on behalf of the fund, then the minister has the authority to transfer it into the fund? Or does it give the minister a separate power to simply add more money to the fund?

**Hon. C. Hansen:** This amendment would simply authorize the minister to accept outside donations, whether they be cash or donations in-kind, to go into the BC150 fund.

**B. Ralston:** But by outside donations.... Does that preclude the minister from advancing further funds through appropriation to this fund and using the authority of this proposed amendment?

**Hon. C. Hansen:** If government were to add additional funds over and above the \$150 million that was transferred into the fund at the outset, it would require a specific amendment.

**B. Ralston:** The amendment also proposes that the minister "may dispose of securities or other property accepted under subsection (6)." Is that simply giving the minister authority to sell the securities, convert them to cash and then give them to the fund? Is that what that means?

[1705]

**Hon. C. Hansen:** That is correct.

Section 11 approved.

On section 12.

**B. Ralston:** Can the minister explain the reason that this amendment is brought forward? Looking at section 9.4 of the Special Accounts Appropriation and Control Act.... It's the children's education special fund. This was something that was announced in 2007. That's relatively recently. I'm wondering what the purpose of this amendment is.

**Hon. C. Hansen:** This fund was established as a long-term special account to provide for an education benefit for children born on or after January 1 of 2007.

So the purpose of this is to ensure that these dollars are protected over the long term so that children, when they get to the age where they would be able to receive the benefit from this fund will be able to get financial support. This actually allows for some accounting changes to make sure that the fund is fully brought into line with the generally accepted accounting principles.

**B. Ralston:** The section 12 proposed amendment 4(b) says "to cover any investment losses of the special account." Have there been investment losses in this account? If so, could the minister specify what the starting value of the fund was and what its present value is?

[1710]

**Hon. C. Hansen:** As I mentioned previously, this fund is set up as a long-term investment fund. For that reason, it was felt that it was appropriate that a portion of the fund would be invested in, essentially, a mutual fund instrument, which obviously includes some equities, and we all know what's happened to equity markets over the last little while.

As of December 31, the book value of the children's education fund was \$88.5 million. The market value as of December 31, 2008, was \$72.3 million. There has also been investment income accumulated of about \$2 million. What we have seen is a net loss of approximately \$14 million as of December 31.

**B. Ralston:** In the Special Accounts Appropriation and Control Act, section 9.4, the special account consisted of an initial balance of \$41.2 million. That was effective April 1, 2007, and then there's a formula whereby money is added each year.

In order to make sense of the figure that the minister gave as of December 31, 2008, could he advise what dollar amount was added in 2008 and when?

**Hon. C. Hansen:** As the member noted, there was \$41.2 million that was put into the fund initially, and that increases on April 1 of each year by estimating the number of children who were born in British Columbia in that previous year. What has been added to the fund since that time is \$45.3 million, and that would be based on an estimate that 45,300 children would have been born since January 1, 2007, when this fund became effective.

**B. Ralston:** I'm doing the sums here on the paper. The total amount, then, is some \$86 million-plus, and the present value of that is \$72.8 million. Is that what was said? I just wanted to clarify that.

**Hon. C. Hansen:** What I said was that the current book value of the fund is \$88.5 million. That's the initial \$41.2 million plus the \$45.3 million that would have been added to the fund to reflect the births during the '07-08 year, and then the \$72.3 million reflects the estimated market value as of December 31. That does not count the \$2 million worth of investment income that has been realized by the fund since its inception.

**B. Ralston:** Is this fund managed by the B.C. Investment Management Corporation, or is it managed

privately? If so, where does it report, other than here through these questions?

**Hon. C. Hansen:** It is in fact held by the B.C. Investment Management Corporation and operates according to investment policy that was established by Treasury Board.

[1715]

**B. Ralston:** Given this result, is there any anticipated change in the direction of the management of the fund? Or is the minister content with that result or not?

**Hon. C. Hansen:** The answer is no. Also, I don't feel that it would be necessary to change any of the investment policies that have been set forward. As I mentioned at the outset, this is a long-term fund. While equity markets have certainly taken a beating during this last little while, I think that the member would have to agree that the losses that have been experienced by this particular fund are certainly not as large as what other equity-based funds are that we have seen examples of over this global economic financial collapse from the last six months.

I think that's why it's important that we look at the long term for this. Equity markets are going to come down, and they're going to go up, but over the long term we expect that this should be a good return for this particular fund.

Section 12 approved.

On section 13.

**B. Ralston:** This makes amendments to the prescribing property for the purposes of section 9(6). These are contributions to the BC150 fund that we spoke of earlier. Is the minister in a position to provide a similar review of the performance of this fund as he just did with the other one? It's set out in section 9 of the Special Accounts Appropriation and Control Act and was established with an initial \$150 million, set out in section 9(4).

I'm wondering if the minister can advise what the status is of the principal. I understand, from some of the debate in supplementary estimates, that the revenue from this fund obviously didn't arrive at the anticipated revenue. It fell short. So could the minister just briefly summarize that?

**Hon. C. Hansen:** This fund is actually held as a special account within the consolidated revenue fund.

**B. Ralston:** It's simply held, then, in liquid funds in accordance with the Financial Administration Act, and there has been no diminution of the dollar value of the fund. Is that what the minister is saying?

**Hon. C. Hansen:** This fund is very conservative in terms of how these dollars are placed. They would, for example, not be placed in mutual funds or equity markets but rather in short-term money markets.

**B. Ralston:** Does the management of that fund...? Is advice received from the B.C. Investment Management Corporation as well?

[1720]

**Hon. C. Hansen:** As I mentioned earlier, these dollars are held within the consolidated revenue fund, but BCIMC is used by government to manage government's temporary, short-term cash surpluses to ensure that those funds can be placed in a way that are, first of all, short term or within liquidity provisions that are appropriate but are also managed, as I say, with a very conservative strategy aimed at money markets and other essentially zero-risk instruments.

Section 13 approved.

On section 14.

**B. Simpson:** I wonder if the minister, just to start off some discussion on this section, could actually explain the nature of the B.C. Timber Sales account.

**Hon. C. Hansen:** I think, first of all, that there are basically three principles behind the special account: a credible reference point to support market-priced timber, to provide for a reliable supply of timber through open and competitive auctions, and also to maximize net revenues.

**B. Simpson:** I'll get back to those principles. I guess what I was trying to get at is the statement on section 14: "The balance of the BC Timber Sales Account special account is increased by \$300 million." So what is the current threshold if the increase is going to be \$300 million?

**Hon. C. Hansen:** The value of the account as of the start of this fiscal year that we're currently in was \$22 million. It has been depleted over that period of time, and this will actually allow for an additional infusion of \$300 million.

**B. Simpson:** That's a substantive increase in this special account from the beginning of the fiscal year until now. How much of this is to cover a loss with B.C. Timber Sales in this fiscal year?

[1725]

**Hon. C. Hansen:** As I understand it, the special accounts are managed on a cash basis. In fact, the cash

loss over this period of time would be \$98 million, but the accounting loss would be about \$32 million. What this reflects is the fact that out of the special account, they are allocating more dollars out for developing things like resource roads and others in developing properties for timber sales, compared to the revenues that are coming in during this particular period of time.

**B. Simpson:** I just want to be clear on this, because there's a line of questioning around this that needs to be pursued. Is the minister saying that there is no current fiscal loss of revenue with B.C. Timber Sales? So they have paid for roads, they have cruised, they have put up sales, and they have done all the things that have booked in this fiscal, and because of a lack of uptake on those sales, there's a current fiscal deficit for B.C. Timber Sales?

**Hon. C. Hansen:** What this reflects is the fact that the cash expenditures in any one fiscal year are going to be different. It's a timing issue. Because this account is managed on a cash basis as opposed to an accrual basis, it really reflects the fact that the expenditures are being made, and the cash expenditures are being made to develop roads to open up tracts of land for auctions. That is in advance of when the revenues are being realized from the sale of those particular logging rights.

What we are saying for this year is that we are seeing those cash expenditures exceed those revenues and, hence, the need for additional dollars to be flowing into this account to cover those cash flow requirements. But in terms of the revenues, it's not a subsidy to these particular logging operations because, in fact, the revenues will be realized down the road as these timber rights are auctioned.

**B. Simpson:** I think that's doublespeak, because in the real world of private logging, etc., if you've got a loss in a year, you've got a loss in a year.

I am curious about the \$32 million in accounting adjustments, because my understanding is that B.C. Timber Sales was attempting to book a lot of that work in a different fashion than what the industry and normal accounting practices were. They were trying to book an area that was developed for, say, a million-cubic-metre sale that didn't sell the whole million cubic metres. They were still trying to put the costs over the million cubic metres.

Maybe the minister can explain the nature of the correction for accounting losses, because it's still \$32 million of taxpayer money that's being lost on this accounting part of the correction.

[H. Bloy in the chair.]

**Hon. C. Hansen:** I'm not sure if I'm getting to the member's question specifically, but perhaps this will help.

[1730]

There was an accounting change done with B.C. Timber Sales's special account in the 2007-2008 year, and that was to change the roads from an inventory accounting to capital. But that does not have an impact on this particular change that is before us today. I'm not sure if that helps in responding to the member's point.

**B. Simpson:** Somewhat. I understand that that went on. I also understand, though, that there was some need to adjust the accounting of B.C. Timber Sales on how they were accruing the costs to the actual cubic metres of the sale.

B.C. Timber Sales, for example, would develop a million cubic metres for sale and would accrue the costs across that whole million but would actually only sell, in that sale area, maybe 100,000 cubic metres. The 100,000 cubic metres were only a portion of the million-cubic-metre development costs.

My understanding is that there is a correction there as well, where they actually have to put in the full costs of developing those 100,000 cubic metres and book the real costs of developing 100,000 cubic metres, which then means that the government is losing money. The sale of that timber is not realizing the full cost of developing the area for the 100,000 cubic metres, because they've expanded it over the million.

I know it's kind of convoluted, but the point is that... What we're trying to understand here is that the Crown is the licensee of 20 percent of the forest land base, as a result of the clawbacks and so on from 2003 on. The question out there is: is the Crown actually a good licensee from a fiscal prudence perspective?

If we're having to put, instead of \$22 million in this account, \$300 million in this account because of a current loss... We're going into a down market where harvesting may not be occurring for some time, where the sales value of the harvesting may actually be very low relative to the cost of developing those sales.

People want to know: is B.C. Timber Sales actually losing the Crown significant dollars? That's what I'm trying to get at. Is this \$300 million lift because B.C. Timber Sales business model is not working and they are losing the taxpayers' money?

**Hon. C. Hansen:** There were several questions that were part of the member's presentation. First of all, B.C. Timber Sales accrues the full cost of developing the timber. If they develop a tract for auction and in any one particular auction only 10 percent of it is in fact purchased, then the other 90 percent gets carried as an asset of B.C. Timber Sales until it is subsequently harvested.

Coming back to where we started on this, that's why, I guess, this special account is treated on a cash basis. The full cost of developing access to that timber is a cash draw against the account. Then it gets carried as an asset, which is of course not a cash asset until such time as

the full harvest takes place of the tract of land that was opened up as a result of that expenditure.

[1735]

The second point was just to comment on.... The amount that has been returned to the taxpayer over the last ten years — so has been pulled from the B.C. Timber Sales special account and pulled into general revenue — was actually just a little short of about \$1 billion over that ten-year period of time.

What this amendment that's before us today reflects is the fact that over this long-term period, if you want to make sure that the cash inflow to the account and the cash expenditures that flow out of the account are to be kept in balance, then it's necessary for us to return back into the account \$300 million of the approximately \$1 billion that had flowed out of the account over that ten-year period.

**B. Simpson:** It's very interesting that the minister says ten years, because the current configuration of B.C. Timber Sales hasn't been in existence for ten years. It's a new configuration that this government put together with a new mandate, new restrictions and a new way of operating.

In actual fact, if the minister has the figures of how much money they have made using his "ten years, \$1 billion," how much money have they made over the last two years?

**Hon. C. Hansen:** On an accrual basis, in '06-07 this would have seen at positive \$121 million. In '07-08 was a loss of \$68 million, primarily as a result of the re-evaluation of inventory.

**B. Simpson:** According to B.C. Timber Sales, the third-quarter report, they were expecting another loss this year as well. That's why I questioned the minister's ten-year figure of \$1 billion, because most of that money came from a very different configuration of how we put logs up for auction and how we put sales out.

The minister has given some figures here. The lift is \$300 million. There was \$22 million. Let me clarify that. This \$300 million is in addition to the \$22 million that was already in this special account. Is that correct?

**Hon. C. Hansen:** As I indicated earlier, the account had \$22 million at the start of this fiscal, and this \$300 million would be a net increase to the account.

**B. Simpson:** Yet the minister speaks of the current need as \$98 million cash, \$32 million accounting. My math says that's \$122 million, which is really only a \$100 million additional burden to the account. Yet the government is giving room for an additional \$200 million in this account. Is there an expectation that B.C. Timber Sales is going to continue to lose money in a significant way?

[1740]

**Hon. C. Hansen:** I think, as I've indicated before, that when we talk about the cash allocation, what we are anticipating is that the cash revenues that would come into this account over the coming years will continue to be weak, as the cash expenditures from the account will continue to ensure that new tracts of timber are opened up over that period of time.

I mentioned earlier that we don't actually start to realize the revenue until such time as the timber is harvested. We anticipate that this additional amount will allow for the fund to manage its necessary expenditures until such time as we start to see revenues materialize in a significant way.

**B. Simpson:** And when exactly might that be? That is the whole point. This year's fiscal, year-to-date, B.C. Timber Sales offered 12 million cubic metres of timber, and only 8.2 million were sold. That means there are four million, as the minister says, that are on the books, unsold.

We know that the percentage of zero-bid sales for B.C. Timber Sales offers is increasing fairly dramatically. That is, they go, they incur the costs, and they develop the land. They then put the sales up, and nobody bids on it. So the government, again, as a licensee is going and predeveloping land that, when they actually put it out to the market, nobody bids on.

This was happening on the coast long before this current market downturn, and it was also happening in the Interior, because people are questioning whether or not B.C. Timber Sales is actually putting the right log profile up for bid. Are they matching the needs of the marketplace with what they're developing? This goes to the heart of whether or not B.C. Timber Sales is the appropriate model.

My question to the minister is: given his last answer, when does the government actually expect to be getting revenue from B.C. Timber Sales rather than underwriting its losses?

**Hon. C. Hansen:** I think what's before us today is the consideration of the amount that's in the special account. Whether or not B.C. Timber Sales is the right model is not something that is before the Legislature. I think it's something that should be properly addressed by the Ministry of Forests and probably a good reason why it would be great to get into an estimates process where those kinds of questions could be put.

As long as we can get some assurance that that estimates process can be wrapped up before this House has to dissolve, we may be able to get an opportunity for the member to ask those kinds of detailed questions to the Minister of Forests.

**B. Simpson:** Again, the minister knows quite well that we won't get into those kinds of estimate debates. It's up to the government to bring that forward, and we

know they don't have an intention to get into ministerial estimates at all.

The minister is the one who raised that the principles behind the account are B.C. Timber Sales operating metrics. The minister raised that in his first answer to my question of what the nature of this account was. That's why it is fair game for us to ask questions about that, because that is the structure of B.C. Timber Sales. The minister's own words were: "Establish the market pricing system, supply logs for auction and maximize revenue to the Crown."

If the minister was aware of this file, he would know that the government did a fairly extensive structural review of B.C. Timber Sales in which pretty much everybody involved pointed out that there is an inherent conflict within the mandate that causes operational problems for B.C. Timber Sales, which will cause B.C. Timber Sales to lose money.

What's in front of us today is an ask by the government, within the bill that we are debating, to give more money to a special account, which the public that's in the know has already questioned — whether or not you're going to continue to have to do that, because the business model doesn't work.

[1745]

I want to come back to that. But the question that I asked before — before I lose it — is: when does the minister expect B.C. Timber Sales to start making money again?

**Hon. C. Hansen:** In 2011-12.

**B. Simpson:** Interesting — in 2011-12. Okay. Again, I think that is overly optimistic, given all of the projections of what's happening in the marketplace and given the fact that the government doesn't seem to be really looking at B.C. Timber Sales structural issues.

The minister indicated — again, in his own answer — that it's there to do market pricing system supply and maximize revenue to the Crown. Is the minister aware of whether or not, as a result of B.C. Timber Sales losses as a result of increasing bids being put out for sale that nobody is bidding on, B.C. Timber Sales will be doing significant cuts to their full-time-equivalents and their staff in order to get their costs down so that they're not living on borrowed money, if you will?

**Hon. C. Hansen:** There have been some cost-mitigation measures taking place. But I think the member would probably also share my sentiment that in these economic times, if there is work that can be done in developing forest lands for future auctions, this might be an appropriate time to do that to ensure that those workers continue to get access to the kind of work that would be commissioned by B.C. Timber Sales.

The short answer to the member's question is that there have been some cost-mitigation measures.

**B. Simpson:** If B.C. Timber Sales develops a parcel of Crown land that it has under tenure, puts that up for sale and doesn't get bids on the majority — it sells some — as the minister indicated earlier on, the majority of those remaining logs should become available sometime in the future.

However, if the recovery isn't until 2011 — and I think it's probably longer than that — the valuation of those stands, which the minister has indicated are valued on the book as an asset, potentially could be deteriorating in the Interior, with the mountain pine beetle deterioration, and on the coast, especially if it's in second-growth hemlock.

How does the government re-evaluate or value that forest asset that they've incurred all these costs against — booked the costs? They haven't realized the asset value, but it's an asset that may be diminishing. Does B.C. Timber Sales or the Ministry of Finance audit B.C. Timber Sales to determine whether or not the cash valuation of the forest asset is actually in line with the value of the stands in the current market?

**Hon. C. Hansen:** Every year B.C. Timber Sales re-evaluates what the value of the asset is. If there was a determination that the value of the asset was in fact less than the unrealized cost of opening up that particular tract, then there would be an appropriate write-down.

[1750]

**B. Simpson:** Thank you for that answer. Does the Ministry of Finance ever audit that, or is there an independent audit of that valuation? Again, B.C. Timber Sales has as a mandate to maximize revenue to the Crown. That's how it operates. It stands as kind of an independent entity, puts out its own fiscal reports and does its own accounting.

Does the Ministry of Finance, which should be overseeing all of the Crown assets, do an audit of B.C. Timber Sales books?

**Hon. C. Hansen:** The Auditor General does an audit of the B.C. Timber Sales as part of their audit of the Ministry of Forests and ensures that B.C. Timber Sales is properly reflecting their asset values.

**B. Simpson:** When was the last time the Auditor General audited the B.C. Forest Service or Ministry of Forests?

**Hon. C. Hansen:** It's done annually.

**B. Simpson:** Is that a public document that I could actually see? Sorry, I'm just not aware of this audit function.

**Hon. C. Hansen:** That would all get consolidated into the public accounts of the government reporting entity, which is tabled every year.

**B. Simpson:** I'll be certain to look at that, then.

The other question we have is that in the *Estimates* on page 199, schedule E, there is a note from Ministry of Forests and Range, B.C. Timber Sales special account, development of timber for sale in future years, which has a net cash requirement of \$102.3 million.

That's what I was saying before. The numbers that the minister has given us suggest that the need is in that range. Is that to cover this current immediate cash need so that the account will actually have a balance of \$200 million available for future development? Is that how we reconcile these two numbers?

**Hon. C. Hansen:** We anticipate that this allocation to the account will cover the cash disbursements until the account starts to see positive revenue flows.

**B. Simpson:** Just so that I'm clear, and then we can close off this section. As I understand it, B.C. Timber Sales is currently losing money. They report that themselves — as actually losing money — so that's on the public record. It has been losing money for the last couple of years. There's an expectation it will continue to lose money on a cash basis, with an expectation that sometime post-2011 the assets that it has developed for sale will begin to realize some sales and some cash back again. Then they will become net positive in a fiscal year on a cash basis.

If I can roll it all up together, am I understanding that that's what the minister is saying?

**Hon. C. Hansen:** The member is correct. Just to restate, in '07-08 the Timber Sales saw an accounting loss of, as I mentioned, \$68 million. That was primarily because of a revaluation, basically an accounting change that was made. Also, in the '08-09 fiscal that we're in now, we will see a net loss.

[1755]

Section 14 approved.

On section 15.

**B. Ralston:** Could the minister explain the reason for this section? I'm assuming that it relates to the change in ministerial responsibilities of the former Ministry of Small Business and Revenue. Could he confirm that?

**Hon. C. Hansen:** This is basically a transitional change to allow for what is required for this fiscal year, given that the Ministry of Small Business and Revenue was dissolved in the middle of a fiscal year, and the ministry did not, as we were discussing earlier in the debate, have expenditure targets attached to it. They obviously had expenditures, but it was the revenue targets that the minister was obligated to meet.

So with the dissolution of that ministry in a formal sense, and all of the staff and the corresponding expenditures to now be rolled into the Ministry of Finance, all this is saying is that as Minister of Finance, I have to ensure that we meet the expenditure targets as previously set out for the Ministry of Finance and that, for this fiscal year ending, it's the revenue targets that I have to meet in order to deliver on my obligations under the Accountability Act.

Section 15 approved.

On section 16.

**B. Ralston:** We've had a discussion in this debate of prepaid capital advances. So I'm assuming that this relates to that earlier discussion and the accounting treatment of what were called prepaid capital advances. The term by which they'll be referred to is "grants," and the treatment will be as we discussed earlier in the debate. I just wanted to confirm that.

**Hon. C. Hansen:** That is correct.

Section 16 approved.

On section 17.

**B. Ralston:** This section proposes an amendment to the Corporation Capital Tax Act and, most significantly, seems to be "adding the following paragraph: (e) accumulated other comprehensive income," which would relate to the definition of the "aggregate paid up capital of a financial corporation." So I'm wondering. I understand that there's a calculation of what that number is for the purposes of calculating the corporate capital tax. But can the minister explain why that has been added into the definition?

**Hon. C. Hansen:** I think probably the best way to answer the member's question.... If I read what has been provided for me in the background briefing notes for this particular section, this section amends the definition of the "aggregate paid up capital" to include accumulated other comprehensive income. This amendment is a clarification of the current policy.

Section 1(5) of the act requires that the corporation capital tax base be computed based on amounts reflected in a corporation's financial statements that have been prepared in accordance with generally accepted accounting principles. Accumulated other comprehensive income is a new item that GAAP requires corporations to report in the shareholders' equity section of the balance sheet. It is required to be reported for fiscal periods beginning on or after October 1, 2006.

The amount is made up primarily of unrealized foreign exchange gains or losses that were not otherwise

reported on the face of the financial statements. The amounts may be positive — in other words, increasing the capital tax — or negative, thereby decreasing the capital tax, depending on the movement of the underlying asset values and exchange rates.

[1800]

**B. Ralston:** I understand that the legislation that the government introduced and passed is phasing this tax out, and it will be, in the legislative timetable, scheduled to disappear by April 1, 2010. But can the minister advise whether these changes will...? At least in the present tax year, does the ministry anticipate increased revenue from what remains of the corporation capital tax, or will it diminish that revenue?

**Hon. C. Hansen:** As I mentioned, this is actually just a clarification of current policy. Therefore, there is no financial impact that's anticipated from it.

Sections 17 to 19 inclusive approved.

On section 20.

**B. Ralston:** Looking at section 20, can the minister just explain how that will work? I understand that the registered disability savings plan is something that was introduced by the federal government. I'm sure every member would support it as a good idea. I'm just wondering how this will impact on the operation of those accounts, which I think are, for the most part, still being set up by those who wish to set one up.

**Hon. C. Hansen:** What this section does is ensure that the registered disability savings plan payments will not affect the B.C. sales tax credit currently received by low-income individuals.

Sections 20 to 25 inclusive approved.

On section 26.

**B. Ralston:** This section removes the requirement that a company be B.C.-controlled in order to be eligible for the Film Incentive B.C. tax credit. Generally, I think, from the industry perspective, that's been a very successful program. Why is this amendment being proposed?

**Hon. C. Hansen:** This actually is to allow the industry better access to equity. This now will allow them to access equity from outside British Columbia, which was previously not allowed if they were to qualify for these particular credits.

Sections 26 to 32 inclusive approved.

On section 33.

**B. Ralston:** This proposed amendment allows three subsections, I think it is, to follow the definitions in the act. Can the minister briefly explain the purposes of this proposed amendment?

**Hon. C. Hansen:** What this amendment does is clarify a potential loophole by which a person may have been able to argue that they were not liable for tax because the acquisition, lease or the sending of goods into British Columbia was not at their expense because they indirectly recovered the cost of the goods from the other person using the goods. This actually is something that we recognized needed some clarification, and what this particular amendment does is bring more clarity.

[1805]

**B. Ralston:** I note in subsection (4) that it refers to four areas: legal services, parking rights, taxable services and telecommunication services. Is there an estimate — I guess from the revenue side of the Ministry of Finance now — as to what the loss or leakage was which required this amendment?

**Hon. C. Hansen:** There is not, and would not be, a loss. What this clarification does is basically to ensure that the practice that has been implied is in fact properly reflected. So this is a clarification, but it is not anticipated that there would be any net impact to the social service tax that has been collected.

**B. Ralston:** I note that the amendment is made retroactive to the year 2000. Is there any particular reason for that?

**Hon. C. Hansen:** What this does is basically ensure that there is clarity in terms of the application of the act going back to that year. It's just to ensure, if someone was to try to exploit a perceived loophole, that in reality we would be able to provide clarity to it at this time.

Section 33 approved.

On section 34.

**B. Ralston:** This amendment adds provisions for drugs and vaccines that are exempt from the act. Can the minister explain? Is this a question of clarification of existing practice, or is this a new exemption?

**Hon. C. Hansen:** It is a slight expansion of the exemption — to allow, for example, health authorities to be able to purchase these medications cost-exempt. This change allows medical service providers, medical clinics

and public health units to purchase prescription drugs and vaccines used to provide medical services, such as immunization, and to do so exempt from tax.

Sections 34 to 40 inclusive approved.

Title approved.

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

Motion approved.

The committee rose at 6:08 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

#### BUDGET MEASURES IMPLEMENTATION ACT, 2009

Bill 2, Budget Measures Implementation Act, 2009, reported complete without amendment, read a third time and passed.

#### Speaker's Statement

#### ERRONEOUS REQUEST TO WITHDRAW REMARKS

**Mr. Speaker:** Hon. Members, earlier today during question period the member for Vancouver–Mount Pleasant, in addressing a question to the Minister of Finance and Minister Responsible for the Olympics, accused him of providing false information to the House. Upon the Speaker requesting that the member withdraw the offending statement, she did so without hesitation.

[1810]

The member then went on to say: "The minister provides misleading information to this House budget after budget." Such accusations, while intemperate, do not fall into the category of remarks which requires an immediate withdrawal, and I was in error in requesting the hon. member for Vancouver–Mount Pleasant to withdraw the latter accusation.

To clarify matters somewhat, I wish to advise the House that any advice I received on this occasion was perfectly correct advice, but at the moment, I slipped into error and tender my apologies to both the member and to the House.

**Hon. M. de Jong:** I call second reading debate on Bill 4, the Ministerial Accountability Bases Act, 2008-2009.

### Second Reading of Bills

#### MINISTERIAL ACCOUNTABILITY BASES ACT, 2008-2009

**Hon. M. de Jong:** I move that Bill 4 now be read a second time.

Bill 4 provides for an increase in the amount of estimated operating expenses for the purposes of ministerial accountability under the Balanced Budget and Ministerial Accountability Act. Bill 4 increases the 2008-09 estimates accountabilities by the additional appropriations in the supplementary estimates, '08-09, which were presented to the House on February 19, and for statutory expenditures under the Wildfire Act and Emergency Program Act.

As debated in this House and subsequently passed, the \$622 million supplementary estimates provided funding for strategic investments in communities; increased demands on the health care system; the acquisition of properties to protect social housing; the government's Olympic funding obligations; arts, culture and heritage grants; improvements to rural roads across British Columbia; and a number of other priority initiatives. Bill 4 adds these amounts to individual ministerial accountability bases.

The Ministry of Forests and Range was required to spend against its statutory authority for direct firefighting costs in '08-09, in addition to the ministry's voted appropriation for this purpose.

While there was a relatively slow start to the wildfire season in July and August, low precipitation, hot temperatures and dry lightning led to increased fire activity, including a 350-hectare fire 1.5 kilometres south of Edgewood; a 330-hectare fire on Lakit Mountain just north of Fort Steele; a 130-hectare fire on Jackass Mountain, 20 kilometres south of Lytton, which closed both lanes of traffic on the Trans-Canada Highway; a 30-hectare fire near Del Oro, 13 kilometres south of Kamloops, which came within metres of residences and industrial buildings; and a 170-hectare fire near Perry Creek, ten kilometres south of Kimberley and 12 kilometres northwest of Cranbrook.

In total there were 241 more fires in '08-09 than the ten-year historical average and a higher-than-average incidence of fire started by lightning. The higher-than-average activity required the Ministry of Forests and Range to rely on statutory appropriation in the Wildfire Act to fund the additional costs. This appropriation will be added to the minister's accountability base.

Mr. Speaker, this has been a challenging storm and flood season. It is important for the province to mitigate the effect of these disasters. Because of storm events and the associated flooding and mitigation strategies, the Ministry of Public Safety and Solicitor General was required to spend against its statutory authority under

the Emergency Program Act in addition to the ministry's voted appropriation for this purpose.

The extra spending was primarily due to costs associated with the Wilson Road dike project, the Nechako River ice jam and a preliminary estimate of claims resulting from the high winter snowfall and heavy rains, which led to extensive flooding. The additional appropriation under the Emergency Program Act will be added to the minister's accountability base pursuant to the provisions of this act.

**M. Farnworth:** It's my pleasure to make a few remarks on this particular piece of legislation, which has been coming before the House for the last several years now. The ministerial accountability act is intended to punish those ministers who go over their ministerial budget in a given fiscal year, and it was brought in with much fanfare. It is used as an example of: "If ministers don't meet their budget, they will receive a salary cut. They will be punished for bad stewardship of the taxpayers' money."

[1815]

Well, here we are again. Once again, the government's bringing in a piece of legislation, for at least the seventh year in a row now, and once again, it will make all things right so that no minister will suffer a penalty for a cost overrun in their budget.

**C. Evans:** It's a pardon.

**M. Farnworth:** In essence, as my colleague from Nelson-Creston says, it is a pardon. It is a government pardon of those ministers whose budgets have gone over expenditure, and as a result, those ministers will not have to suffer the indignity or the inconvenience of a clawback or holdback or a penalty on their salary.

If I seem somewhat skeptical, well, I am. The reality of this piece of legislation is that it's a piece of.... It is a show. It's a piece of legislation that is a show to try and tell the public: "Oh, we're instilling accountability, and there will be penalties." The reality is that there never is, because the government comes and issues a pardon.

**Hon. K. Krueger:** Next year.

**M. Farnworth:** Ah, my good friend the member for Kamloops-North Thompson says: "Next year." Next year. Next year.

But let's be clear. The issues that the Government House Leader outlined are absolutely legitimate. It does not make sense that the Solicitor General, in the course of ensuring that diking is in place and putting in the dikes and protecting against floods, over which government has no control.... Likewise with the fire season, it has no control. Likewise with the health budget, in many cases, it has no control. It comes and says: "It's not really fair that they should have a problem, that they should be penalized."

Well, we agree with that. The trouble is that the legislation was brought in with great fanfare and sold to the public that — you know what? — you would be penalized. The reality is that no one's ever been penalized. It's the "permanent pardon act." It's a piece of legislation that every year is brought through, and pardons are given, dispensations are given, and indulgences are given. Yet the government is still able to stand up and go: "We have a piece of legislation that penalizes ministers." Trouble is that they don't get penalized.

One really has to question whether this legislation is doing what it was intended or whether it was there just for show.

**C. Evans:** Perhaps the legislation is perfect — working exactly to stupefy the people.

**M. Farnworth:** And as my colleague said — and I hear, "Shame, shame" and "Hear, hear" from the other side — maybe that's what this legislation was intended to do.

Interjections.

**M. Farnworth:** No, I won't say that. I won't say that. I won't go there.

Anyway, as my colleague from Nelson-Creston says, maybe that's what the legislation was intended to do. You know what? Call me skeptical.

Interjection.

**M. Farnworth:** You can trust the member for Kamloops-North Thompson to always make the point. The point is....

Call me skeptical, and I am skeptical, because the record of this government, when it comes to ministerial cost overruns.... The fact is that in many cases, they are a legitimate cost overrun, and in other cases, where we've seen backdating through supplemental estimates, the legislation, in essence, is made null and void. There's a pardon made.

[1820]

The government says, as the member for Kamloops-North Thompson alluded: "Next year. Next year." Well, if the government said that the budget is tabled and that there is a deficit that's not balanced at the end of their two-year deficit cycle, then ministers will, in fact, take that pay cut.

That sounds fine today. It may sound great for an election campaign. But I think the reality is that if this government were to be re-elected and, two years down the road, the financial situation has deteriorated, I am quite sure that they would be back in this House with a piece of legislation that would absolve ministers of their sins — sins of profligacy, sins of budget overruns, sins of excess, sins of financial dissolution.

They would be forgiven, excused and pardoned, because that has been the track record of the government to date with this particular piece of legislation. Not once in their time on that side of the House has a minister had to pay a penalty for a budget overrun within their ministry — not one single time. I really look forward to the Minister of Finance being able to say that I'm wrong, that a minister has had to take a cut. I see him shaking his head because he knows that I'm right. Not one single time, hon. Speaker.

Interjection.

**M. Farnworth:** The minister says: "Good fiscal management."  
Well, it tends to come....

Interjection.

**M. Farnworth:** Oh, and the member for Kamloops-North Thompson says: "Big surpluses." Well, I think the Minister of Health may have something to say about that, because, as we know, every year the minister's Health budget is announced in the budget, and just about every year, at some point in the year, it's like: "Oh, we need to do another cash infusion into the Ministry of Health."

**Hon. G. Abbott:** No way. We wouldn't do that. We've never seen that happen.

**M. Farnworth:** Just this past year we did \$120 million of "no way" to see us through this particular time of year, to take care of waiting lists and problems in the Ministry of Health, and we had to deal with it through supplementary estimates.

The fact is that the government tables a budget each year. It has in it the money to be expensed by each ministry.

There are ministries that we know each year. But it's hard to predict flood control, forest fires — being the obvious examples. But also other ministries — for example, in the social services ministry, social service cases, income assistance cases and health care, to name just a few....

The government, under the guise of fiscal responsibility — or to tell the public that we're trying to do something — has this piece of legislation that's supposed to penalize ministers, and the reality of it is that it never does because every year, as I've said, the government brings in a bill and finds a way to grant pardons and indulgences.

Noting the hour....

Interjection.

**M. Farnworth:** My colleague from Nelson-Creston also has a number of points that he wishes me to make, and I know, noticing the hour, that there is not enough time to go down that avenue that he wants me to. I don't want to disappoint him, so I will, noting the hour, hon. Speaker, adjourn the debate and look forward to continuing tomorrow.

M. Farnworth moved adjournment of debate.

Motion approved.

Hon. M. de Jong moved adjournment of the House.

Motion approved.

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

The House adjourned at 6:24 p.m.



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