



Fifth Session, 38th Parliament

OFFICIAL REPORT OF
**DEBATES OF THE
LEGISLATIVE ASSEMBLY**
(HANSARD)

Wednesday, March 25, 2009

Afternoon Sitting

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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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D. Routley

J. Rustad

N. Macdonald

Hon. P. Bell

WEDNESDAY, MARCH 25, 2009

The House met at 1:36 p.m.

[Mr. Speaker in the chair.]

Prayers.

Introductions by Members

Hon. I. Chong: Today I have two sets of introductions. The first is a number of individuals who work in our ministry office, our staff here, who are visiting the Legislature today. As we all know, we rely heavily on our support staff. They are here today to observe question period. I'd like to introduce to the House Aleesa Paulson, Pamela Lawson, Mindy Pearson, Leah Davidson, Jennifer Earl and Cathi Bigelow. I would ask the House to, first of all, please make them all welcome.

Secondly, I am very honoured to have two constituents of mine here observing today as well. I believe it may be the first time for at least one of them to observe question period in person. I'd like to introduce Mr. Rob Bennett, who has been a member of the technology community here in Victoria for over 30 years and is currently the Vancouver Island representative on the B.C. Cancer Foundation board; as well as a good friend and constituent, Jane Danzo, who is the vice-chairman of the B.C. Arts Council and who has volunteered in the greater Victoria community for over 35 years.

In particular for Jane and her husband, who have both been affected with cancer, and with today being the launch of the daffodil campaign, which symbolizes the Canadian Cancer Society awareness, I think it was particularly important that she attend today. I understand that my colleague from Richmond Centre will be making a statement with regards to that.

I would ask the House to please make them both very welcome.

M. Farnworth: In the gallery today is one of the high schools in my riding. That is Archbishop Carney Secondary School. Their teacher Ms. Brygida Reis is accompanied by a number of students, who are here to watch question period and tour the buildings. I would ask that the House make them most welcome.

Hon. P. Bell: We're joined in the gallery today by a good personal friend, a constituent, a previous mayor of Prince George. He's someone who always championed wood as the best building product anywhere in the world and especially here in British Columbia, but he was a great friend of all British Columbians. I'd ask that the House please make Colin Kinsley — fondly referred to as His Warship — welcome to the precinct.

C. Trevena: In the gallery today are four members of the Catholic Women's League, who met with the members of the opposition earlier today. They had some very interesting ideas and resolutions they wanted to discuss with us, and I hope the House will make all of them very welcome.

K. Whittred: I have two introductions this afternoon. First of all, on behalf of the Speaker, I would like to take this opportunity to welcome a group of public servants seated in the gallery.

[1340]

They are participating in a full day parliamentary procedure workshop offered by the assembly. The workshop provides a firsthand opportunity for the public service to gain a greater understanding of the relationship between the work of their ministries and how that work affects the Legislature. Would the House please make them welcome.

Mr. Speaker: Member for Malahat—Juan de Fuca. Oh sorry. She's still got more to introduce. Continue, Member.

K. Whittred: Also on behalf of Mr. Speaker I want to welcome two guests from his riding. They are Lynda Jones-Layne, and she is accompanied by her daughter Barbara Jones-Layne. So would you all please make them very welcome.

J. Horgan: I hate to stomp on the Speaker's introduction.

I have two friends here today from Langford. The first one is my good friend Sharon Wilkinson, who is here to watch democracy in action.

Of course, I want the Minister of Education to cover her ears because we have a grade 10 student from Belmont who is cutting classes today to be here to watch proceedings in the Legislature. His name is Grant McLachlan. Grant has been interested in politics from an early age, and he's very much looking forward to the next 48 days.

Tributes

CANWEST CANSPELL CHAMPION
RACHAEL McDANIEL

Hon. J. McIntyre: I would actually like to pay tribute to a young lady from West Vancouver. Her name is Rachael McDaniel. She's 11 years old, a grade 6 student from Irwin Park Elementary School in my constituency.

She took top honours at the 2009 Canwest Canspell regional spelling bee last Saturday. I understand it took eight exhaustive rounds at UBC's Chan Centre involv-

ing 70 grade 4 to grade 8 students before she triumphed. Rachael is off to Ottawa in a few weeks for the nationals.

I just was hoping that members of the House would please join me in wishing her the very best of luck. We hope she returns to British Columbia as the champion.

Introductions by Members

S. Fraser: I have 40 students from Kwalikum Secondary School cutting classes today to be here. They were on a tour that I was attending this morning. Jaret Abel's grade 10 class is here. They had lots of great questions. Please help me make them feel very welcome.

R. Hawes: This morning the government caucus also met with the B.C. and Yukon provincial council members from the Catholic Women's League of Canada. That was Marianna Caldwell, the president; Nancy Simms, president-elect; Sandra Stajduhar, resolutions chair; and Sheila Quinn, the legislation chair. They are all four in the gallery.

On behalf of the government caucus, I would like to thank them for the presentation this morning, which was highly informative. We all want to see them back next year speaking to us again as government caucus. Could we please make them all welcome.

Introduction and First Reading of Bills

GOVERNMENT INTEGRITY ACT, 2009

J. Horgan presented a bill intituled Government Integrity Act, 2009.

J. Horgan: Notice has been given on the order paper for this bill to be read a first time now.

Motion approved.

J. Horgan: I rise today to speak to the Government Integrity Act, 2009. This bill proposes amendments to the Members' Conflict of Interest Act and the Lobbyists Registration Act.

The act will extend conflict of interest laws to include the activities of senior public servants and political appointees and will substantially bolster rules governing the disclosure of lobbyist activities in the province of B.C. Specifically, the bill provides the registrar of lobbyists with the necessary powers to investigate the actions of those who would thumb their nose at public disclosure and would have appropriate penalties.

For those keeping score at home, this is the third time in 12 months that the opposition has tabled measures such as these, so if you're feeling a bit like Bill Murray in *Groundhog Day*, you're not alone.

The current conflict-of-interest legislation is out of date. The existing Lobbyist Registration Act is, in the words of the Attorney General, inadequate. This bill will provide clear rules to ensure lobbying is done ethically and transparently, and it will establish a more transparent regime for ethical conduct for current and former public office holders.

[1345]

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

Bill M204, Government Integrity 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.

Statements (Standing Order 25B)

JANE DANZO AND CANCER AWARENESS

O. Ilich: Today is a fitting day to talk about cancer awareness because it is the kickoff for Daffodil Month, which generally signifies that we're going to be looking at cancer and trying to raise awareness. In this House and throughout the province many of us have been touched by cancer. Each of us reacts to that diagnosis in a different way. As we know, some become crusaders and fundraisers for the B.C. Cancer Foundation, like our colleague Sindi Hawkins.

Today I want to tell the House of someone who lives here in Victoria, who survived cancer last year and whose husband also survived cancer, and what she's doing. I met Jane Danzo a number of years ago when she was the chair of Pacific Opera Victoria. When she was diagnosed last year with breast cancer, she decided that she needed to contribute to the cause in some way that was meaningful. She wanted to do two things — raise awareness and raise some money.

Jane worked with local jeweller Rolf Schmidt, who himself lost his only daughter to cancer last year, and designed five different gold pins, each based on a recognizable ribbon motif of the Cancer Society, each handmade and custom-ordered. The pin, called the cancer awareness pin, raises awareness of cancer, whether worn as a symbol of courage, remembrance or support. The price of the pin is based on cost and a tax-receiptable donation to the B.C. Cancer Foundation for the work of the province's cancer centres. I am wearing one of these pins here on my lapel, along with my MLA pin. Jane's goal is to make these pins available throughout the province.

In the next 12 months one in seven B.C. women will be diagnosed with breast cancer. We remain hopeful that awareness will encourage early detection as well as contributions to the Cancer Foundation for more research.

We should all be supportive and appreciative of people who are actually contributing to that effort.

WORDS ON THE WATER FESTIVAL

C. Trevena: Once again Campbell River is opening its doors to the lovers of literature, lovers of ideas and lovers of language. Words on the Water is hosting its eighth festival at the Maritime Heritage Centre. It's a joy for anyone who loves books to sit and listen to writers read their own works. The festival, which started small, has grown and become a fixture in the social structure of the city of Campbell River.

A volunteer group who do love words and books put together the weekend event, which is described by participants and by the audience alike as wonderful and excellent. It's supported with the writers-in-residence program at Haig-Brown House, where fiction and non-fiction authors, poets and journal writers are able to spend a winter writing in Roderick Haig-Brown's home on the banks of the tumultuous Campbell River.

Most important, it's supported by our community, which comes out for the evening panel discussion on Friday and the day readings on Saturday. The Saturday event also allows for a question-and-answer of the authors directly. The weekend is rounded off with a literary cabaret on Saturday evening which provides, as its own advertising attests, all the components necessary for an entertaining and stimulating evening — readings, music and good food.

This year the organizers have brought together an interesting cross-section of authors: Marilyn Bowering, John Gould, Lorna Jackson, Rex Weyler, Mary Novik, Richard Van Camp and Wayde Compton. They're joined by Marjorie Doyle, this year's writer-in-residence, from another island and another ocean. She's from Newfoundland.

The festival is not only a delight for the people of Campbell River, the nearby areas and surrounding communities in itself, but it also provides the foundation for a greater literary awareness in our community. It's a place where writers are encouraged, and they, in turn, can work with the writers-in-residence and other authors. It's a place where advocates for literacy can see successes, and it roots the importance of language of the spoken and written word in our coastal community.

COMMUNITY SPIRIT IN SOUTH DELTA

V. Roddick: Delta South is a community of doers, and 1969 was certainly a stellar year for two of our major local projects to get off the ground. The original face of Delta, our museum, in the centre of what we affectionately refer to as old Ladner and housed in the heritage municipal hall, courthouse and jail is simply brilliant, especially for children and, better still, grandchildren.

[1350]

Each room is set up as part of a pioneer farmhouse, store, fishing dock, dairy, blacksmith, hotel and, most exciting to the youngsters, a jail with occupants.

So 1969 was 40 years ago. To me that's just yesterday. I'd been married four years and had a two-year-old son. That is exactly how some original members of the Delta Hospital Auxiliary feel, and they are as active now as they were then. Volunteers Dorothy Andreasen; Georgina Reynolds, whose husband Robert Reynolds served as the Delta Centennial Hospital Society's first president; Joan High; and Marge Paton have a combined 160 years of service at the hospital.

In 2008 alone, the 400 members put in a total of 70,000 hours of volunteer time to make our hospital the community jewel it is today. Our health authority could not exist without such dedicated people. All health authorities should covet their auxiliaries and the contribution and devotion the volunteers donate selflessly to the better of all concerned. Delta South is a community of doers.

SARAH-SPRING STUMP

C. Wyse: There are many heroes in our society. Some of these men and women make the six o'clock news. Many of these people have movies made about them. But most of these heroes quietly serve their communities with minimal recognition. On occasion these heroes receive an award and gain a few minutes of fame and then go back to quietly making a difference at home.

Sarah-Spring Stump was such a hero. Sarah, a resident of Williams Lake, died recently, and her passing is an incredible loss to her family, her friends and the people she has helped in the Cariboo.

As we in this House well know, homelessness is a failure of our society. That anyone could live without the basics of food, clothing and shelter in this 21st century is unacceptable. We have heard much talk about ending homelessness. Unfortunately, the level of action somehow does not match the level of talk. But Sarah-Spring Stump didn't talk about homelessness. She was a woman of action, and she did something about this problem.

Through Abraham's Lodge and Care Society, Sarah, her husband Danny and her family have helped the poor, the destitute and the homeless. In 1989 she and Danny began their work by taking people into their home. Sarah dedicated her life to making a difference in the lives of others.

In the 1990s she secured some funding from the local health council to assist with the cost of providing for the needs of these forgotten persons. Together with the volunteers at Abraham Lodge, Sarah provided much-needed food, clothing and shelter for the poor and destitute, and she also provided friendship and love along with these material goods.

Sarah did not go unrecognized for her contributions. Her community valued her work, and Sarah, together

with Danny, received the Governor General's Caring Canadian Award in 2001.

We in the Cariboo are proud to have known Sarah and will keep her in our hearts forever.

SENIORS HOUSING DEVELOPMENT IN BURNABY

J. Nuraney: Last Friday it was my pleasure to take part in the official groundbreaking for a development that will provide 70 units of affordable housing for Burnaby seniors. Located on Grimmer Street, this development is a partnership between the province, the city of Burnaby and the South Burnaby Royal Canadian branch 83, the non-profit operator.

The housing that we are helping to develop will help seniors to be independent and live close to their family and friends. It is being built with over \$14 million of mortgage financing through the community partnership initiatives. This program helps to implement innovative strategies that create affordable housing for seniors in need. It is an example of how we are working with our partners to provide more sustainable and affordable housing options across the province.

[1355]

I would like to take this opportunity to thank the South Burnaby Royal Canadian branch for taking on this project. Their commitment and dedication to bettering the community is a major reason that this project is a sure success. They have provided the land for this project, and the land is worth about \$4 million, and will oversee the construction of this four-storey building.

On completion, the residents will receive hospitality services, including nutritious meals, housekeeping, fitness, recreational activities and full-time security. Such projects are much needed to house our seniors in an environment of safety, dignity and care.

NATIONAL VOLUNTEER WEEK

D. Thorne: Because this House won't be in session during National Volunteer Week, which this year is April 19 to 25, I want to draw attention to it today.

This will be a special time for me, because it will be an opportunity to honour the thousands of men, women and young people who enrich my community of Coquitlam-Maillardville. This year, the Volunteer Week theme is called "Celebrating People in Action," a perfect reminder that it is the individuals who take action to solve problems who really bring about change for the better in our society.

Without the hard work and commitment of volunteers, we'd see more homeless on our streets, we would have fewer environmental watchdogs, and we would go without bursaries and scholarships for needy students.

Hundreds of amateur sports volunteers coach, referee games, line fields and fundraise for tournaments and

meets. Service club volunteers build parks, organize community events and provide Christmas food hampers. Arts and culture volunteers give my community its soul.

In recent years all of our community social service groups have suffered from cutbacks and inadequate funding and are often stretched to the breaking point. Waiting lists are growing at an alarming rate and produce unsustainable workloads for paid workers, and often our volunteers are managing to take on some of this load.

From babies to seniors, people with special needs, substance abuse issues or the commonplace but frightening problems that are often faced by newcomers to Canada, all of our lives are enriched by the efforts of volunteers. I ask this House to join me today in thanking in advance our own special B.C. volunteers.

Oral Questions

GRAVEL EXTRACTION PROPOSAL AND HOPINGTON AQUIFER

S. Simpson: Yesterday the Environment Minister took questions about the risks of the Hopington aquifer on notice. This is remarkable, considering that on January 30 Karren Winther and her husband Nick Costantino e-mailed the minister on this matter. They also mailed him an information package on March 12, both with no response.

On February 10 Dr. Moats sent the minister a letter on the issue, and on January 16 Bill Mozell delivered a petition with more than 300 signatures to his office in Chilliwack. They're all wondering what it takes to get the minister's attention. We'll try again today.

Gravel mining in Brown's pit is a risk and a threat to Hopington aquifer, which is the sole source of drinking water for over 3,000 families. Now, the Transportation Minister can get his gravel somewhere else, but the question to the Minister of Environment is: will he commit today to protect that aquifer and to protect the drinking water of the people in Langley?

Hon. K. Falcon: It will help the member opposite to know that the Minister of Environment actually forwarded all of that information over to my ministry. He was very diligent in making sure he did so.

Interjections.

Mr. Speaker: Members.
Just take your seat, Minister.

Interjections.

Mr. Speaker: Members.
Continue, Minister.

Hon. K. Falcon: The member opposite will also be happy to know that the area MLA, who is also the Minister of Housing and Social Development, met with all the residents, wrote to each and every one of those residents and advised them that there will be no gravel extraction if there is any risk to the aquifer whatsoever.

[1400]

The member opposite should also know that I have personally met with all those residents, and I delivered the exact same message. So let me be clear in this House today, in front of everyone gathered here. Not a bit of gravel will be extracted unless it can be done without any risk to the aquifer.

Interjections.

Mr. Speaker: Members.

The member has a supplemental.

S. Simpson: What we know is that water, which is supposed to be a concern of the Minister of Environment... Clearly, it's maybe not his file anymore when it's the Transportation Minister's project.

The problem is this. This Minister of Transportation has a report from EBA consulting done for his ministry, where it confirms that the Ministry of Environment has said that there is a high risk of surface contamination on this aquifer.

We also know that this is the only drinking water for 3,000 families. Now, this minister's prepared to take a risk and play roulette with those people's drinking water. If he's really concerned, say today that there will be no gravel extraction — period, end of story.

Interjections.

Mr. Speaker: Members.

Hon. K. Falcon: I'm not sure why the member opposite is getting himself all worked up about this issue. The fact of the matter is that there is a hydrological report that we are awaiting. We expect to have that report in the next few weeks. As I mentioned when I met with all of the residents and sat down with them — I made it very clear — I'm always guided by facts in making decisions. If facts in the report which we have yet to receive tell us, suggest in any way, that there is a risk to the aquifer or to the water supply, we will not proceed with gravel extraction. I don't know how I can be more clear.

Mr. Speaker: Member has a further supplemental.

S. Simpson: Those people that met with the minister told me about the meeting, and essentially what they got out of the minister is that he said: "I'm pretty good at running roughshod over communities. I've done it a

number of times, and I'll do it to you if you get in my way too."

Those people in the community in Langley have no confidence in this minister. They are assured that he's waiting to get past May 12, and he'll run roughshod over them. If this government is serious about protecting water, if it's serious about Water Smart, commit today: no gravel out of Brown's pit. Protect the aquifer.

Interjections.

Mr. Speaker: Members.

Hon. K. Falcon: It is remarkable that the NDP want us to make a decision on the basis of absolutely no facts. That is a classic example of NDP governance.

What I said to those residents is that we will have that report, just for the member's benefit, before the election. I made it very clear to the residents that I understood how seriously and strongly they felt about the issue, but that we would make the decision based on the facts. I cannot make a decision until I have a completed report. When we have that completed report, I will make the decision. It will be based on facts, I can assure you.

Interjections.

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

M. Sather: Well, the surrogate Minister of Environment over there is talking nonsense. He knows very well that that aquifer is at risk. There are hydrologists... The municipality has reported out on this. He knows that that aquifer is at risk. So he doesn't have to mess around talking nonsense about it. Why doesn't he get right to it and refuse to remove gravel from that pit now?

[1405]

Hon. K. Falcon: I thank the member from Maple Ridge for his interest in this issue in Aldergrove-Fort Langley, but I will say to the member, as I said to the previous member, that on this side of the House, at least, when we make a decision, we make a decision based on facts that are gathered independently by people that have a lot of expertise in the area.

The members opposite would characterize that as somehow being roughshod with the public. Actually, that's being responsible with the public.

We have a responsibility to the public at large, and I can guarantee you, as I said to those residents, that we will not be extracting gravel unless it can be done safely. We will have a report coming forward in the next few weeks. We will make a decision based upon what the facts in that report tell us.

Mr. Speaker: Member has a supplemental.

M. Sather: I, on my side of the river, am standing up for the water because the people on that side of the river have no interest and don't care. It wouldn't be so galling if this government had any legislation to protect drinking water, but they don't, and they know it. So the whole government has no clothes. It's time today for this minister, standing up for the surrogate Minister of Environment, to protect the drinking water of Langley and to refuse the removal of gravel from that pit.

Hon. K. Falcon: I'm not too sure how many different ways I can say the same thing for the member opposite. On this side of the House....

Interjections.

Mr. Speaker: Minister, just take your seat.
Continue, Minister.

Hon. K. Falcon: Look. The member should know that before we undertake any project.... For example, for the new \$200 million Pitt River Bridge we're building in that member's riding that he opposed, we did a number of studies before we moved forward with that bridge, and that's why it's proceeding today ahead of schedule and on budget.

Not only do the NDP oppose good projects before they're happening and while they're happening and even after they open; now they've reached this extraordinary level that they'll oppose them before they even know what the information tells them. On this side of the House we make our decisions based on facts. We don't make them based on panic-stricken opposition members in the House.

We will wait till we get that report. We will make a sound decision for the benefit of those folks in the area and the public of British Columbia.

R. Fleming: Here's one of the facts. Yesterday not a single member from the government side would get up and even say a word on this issue, when they knew full well that constituents had been inquiring of them for months on the risk to their drinking water. That's the fact. So 3,000 families, and their source of clean drinking water is at risk.

We know that gravel extraction leads to risks of contamination by arsenic and other sources. That's why there's been a 20-year moratorium in place on Brown's pit.

My question is for the Minister of Environment. When will he stand up for citizens' rights to clean drinking water before his colleague runs roughshod over those rights for Langley residents?

Interjections.

Mr. Speaker: Members. Members.

Hon. K. Falcon: As I understand the question from the member opposite, they want the Minister of Environment to make a decision before the Minister of Environment has a report to review. That's a fascinating way of doing government.

Apparently, as usual, the member does not have any facts in front of him, so I will try and help the member opposite. The MLA for the area and the Minister of Housing and Social Development sat down and met with these residents. He followed that up by writing to each and every one of those residents, making a commitment on paper, as a member of government, that we will not move forward unless it can be done safely.

They then also met with the Minister of Transportation. The Minister of Transportation met with them for almost an hour. We had a very good discussion. I made it very clear to them that we would make a decision based on the hydrological report. I appreciated their interest in the subject. I appreciated the homework they'd done on the subject, and I made it very clear that no gravel gets extracted until and unless it can be done safely.

GOVERNMENT SUPPORT FOR LOGGING CONTRACTORS

S. Fraser: Forest and Marine Investments will be seeking bankruptcy protection and putting another 3,000 jobs at risk in the coastal forest industry. This will directly impact market loggers, the independent business that generates 70 percent of the forest economy on the coast. These independent businesses get no support from EI or through the community development trust. They need help from this government, and they need it now. What is the Minister of Forests going to do to help these independent businesses?

Hon. P. Bell: We're very concerned about Forest and Marine and the events that they're facing as a result of the American banking institution that they traditionally work with. I have been in touch with Forest and Marine, with David Lewis of the Truck Loggers Association, but more importantly, with Minister Lisa Raitt, the federal Minister of NRCan. We are talking to them about programming that's currently available through the federal government that we think may meet the needs of Forest and Marine.

Mr. Speaker: The member has a supplemental.

S. Fraser: That's spoken like a true spectator. Evidently the minister...

Interjections.

Mr. Speaker: Member, just take your seat.
Members.
Continue, Member.

S. Fraser: ...doesn't understand the gravity of the situation. These independent contractors are not eligible for any help from any government, yet they make up to 70 percent of the forest economy on the coast. They provide logs for the open market, and if they go down, there will be huge repercussions for the few remaining manufacturers on the coast.

Without credit, without security and access to loans, there's only one option: bankruptcy. It's not like they want a \$360 million roof on B.C. Place. These independent contractors need credit assurance and loan guarantees from this government. Will the minister show some leadership and avert potential disaster on the coast?

Hon. P. Bell: One of the challenges the opposition appears to be having is working off a script, and we've seen that in the last two questions. The member doesn't realize I just answered his question. I just told him that we're very concerned about this file, that I'm personally working with the federal Minister of Natural Resources Canada, that we've spoken with the company involved and that we're working with the Truck Loggers Association. There are programs available to deal with this. I wish the member would bother to take the time to listen to the first answer.

B. Simpson: The number of people claiming EI in the province of British Columbia doubled over last year. We lead the nation in the increase in the number of people claiming EI. Business bankruptcies on the coast have doubled over last year, and they include Hayes, Munns, Leroy, Madill — all reputable, long-term logging contracting companies. A thousand jobs lost there.

[1415]

My question to the Minister of Forests is this. The minister is trying to go again to the federal government for help. What the Truck Loggers Association, what Forest and Marine are asking for is this government's help — an immediate intervention by this government until we can find alternate solutions. There are two days to deal with this — 3,000 jobs at risk, 75 companies that will join the list of bankruptcies.

Will the Minister of Forests commit today to give interim credit assurance and loan guarantees until we find out if the federal government can, in fact, resolve this issue? Will the minister actually do something?

Hon. P. Bell: The member is wrong on three fronts — the first being that EI, in fact, is at a lower rate today than it was ten years ago. The second is that bankruptcies in British Columbia are, in fact, at a lower rate today than they were ten years ago.

The third is that there is a pre-existing program in the federal government called the Canada small business financing program. It's delivered through the Business Development Bank of Canada. We're speaking with

Minister Raitt's office now about the application of this particular program for Forest and Marine. We've spoken with Forest and Marine, and they've not asked us for any intervention beyond that at this point.

Mr. Speaker: The member has a supplemental.

B. Simpson: The truck loggers have certainly asked this minister to intervene immediately. He's not telling this House that. The minister needs to understand that what we need is more than words.

This is the minister who's going to hold up the sky. This is the minister who doesn't believe there are any more issues affecting the industry. We'll get no more mill closures. This is a minister who releases plans with fluff words and no targets, a minister who prefers words as a substitute for action when what we need is action.

The minister knows that if they go through the Business Development Bank, they're going to get an increase in interest rates of 3 to 4 percent, which will drive many of these businesses under as well. It's not the solution. We need a made-in-B.C. solution to prevent these 75 companies from going under and 3,000 more people going on EI.

Again, will the minister commit today to find a made-in-B.C. solution to float this company so that these businesses do not go bankrupt?

Hon. P. Bell: Well, it appears that the month of March is a record month for the NDP. We've now heard two pieces of policy developed by this opposition. The first one was that the province of British Columbia should accept the environmental liability for all heavy industrial sites across the province. That would be a net cost of \$3 billion or \$4 billion. The second is that we should bail out companies in the business of financing companies and supporting financial institutions.

In fact, there are programs available through the federal government. We're working with the federal government to make sure the application of those programs is successful.

Interjections.

Hon. P. Bell: The members opposite can either take the time to listen to the facts or not, but they're wrong. There are actions being taken today.

Interjections.

Mr. Speaker: Members.

EDUCATION FUNDING

D. Cubberley: School districts across British Columbia are again facing the trauma of massive program cuts

because this government has the wrong priorities. Saanich school district 63, my own, one of two districts, is facing a \$3.6 million shortfall next year. Why is that? Because government funding isn't keeping pace with inflation, because new initiatives aren't being fully funded by government and because the loss of revenues from declining enrolment outstrips the savings of having fewer kids in school.

What parents and families in my community want to know is: what is this minister going to do to protect the quality of learning in a school district facing the single-largest drop in funding in its history?

Hon. S. Bond: What this side of the House is going to continue to do is to protect and increase education funding, as we have every single year since we took government.

[1420]

Let's look at the numbers in the Saanich school district. Very interesting to hear the member opposite talk about the funding side. Let's talk about the enrolment numbers. This is a school district that has seen a reduction of 14 percent of its student population and has continued to see increased funding.

Mr. Speaker: The member has a supplemental.

D. Cubberley: Well, it sounds like the minister is going to continue to twiddle her thumbs while the quality of education is undermined right the way across this province.

The district superintendent says that cutting \$3.6 million from funding will be a difficult and painful exercise. I think that's an understatement. That's going to translate into massive job loss. Up to 16 teachers will be gone. There will be rising class sizes right the way across the district; less support for children with special needs, an apparent priority of the government; an individual learning centre closing; and there will have to be more school closures.

Children are the ones who are going to be forced to pay the price for these cuts. Parents don't support these Liberal cuts. So what's this government's actual message to my constituents? It seems to be: "Tough noogie. Cuts are coming. Get used to it. We don't care."

Is that this minister's message to my constituents? This government is so arrogant and out of touch. You just don't care.

Interjections.

Mr. Speaker: Just take your seat for a second, Minister. There seem to be other members that want to ask questions.

Hon. S. Bond: Perhaps this member could have shown his own support for his school district by just

yesterday voting to support a budget that adds \$800 million over three years to education.

You know, maybe it's time.... All of British Columbia and the members on this side of the House are waiting to see when the Leader of the Opposition is actually going to lay out her plan for British Columbians. Let's see what they're prepared to do for education over the next three years.

Interjections.

Mr. Speaker: Members. We're not going to continue.

Interjections.

Mr. Speaker: Members.

D. Chudnovsky: I spoke today with a Vancouver school trustee who reports their shortfall will be \$7.13 million. Her assessment is that it is not possible to make up that shortfall without "dramatic cuts in services to children." I'll repeat that. In Vancouver schools there will be dramatic cuts in services to children.

Can the minister explain which services she thinks should be cut and what those students should do about the educational opportunities they will miss.

Hon. S. Bond: First of all, let's look at the facts. In fact, in the Vancouver school district we expect to see that they will receive, despite ongoing declining enrolment, in this year alone \$1.1 million more dollars than they received last year.

We also would like the member opposite to go and perhaps have a chat with the Vancouver school board about the accumulated surplus they have in their school district.

[1425]

But what's most important here is that it's time the members opposite stood up and actually told this House and British Columbians what their plan is. Let's add a billion here, add a billion there, and all of that on the backs of taxpayers in British Columbia. It's time to come clean and lay out a platform for British Columbians to make their choice.

Mr. Speaker: The member has a supplemental.

D. Chudnovsky: Will the minister commit to meet with Vancouver trustees and parents to hear directly from them the impacts of her funding allocations, and will she commit to come to that meeting with her suggestions about where more than \$7 million should be cut?

Hon. S. Bond: I have visited virtually every school district in British Columbia. In fact, on those visits, we have visited with school trustees, with teachers, with

students, with parents. We've visited and talked to all of those. Do you know that as a result, we have actually increased funding every single year that we have been government, and we intend to continue that?

N. Macdonald: Well, the Education Minister is deliberately blind to what is happening on the ground. Kamloops-Thompson school district is facing a \$600,000 shortfall for transportation costs alone. The result is that there are either further cuts to school bus services or potential charges of \$20 per month, just so that students can get to school. There are choices like that being made by school boards across the province.

This is a province with 11,000 classes that are over the legal limit for class size and composition. It is up from last year's unacceptable level to this year's beyond unacceptable level with a certainty of getting worse next year — a certainty. We've heard about Saanich, Vancouver and Kamloops, but it is happening everywhere.

Will the minister admit that each and every school district will be making cuts to services for our children because of this government's underfunding? Each and every school district cut.

Hon. S. Bond: What this government has said and what it has demonstrated is the fact that every single school district in British Columbia will receive the same or greater funding, despite declining enrolment in British Columbia. That's our commitment.

On the verge of being able to go to the polls, let's look at what the Leader of the Opposition said before the last election about her education budget. The Leader of the Opposition said this: "We have a one-year budget, and we've not included any increases in our budget." Shame on you.

Interjections.

Mr. Speaker: Members. Members.

[End of question period.]

Orders of the Day

Hon. M. de Jong: I call second reading of Bill 7, the Police (Police Complaint Commissioner) Amendment Act, 2009.

Second Reading of Bills

POLICE (POLICE COMPLAINT COMMISSIONER) AMENDMENT ACT, 2009

Hon. J. van Dongen: I move that the bill be now read a second time.

The Police Complaint Commissioner is an independent officer of the Legislative Assembly. The bill changes the appointment provisions for the commissioner to be similar to those for other officers of the Legislature — namely, the Auditor General Act and the Representative for Children and Youth Act.

These legislative amendments provide for direct appointment of the commissioner by resolution of the Legislative Assembly instead of by order of the Lieutenant-Governor-in-Council. This bill changes the appointment term from one six-year term without the ability for reappointment to a five-year term with the ability for reappointment for one term of up to five years.

The amendments specify that the commissioner's salary is equal to that of the Chief Judge of the Provincial Court of B.C and that the public service pension plan applies to the position. This does not change the current salary or benefits of the commissioner.

[K. Whittred in the chair.]

The bill also changes the provisions for appointing an acting Police Complaint Commissioner. Instead of appointing by order of the Lieutenant-Governor-in-Council, the appointment is made by the Legislative Assembly and, if it is not sitting, by the special committee of the Legislative Assembly. These changes also follow the model already set out for other officers of the Legislature.

The amendments add a provision that requires the Police Complaint Commissioner and acting Police Complaint Commissioner to take an oath.

The new Police Complaint Commissioner, Stan Lowe, was appointed for a six-year term effective February 13, 2009. Transition provisions make him eligible for reappointment. However, the second term would be up to four years in order for the total term to be ten years. In addition, the end date of his term is moved to the end of February for the simple purpose of easing the logistics of appointment of the Police Complaint Commissioner by the Legislative Assembly in the future.

The transition provisions also apply the pension provisions to the new commissioner and provide for retroactivity of the appointment provisions as necessary to the current commissioner just appointed.

With this bill, British Columbia will have a more complete legislative framework for the appointment of the Police Complaint Commissioner that is consistent with the legislation for all other independent officers of the Legislature.

R. Fleming: Thank you to the Solicitor General for introducing second reading of this bill, which is legislation that is supported by both sides of the House and is consistent with practices in the assembly for

the independent officers that were referenced by the Solicitor General in his remarks just now.

I wish to make a few opening comments on the bill. The designated responder will be our Public Safety critic, who will speak a little later during second reading debate.

I think, speaking for this side of the House and for myself, that Bill 7 is something that the official opposition believes is long overdue, is consistent with our practices in this assembly and ensures that the Police Complaint Commissioner's independence is asserted both in their selection and in the new provision for a reappointment process.

That means that the Police Complaint Commissioner, essentially, is able to do his or her job not only with the confidence of both sides of this Legislature and the requirement for unanimous recommendation and appointment. It means, most importantly, that the public can have confidence in that individual because they are so vetted and enjoy the confidence of all members of this assembly.

So that when the Police Complaint Commissioner does their work.... We know that the things that are referred by our municipal police departments across British Columbia and by complainants, civilians and others are often very difficult issues.

[1435]

These are issues that deserve and require the utmost objectivity and sensitivity to the information that's gathered, that the powers of that office oblige and give investigatory powers to determine facts that can then support or even in some cases overturn decisions that a police department or police board or government may have made.

While there has been no fault from our previous Police Complaints Commissioners, previously there was, I think, a legitimate concern that the individual who occupied this post served at the pleasure of government and that the manner of their appointment was simply an order-in-council from government.

Yes, there was the involvement of a legislative committee to select those past individuals who have served with distinction the province of British Columbia, but there was no requirement in that selection process by special committee for government to accept it. I don't know of any incidents where there was disagreement, but good legislation is where these kinds of conflicts should not arise when it comes to having an independent officer. It shouldn't be that way, and this legislation fixes that potential problem and flaw within the old legislation.

I think one of the amendments here that is significant, which this side of the House supports the Solicitor General in pursuing, is to allow a Police Complaint Commissioner to serve longer than one term. This is consistent with other independent officers in the Legislature. There is a process now, where there wasn't before, to allow reappointment.

So when somebody who occupies that position does an exemplary job — when this Legislative Assembly, when government, when everybody who has worked with this officer is beyond pleased, is satisfied fully with the conduct of that person in the position — previously we had to let them go. There was simply no way to retain somebody. Now we have, just as we do for the Auditor General, for the independent commissioner that we have for this assembly, for Children and Youth, for the ombudsperson of British Columbia.... For those officers, we have the same provision that allows for reappointment.

I think that's a critical fix in this legislation that will serve us well, and the manner is the same in terms of the reappointment that it is for the initial appointment. It will require the unanimity and the work of a committee, a special committee of this Legislature, to agree to that. Again, that is a test to ensure that the individual who holds that post and wishes to stand for reappointment has, and continues to have, the confidence of all members of the Legislature, that they have again been vetted and evaluated on their professionalism and their conduct in the position.

Instead of seeing the knowledge and the work go out the door because we had no means to make a reappointment in the past, that person — he or she — can be retained by the province and continue to provide public service through a reappointment. I think that is a very important reform that this bill speaks to.

It is the same as well, I might add, for the Information and Privacy Commissioner. We recently did reappoint a very capable person to continue on in that position. If they had had legislation that disallowed it, as the Police Complaint Commissioner Act did originally, we would not have been able to continue to have the services of Mr. Loukidelis for the province of British Columbia in his position.

I think that's an example of why we need this change, and I'm very pleased that this change is in the legislation. I think one of the most important decisions around this office now and after this amendment act is passed is how the commissioner can actually do their job, what resources they have available to them. That has typically been the concern of this opposition.

[1440]

Those discussions generally occur at the Finance Committee. Of course, they occur elsewhere in government as they set broader budget parameters, but that is where independent officers go to make a case for the resources they need to do their job to the best of their abilities and as thoroughly as possible for British Columbians.

Many of the things that aren't in this bill, the daily operations of this office, are contingent on agreements and funding that is provided and is deliberated upon at the Standing Committee on Finance of this assembly.

bly. I'm very pleased that this bill provides and outlines a manner of selection that is wholly the property of the Legislative Assembly now — all 79 members of this place having an equal say, having a requirement for unanimity and being the final arbiter of the appointment for the province's Police Complaint Commissioner.

I think, as I mentioned at the outset, in the past there was always... While there are no examples, there was always the possibility of executive interference in the recommendation that a legislative committee made on who they wished to see appointed in that position. This act will remove that discrepancy or that possibility for that to happen, and I think it's good legislation for that reason alone.

I've spoken to the reappointment process as well. We had to allow that to happen. That is a good reform as well, and I thank the Solicitor General for including it and bringing this legislation before the House. Those are critical things, I think, to ensure that the Police Complaint Commissioner for the province of B.C. has the confidence of ordinary citizens, is able to do their job to the best of their ability and that their independence is beyond question and they enjoy the confidence of all legislators.

M. Farnworth: It's my pleasure to rise and to speak to Bill 7, the Police (Police Complaint Commissioner) Amendment Act, 2009.

As my colleague from Victoria-Hillside said, this is an important piece of legislation because what we're doing is making it so that the Police Complaint Commissioner can apply for a second five-year term. That's bringing it into line with other independent officers of the Legislature. I think that's a very important thing that we need to recognize.

Currently, independent officers of the Legislature include the Conflict-of-Interest Commissioner and the Information and Privacy Commissioner, for example — just to name two of them — and the Ombudsman. They do extremely important functions. They help ensure that those functions such as the Privacy Commissioner and the Conflict-of-Interest Commissioner are not only perceived to be independent but are actually independent.

The incumbents, the individuals that fill those offices, don't answer to a government. They don't answer to an opposition. They answer to every single member in this House. That's a very important point and a very important distinction to be made.

They don't serve at the pleasure of the executive council, so if they make a decision that cabinet doesn't like, that pleasure can be revoked. There not under partisan political pressure to resolve an issue one way or another. They are there to serve this House, to serve every single member — 79 at present, but after the next election 85. It's crucial that every member of this House has confidence in those individuals and confidence in the process

under which they operate but also under the process by which they're selected.

I've been in this House for almost 14 years, and I have sat on a number of committees that have hired independent officers. Those committees are made up of both government and opposition members, and by and large, those committees have worked well. Members have taken the approach seriously. They've done their homework. They've asked the questions that need to be asked. They've made it work because they know that at the end of the day the decision on who to hire has to be unanimous, and it will be endorsed by this House, by every single member.

[1445]

That focuses individual members, I think, away from the overtly partisan, to ensuring that we get the absolute right individual for that position. That's why I think, when it comes to the Police Complaint Commissioner, it's important that we make that same reform here and now. I wish it had been done earlier. I wish it had been done a number of years ago. It wasn't for whatever reason, but it is being done now.

It's worthy of our support, and it's worthy of recognizing what it does when we pass this legislation. It will ensure that the Police Complaint Commissioner in the province of British Columbia — and it's a very important position, particularly from the view of the public — is able to do their job as unfettered as possible, as independently as possible, and that their findings are not based on the view of either government or opposition and are achieved without any political pressure.

That's why the fact that they now answer not to a cabinet, not to just an individual committee, but they answer to this House — that they are a statutory officer of this chamber, of this House — is a significant step forward and a significant improvement.

If the current incumbent, at the end of the term of five years, wants to reapply, they have the ability to reapply for that position for a second term. If they don't, then a committee will be struck, and that committee will be charged with hiring a new individual, who will bring a recommendation for unanimous approval here in this House. That's a good thing. That's a very positive step forward, and it's a change that we fully support.

But I will also make this caveat. The one thing that we need to recognize in this chamber is that when independent officers come forward with their budgets on an annual basis, we need to respect the work they have brought to their deliberations around that issue.

We must ensure that those budget discussions and requests around the independent officers of this Legislature — whether they be the children and families commissioner, the Ombudsman, the Privacy Commissioner, the Conflict-of-Interest Commissioner, the Auditor General or the Police Complaint Commissioner — are taken seriously and are not used to try and achieve partisan pol-

itical objectives. That's crucial. That's the role of every member of this House, and in particular, I think it's the role of the opposition to ensure that that is respected.

[Mr. Speaker in the chair.]

This legislation is a significant step forward. It's one that we support. It's one that we will be voting in favour of, and we look forward to further discussion in the committee stage. With that, I will take my seat to hear other members, if they also have comments.

Mr. Speaker: Seeing no further speakers, Solicitor General closes debate.

Hon. J. van Dongen: I want to thank the members opposite for their comments. I think with legislation like this, which establishes the appointment procedures and reappointment procedures for an independent officer of the Legislature, it is essential that it is supported by both sides of the House, given the nature of that position and the accountability to all members of this House. So I appreciate the comments of the members opposite and their support for this bill.

With that, I move that the bill be referred to a Committee of the Whole House to be considered at the next sitting of the House after today.

Mr. Speaker: You've got to move second reading first, Minister.

Hon. J. van Dongen: I move second reading of this bill.

[1450]

Motion approved.

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

Bill 7, Police (Police Complaint Commissioner) Amendment Act, 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. K. Krueger: I call Bill 10, intituled Public Safety and Solicitor General Statutes Amendment Act, 2009.

PUBLIC SAFETY AND SOLICITOR GENERAL
STATUTES AMENDMENT ACT, 2009

Hon. J. van Dongen: I move that the bill be now read a second time.

These anti-fraud amendments build on the changes to the Motor Vehicle Act that were made last year to

establish the enhanced driver's licence program. The enhanced drivers' licences and enhanced identification cards will be used as officially recognized alternatives to a passport at land and water border crossings into the United States.

First, the purpose of these amendments is to prevent the B.C. driver's licence, identification card, enhanced driver's licence and enhanced identification card, which are trusted forms of government-endorsed photo identification, from being fraudulently obtained or used. These amendments also align the enhanced driver's licence with the travel document standards agreed to by the Canadian and American federal governments under the western hemisphere travel initiative.

Specifically, the amendments establish authority for the seizure or retention of documents presented to ICBC by customers for a licence, identification card, enhanced licence or enhanced identification card. These amendments clearly establish that it will be an offence to obtain or attempt to obtain a licence or ID card through fraud or to assist another person to do so through fraud. It will also be an offence to present fraudulent information to ICBC to maintain a record relating to a licence or ID card or assist another person to do so.

These amendments establish a strong deterrent with a consistent penalty for driver licensing and identification card fraud. We will be establishing a new fine of \$400 to \$20,000 and/or up to six months' imprisonment.

This legislation also creates authority for ICBC to cancel a driver's licence and enhanced licence if fraud has been involved in the application for the licence or in the provision of information to maintain the licence. ICBC will have the authority to review the customer's continued eligibility and ensure identity when a replacement enhanced driver's licence or enhanced identification card is requested.

This bill also contains amendments to update references in the Insurance (Vehicle) Act and the Motor Vehicle Act to align this legislation with recent federal changes to the Criminal Code, including the new street-racing and impaired-driving offences.

These amendments will ensure that the office of the superintendent of motor vehicles, ICBC and the courts will continue to recognize convictions under the Criminal Code and take action as necessary at the provincial level — for example, in administrative functions such as forwarding the conviction from the courts to ICBC, recording the conviction on the driver's licence and automatically suspending the driver's licence.

Specifically, these amendments are necessary in particular to ensure that individuals convicted under the Criminal Code for the new impaired driving offences will be subject to provincial sanctions currently in place under the Motor Vehicle Act, such as participation in the responsible driver program and the ignition interlock program.

Since the new Criminal Code sections are already in force, several Motor Vehicle Act sections are being amended to include transitional provisions. This is necessary because new street-racing offences under the Criminal Code have been in force since December 2006, and new impaired-driving offences under the code have been in force since July 2008.

The transitional provisions are meant to capture drivers who may have been convicted of the street-racing and impaired-driving offences prior to these amendments to the Motor Vehicle Act coming into force.

[1455]

The transitional sections relate to refusal to issue a licence or permit; second, automatic prohibition against driving on conviction; third, reporting conviction or discharge; and fourth, suspension on conviction for certain offences.

In summary, this bill makes significant improvements to the legislative framework for British Columbia's driver's licence and identification card programs. I am pleased to move second reading of this bill.

Hon. J. McIntyre: I am very pleased to rise and support Bill 10, Public Safety and Solicitor General Statutes Amendment Act, 2009. This bill includes some key provisions which I support and am therefore particularly delighted to see go before the House for enactment this spring. These provisions will allow the province to move forward on the full implementation of the enhanced driver's licence as a cross-border travel document.

You may well remember that the Premier announced in January 2008 that British Columbia would be the first province in Canada to implement an enhanced driver's licence, commonly known as EDL. This EDL program was established so that British Columbia could meet the new U.S. travel document requirements under the western hemisphere travel initiative while keeping our borders open to legitimate travel and trade. These requirements, we believe, are scheduled to be introduced on June 1, 2009.

The enhanced driver's licence and its companion, the enhanced identification card, will let approved applicants cross from Canada to the U.S. by land or water with a single piece of identification. The province and ICBC are currently working together with our federal partners at the Canadian Border Services Agency to bring this concept to life.

I'm hopeful that the province can announce in a few weeks' time the very next step, which will be full implementation, so Canadian citizens resident in British Columbia can apply.

The enhanced driver's licence will be a secure and convenient voluntary option for Canadians in B.C. travelling to the U.S. We actually know how convenient and efficient this card can be, because during the program's pilot phase in 2008 the province issued these EDLs to

521 qualified volunteers. As I recall, that program was subscribed to in about 48 hours. There was so much interest. It was open for 500 or so.

The feedback from the users was positive. The testing phase proved highly successful and allowed ICBC staff to further refine the program details.

I think it's important. I hope members here in the House and those watching at home will understand that the ease of cross-border travel is absolutely vital to families and communities on both sides of our Canada-U.S. border, whether it's for a trip to a Seattle sporting event, a shopping trip or family vacation. In fact, same-day trips make up about three-quarters of British Columbia's automobile travel to Washington State.

The United States and Canada share the largest bilateral trading relationship in the world. Approximately \$1.5 billion U.S. in two-way trade crosses our border daily. Congestion and inefficient border processing hamper daily traffic flows of business travellers and tourists and affect long-term investment, jobs and productivity.

The annual cost of border waits is expected to increase by 145 percent by 2013, costing businesses approximately \$54 million, according to the International Mobility and Trade Corridor Project.

The EDL program in B.C. demonstrates the province's leadership on border issues. We believe in making travel easier by making it convenient, secure and efficient. This enhanced driver's licence program is part of a bilateral effort to facilitate border traffic between our two countries.

This will be particularly important during the 2009 World Police and Fire Games and, of course, while we host the 2010 Olympic and Paralympic Winter Games. These will be two of the most significant events we're about to host.

In fact, current estimates suggest 73,000 additional travellers will cross from Washington to British Columbia during the 2010 Olympic and Paralympic Games — approximately 5,000 people per day of the games. Getting the holders of enhanced drivers' licences across the border more efficiently is among the key recommendations issued by the Pacific NorthWest Economic Region, the PNWER organization, to streamline cross-border travel and trade.

The PNWER border charter signed last summer shows how British Columbia is working with our neighbours and the two federal governments to meet our objectives of reducing congestion and streamlining flows of legitimate trade and travel and the expansion of frequent border-crossing programs such as EDL.

[1500]

We have to find ways to prevent the border from thickening. We are finding solutions to reduce increased costs and unnecessary inconvenience. Collaboration produces successful solutions at the regional level for the national issues. I'm very proud that this program is

being replicated in other provinces and states across our two countries.

This enhanced driver's licence program, which will be brought to life by this act, was born in recognition that our border has changed and continues to change, and we can work together and smarter to ensure that it changes for the better.

This legislation, as the Solicitor General mentioned, will introduce a new penalty for fraud for the EDL and for identification cards. The purpose is to prevent several documents which are trusted forms of government-endorsed ID from being fraudulently obtained or used.

This legislation before the House today is another important step towards making cross-border travel easier, safer and secure for all British Columbians, so I'm proud to be speaking and voting in favour of Bill 10. Thank you for the time this afternoon.

M. Farnworth: It's my pleasure to rise and offer a few comments around Bill 10, the Public Safety and Solicitor General Statutes Amendment Act, and to recognize some of the important issues that are being raised.

My colleague from Burquitlam wishes to make an interjection.

H. Bloy: I seek leave to make an introduction.

Mr. Speaker: Leave is granted. Proceed.

Introductions by Members

H. Bloy: Today I'm really pleased to introduce the future of British Columbia. I had the opportunity to meet with these grade 5 students in the lower rotunda just a little while ago. They're from Our Lady of Fatima School. They're all in grade 5, and they can't wait to get into politics. I want to thank Mrs. Lorena Farina, the teacher, for bringing them, along with a number of parents. I just want to also wish one young lady a happy birthday — Jada. So if the House would please make them welcome.

Debate Continued

M. Farnworth: The purpose of this bill is to amend a number of clauses. The Public Safety Statutes Amendment Act is to bring existing legislation into line with changes that have been made around the Criminal Code regarding street racing and drinking and driving. These are changes that this side of the House has pushed for and has spoken out on and has been supportive of. The need for tougher penalties around street racing, for example, has been a real problem in British Columbia, and it's something that we've said — that those penalties need to be changed and strengthened.

Those changes have taken place. Likewise changes around issues regarding drinking and driving, which I think all members in this House know is a real problem. It's something that society does not approve of. The public wants to ensure that government is doing everything it can to ensure that drinking and driving is reduced and eliminated, and the penalties need to reflect that.

Well, when those changes are made, it also has an impact on existing provincial legislation. The amendments in this act make those changes, bringing existing legislation into line. Those are changes that we on this side of the House support and will be voting in favour of. We'll have some questions in committee stage to seek some clarification on a few issues, but we will certainly be supporting the legislation.

[1505]

I think it's important to point out a couple of the other changes that this legislation does, particularly around fraud. Some of the amendments in this piece of legislation impact on, I think, some important issues around fraud and drivers' licences. One of the issues that the police and the public are concerned about, for example, is fraudulent drivers' licences. This legislation makes it easier to deal with some of those issues.

For example, if documents are fraudulently used to obtain a driver's licence and if they're found to be fraudulent, it's easier for ICBC to seize them and to ensure that they're taken away from the individual attempting to use them fraudulently. It increases penalties, again, which is something that we want to make sure is taking place. It allows for a tightening up of security around the issuing of drivers' licences and ensures that those drivers' licences that are being issued are in fact legitimate and that they are not being used fraudulently.

One of the things that happens over time, particularly in this age, is that technology makes it increasingly easy to allow for the production of fraudulent activities. We see it in a whole host of areas. We change our money in this country — the design and the denomination. The design and the security features of money are changed on a regular basis, in part as a response to the changes that occur in criminal activity and the desire to keep on top of the fraudulent measures that are used, for example, in counterfeiting.

The same principle applies when it comes to drivers' licences. The same type of activity takes place, and it's important that we are able to stay ahead of those who would seek to obtain a fraudulent licence or use fraudulent means to create a licence or procure a licence. So this legislation deals with a number of those issues.

Hon. Speaker, we will be supporting this particular bill, and we look forward to further opportunities to ask questions during committee stage.

B. Ralston: I wanted to briefly address some of the provisions in Bill 10 which bring some amendments to

the Motor Vehicle Act to bring the Motor Vehicle Act in line with changes that have been made to the Criminal Code concerning street racing or impaired driving. Street racing and offences involving street racing are of particular concern to citizens in my constituency and, indeed, in Surrey and south of the Fraser generally. I know that other MLAs certainly join with me in that concern, whether it's the MLA for Surrey-Newton or the MLA for Surrey-Panorama Ridge.

There was a particularly notorious case involving the Badh family. I've met with Varinder Badh, who's a representative of the family. She is very concerned about the impact. Her parents were in an accident in which both her parents were killed, and the driver fled the scene. Due to the state of the investigation, nothing has resulted in the way of a successful investigation, from her perspective, in terms of criminal charges being brought or any closure being brought to the matter.

While this bill does address, in some small respect, an aspect of street racing, I think it does illustrate the more important dimension of street racing as a very serious criminal offence that has catastrophic consequences for families in the region, in the province and indeed across the country. I think it's appropriate that that take place.

If I could also give another example of the devastation that has been brought about by street racing. Nina Rivet, who is a constituent of mine, has expressed her public concern about a street-racing incident that led to the death of her sister a number of years ago. It's wound its way through the courts, most recently before the Supreme Court of Canada on a related immigration issue.

These crimes are serious, and they need to be taken seriously. There is much more that can be done. Varinder Badh has expressed to me some suggestions in the way of legislative amendments not only to the Motor Vehicle Act but to the Offence Act and has expressed some concerns about the penalties that are in the Criminal Code and whether they are strict enough to deter this kind of crime.

[1510]

There is certainly a sense that families have that the way the Motor Vehicle Act works in not compelling responses from a registered owner if they leave the scene and that that can lead to what they regard as an injustice — in the sense that an investigation cannot successfully determine who the driver was and, therefore, attempt to fix criminal liability. So these sections that bring about these amendments are important ones, and I support them.

Insofar as sections 10 and 11 are concerned — and I know we'll have clause-by-clause debate at another time — I think it is appropriate, where people have not paid victim fine surcharges and other court charges, to use the mechanism of the publicly owned Insurance

Corporation of British Columbia, which is a public vehicle that's available to the province and to the ministry, to not issue a driver's licence — where the person hasn't paid those fines.

It's yet another mechanism of collection. I think it's fair in the sense that it's related to your driving privileges, and that's what the right to drive is. It's not really a right. It's a privilege to drive that's granted on certain conditions that people have to comply with. When they don't comply with them, I think it's appropriate that they not be entitled to drive.

Those are the comments that I would have at this stage, and I look forward to the committee stage debate of this bill.

Mr. Speaker: Seeing no further speakers, Solicitor General closes debate.

Hon. J. van Dongen: I want to thank all members, including my colleague the member for West Vancouver-Garibaldi and the members opposite, for their comments and their support for this bill. I believe that the opposition critic has appropriately captured the intent of the bill, both with respect to the anti-fraud measures for the issuance of drivers' licences and enhanced drivers' licences by ICBC and in respect of updating our provincial legislation to make sure that it aligns with Criminal Code amendments recently made by the federal government.

I move that the bill be referred to a Committee of the Whole House to be considered at the next sitting....

Mr. Speaker: No. Minister, you've got to do second reading first.

Hon. J. van Dongen: Okay. Thank you, hon. Speaker. I move second reading of this bill.

Motion approved.

Mr. Speaker: Now, Minister.

Hon. J. van Dongen: One day I'll get this down, hon. Speaker.

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

Bill 10, Public Safety and Solicitor General Statutes Amendment Act, 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. K. Krueger: Mr. Speaker, I call second reading of Bill 11, intituled Pension Benefits Standards Amendment Act, 2009.

PENSION BENEFITS STANDARDS
AMENDMENT ACT, 2009

Hon. C. Hansen: I move that Bill 11, the Pension Benefits Standards Amendment Act, 2009, be read a second time.

Bill 11 contains changes to the Pension Benefits Standards Act to enable B.C.'s pension standards to apply to the new private sector pension plan that the Premier announced in last fall's economic statement. While the new pension plan will be established in legislation next year, it will be operated at arm's length from government as a voluntary, defined-contribution plan. It will enable all B.C. workers, including the self-employed, to enjoy the financial security of pension income after retirement.

The technical amendments in this bill will permit the new pension plan to be registered under the Pension Benefits Standards Act. For the protection of plan members, the act's minimum standards for registered pension plans would apply to the new plan. These standards deal with matters such as member eligibility, vesting and portability of pension entitlements, survivor benefits and disclosure to plan members. These amendments would be brought into force by regulation when the new pension plan is established in legislation next year.

[K. Whittred in the chair.]

In addition, the bill will allow greater access to pension funds for members whose lives are expected to be considerably shortened. In these circumstances, unlocking pension funds or allowing individuals to access their pension funds prior to retirement age is currently permitted only for individuals with physical disabilities. These amendments would allow pension plans to give individuals who have other disabilities or terminal illnesses the same choice to unlock their pension funds if their life expectancy is similarly shortened.

[1515]

This amendment will make B.C.'s pension unlocking rule for considerably shortened life consistent with the Human Rights Code. In addition, B.C. and Alberta's unlocking rules in this area will be harmonized.

Madam Speaker, I move second reading of Bill 11.

B. Ralston: I propose to make several comments on aspects of the bill, but I do want to set a bit of a context in terms of discussion of the bill and how people feel about pensions and the impact of the current economic downturn upon their opportunities to receive a pension in the future, or the impact upon the RRSP savings that they may well have made that have declined in value.

Many people do not have what is called a defined-benefit plan. That's a benefit plan that's often negotiated in a collective agreement or that comes as a condition of

employment, where in return for the employee paying a premium each year or each month, at the end of their time of employment they receive a specific dollar amount as a pension. Defined-benefit plans in the workplace are declining, and increasingly employers feel themselves unable to either agree to negotiate those as part of a collective bargaining process or to give those as a part of their compensation package to employees.

In addition, you have people who have RRSP savings, and if they've been invested in the typical equities, or at least a portion in equities, the dollar value of their RRSP savings has declined, which obviously troubles people as they face the prospect of retirement, given that then the likely value of the annuity that they can purchase at that time will be less and their monthly payment will be less.

It's indeed significant that only about 38.5 percent of Canadian workers have workplace pensions, and it's estimated that almost a third have no retirement savings at all. While there has been an improvement in the financial conditions for some retirees until relatively recently, a number of retirees will not have the financial resources that will enable them to live in anything other than poverty.

Sometimes we look to our neighbours to the south for emerging social trends. I discovered an article in the *Wall Street Journal*, February 23, 2009, datelined Akron, Ohio. I'll just read a brief excerpt from it, because I think it highlights some of the problems that people certainly in the United States are facing and may well come to pass here in the future.

"Mary Appleby, 76 years old, lost her job in January as a cashier at a courthouse cafeteria here. She is now looking for a minimum-wage job. May Bennett, 80, began filling out application forms for fast-food restaurants and convenience stores after she was laid off last March as a machinist. Fred Dase, 81, a bartender until last summer, also needs another job."

In the past, particularly when the economy was better, people did proceed to retirement. But in the States increasingly, where people have borrowed on their home and the home equity and all the problems that that has caused for people, people even at that age are financially obliged to keep working. Although there is social security and some other plans, bank loans and, in particular, the American experience of high medical bills have resulted in a new generation of workers in their 70s and 80s looking sincerely — not just as something to occupy their time but as a matter of necessity — to continue working in order to pay the bills and put food on the table.

The trend that is emerging — and Stats Canada confirmed this in a study in 2007 — is that, while the gap between those 20 percent at the top of the income scale.... Their retirement savings have benefited from the economic upturn, but the 20 percent at the bottom have not.

[1520]

So a gap is widening in terms of the likely pensions that people will receive upon retirement, and it may result in people having to defer retirement in the way that that *New York Times* article describes. That's the concern.

This proposal that's put forward appears to be modelled on a voluntary pension plan in Saskatchewan. That pension plan was begun in 1986. It's relatively small. I looked at their website recently. They have approximately \$250 million in assets and about 30,000 members.

I'm not sure of the design that is being thought of. In general, I think it has certainly some possibilities, but the Saskatchewan plan also enables employers to participate. So if you're a small employer, you would be able to participate and offer an employer plan.

What they say is, again reading from material that was available on their website, you're eligible to contribute up to \$600 on behalf of each of your employees. Contributions made through your business are tax deductible. You can do it on your schedule. There are no required payments, and contributions to employee accounts can be made by the business, by employees or as a combination of both. They do the required paperwork. There's no minimum number of employees required.

[Mr. Speaker in the chair.]

So if this is the plan.... I appreciate that sometimes these kind of legislative schemes take a while to develop, but if this is the intention, then I think it has some possibility, certainly, for small employers to offer that prospect of a retirement plan as a benefit to their employees with the ability to calibrate the contribution according to the particular circumstances of the business.

That may put smaller businesses at less of a competitive disadvantage with larger businesses that are still able, by virtue of their revenue and their scope and their size, to offer that kind of retirement package as a benefit.

I'm not sure about portability outside the province. It wasn't clear in the material that I examined, but it does seem to have some possibility.

To the extent that these amendments are put forward to begin the kind of public discussion that's necessary to create this kind of a plan, I support it.

In the legislation that the minister just described, he talked about the power to unlock — given where a person is facing a catastrophic illness — the value of the pension and draw it out. There is another issue which arises. I'm sure the minister and other members of the Legislature have encountered the same inquiry from people who have what's called a locked-in RRSP.

Once you've contributed to and designated the RRSP plan — sometimes by your employer — as locked-in, you're unable to withdraw the contributions on any timetable. This ability to withdraw is provincially regulated, and indeed it appears that other provinces have

legislated the ability to withdraw from a locked-in pension. I'm just going to, in the research that I've.... I just want to briefly set it out.

Alberta allows people 50 and over to unlock 50 percent of their locked-in RRSP. Manitoba allows people 55 and over to transfer up to 50 percent of one of their locked-in retirement income funds to a non-locked-in registered retirement income fund, but one time only. In 2007 Ontario allowed a 25 percent transfer of locked-in funds to an RRIF, where the eligibility date is now changed, but generally at age 69 to 71. Saskatchewan allows the transfer of up to 100 percent under certain limited circumstances.

[1525]

I understand that this is a small legislative package and that there's an ongoing major review of pension standards which has reported out in a preliminary way. But I would commend to the minister and to the government to apply that same principle of looking at changing the ability to withdraw money that's saved in a so-called locked-in RRSP and giving people the right to withdraw that under certain conditions, similar to that of other provinces.

That's certainly a request that I'm encountering and I know others are encountering in mail or e-mail that they receive from their constituents. It does appear to be a growing concern, I think, if the volume is any measure of that, particularly when people are feeling pinched and strained financially. They're looking at those resources, that money saved, and seeking to withdraw some of it, at least, for more immediate financial concerns.

Finally, before I end on this. This is, again, a broader issue which I think is properly addressed at second reading. The pension standards review, the joint expert panel of British Columbia and Alberta, in one of its aspects also studied what are called negotiated cost multi-employer pension plans.

Those are pension plans, typically in some of the construction and building trades, where there are a number of construction employers and a number of unions who participate in the plan. It has different aspects from a defined-benefit plan because typically a defined-benefit plan is with a single employer only.

There are some suggestions that have been made in that review as to how those plans might better serve the interests of the trustees and the members. I don't think it appropriate to go into great detail at this stage of debate, but I do want to alert the minister and the members of the chamber to that report and to the changes that are proposed.

Typically, what is a problem increasingly is that the rules that are required by regulators require a valuation at a given point in time as though the pension plan were going to be wound up when, in fact, there's no intention to wind it up. That can lead to a requirement of either greater premiums and reduced pensions to the members,

the pensioners of the plan, at a cost of great hardship when there may be no actual real financial jeopardy to the plan. There is an actuarial risk that can be managed in the long term properly.

The legislative framework, if it were altered slightly, I think, could accommodate those concerns and better serve the interests of the plans, the employers who contribute to them and the retirees who draw a pension income from those plans.

Those are concerns that I think will be addressed when the expert panel reports, and I hope some of the other concerns are taken into account when these issues come to be considered. Increasingly, as we are all aware, the shifting demography means many more people are looking at the prospect of how they're going to support themselves in their retirement or indeed if they can retire.

Some of the trends that are emerging are ones that I think cause many people to worry about themselves or their parents and how they are going to make provision for themselves in the long run.

These are not easy issues to address, but this bill, I think, begins some minor steps to begin that discussion. There is a broader, fuller discussion which I think we will have at some point either here or in the public, because I know that's something that I hear regularly from my constituents on.

With those comments, I would end my remarks.

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

Hon. C. Hansen: I would like to thank the opposition Finance critic for his very constructive remarks.

This is the first step in putting in place a new form of pension option for British Columbians that I think is quite exciting. The member mentioned the expert panel. This is a joint B.C.-Alberta panel that has been working diligently over the last year and a half, culminating in their report, which is now up on the website and available for anyone to take a look at their recommendations.

[1530]

This concept of going to a multi-employer defined contribution plan is one of their key recommendations — although for anybody interested in policy around public pensions, I would certainly recommend to them the entire report, which obviously covers much more than just the issues that are reflected in this piece of legislation today.

One of the things that came out of the findings of the joint panel that I found quite surprising and concerning was the very low level of pension participation, particularly by private sector employees in British Columbia. In fact, what they had determined is that only 22 per cent of private sector employees in this province have access to a registered pension plan. That is part of the

motivation behind putting forward this concept and for British Columbia to become a leader in Canada in pushing forward with this new pension option for British Columbians.

Of course, while we were the first province to announce, as the Premier did last October, that we were going to proceed down this road — even actually in advance of the joint panel finalizing their recommendations — other provinces have now expressed interest. In particular, Alberta, which was a partner with us on that expert panel, has indicated that they see it as a desirable objective.

One of the things that surprised me since the Premier came out with this commitment in October was the amount of response that it elicited both from workers and from employers. I expected that it would be good news and that it would resonate well, but I quite frankly was taken aback with how many e-mails I got, how many letters I got and how many comments I got from people stopping me in the street or at a conference and things like that to say how pleased they were to see the Premier's announcement.

I think when you look at it from the perspective of the worker, they obviously are anxious to have security in their retirement years. The options that would be available to them if their employer didn't offer a registered pension plan were really limited to the Canada Pension Plan, as well as whatever they may be able to put into individual RRSPs. But the option of having access to a registered pension plan is something that was not available to them.

Yet if you also look at it from the employer's perspective, many of these small and medium-sized employers would dearly love to be able to put in place that kind of benefit for their individual employees. But the complexity of putting in place a single-employer pension plan just made it absolutely prohibitive, particularly for small and medium-sized employers, and also a huge financial risk for those employers not just from the financial side but also from the administrative side and the regulatory compliance side that is required in the case of single employer pension plans.

Particularly when we are in times of labour shortage, where employers are looking for new ways they can attract the employees they need and, more importantly, retain the employees they need, they look to those benefit packages. What is it that they can offer their employees if they're going to make that workplace all that much more attractive? A pension plan is one of those very important benefits that an employer would like, in many cases, to be able to offer their employees.

Even today, yes, we see unemployment rates inching up a little bit because of the economic cycle that we're in right now. But the concerns I hear from employers around the province are that they're still nervous about labour shortages, because they know that once we get through this economic downturn and start to see the

economic recovery that's anticipated for 2010, they will be once again looking at labour shortages as one of their primary concerns for the decade ahead.

I think this is an option that is timely. It's one that I think speaks to the needs of a lot of British Columbia workers, as well as employers, and one that we will proceed with in due haste to get the rest of phase 2 of the implementation in place as quickly as possible. That's going to require a lot of consultation. It's going to be some very complex legislative drafting that has to be done, and we want to make sure that we do it right. It's not going to be something that will happen quickly, but certainly by early next year it's our hope that we'll have phase 2 of this legislation available.

[1535]

The member in his comments mentioned two things. One is around portability, and that is obviously a big desire, a desirable objective of this legislation. If you have an individual who moves from one employer to another in a multi-employer plan, they can actually take their pension benefits with them and continue to accrue those benefits, even when they move from employer to employer.

Our objective is to ensure that that portability exists not just in British Columbia but actually nationally across Canada. That's why it's important that we work with Alberta and ensure that what we put in place will dovetail with what Alberta may put in place.

The other thing the member mentioned was the Saskatchewan plan. A week and a half ago we had a joint B.C.-Alberta-Saskatchewan cabinet meeting, the first time that has ever happened. As the member mentioned, Saskatchewan has had in place for many years now a Saskatchewan pension plan. I was very pleased to have the opportunity to work with the Saskatchewan Finance Minister and have some discussions about how our deliberations around this plan may be able to dovetail with the plan they have in place in a way that actually supports even greater mobility going forward.

I think this is timely, and as I say, I appreciate the members' comments. With that, I move second reading.

Motion approved.

Hon. C. Hansen: I move that the bill be referred to committee for the next sitting of the House after today.

Bill 11, Pension Benefits Standards Amendment Act, 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. K. Krueger: I call Bill 13, intituled Forest Amendment Act, 2009.

FOREST AMENDMENT ACT, 2009

Hon. P. Bell: I'm pleased to move Bill 13 and have it read a second time now.

Bill 13 supports the individuals, families, first nations and communities that help the B.C. forest industry. They're passionate about forestry. They invest their time, their money and their energy working in our forests.

Bill 13 helps bring increased operating certainty, new opportunities and a larger role to build our forest sector and our province. It reduces the amount of paperwork and office hours and lets licensees focus on the things that they do best — silviculture and forest practices.

There are three key elements to Bill 13. The first focuses on community forests. Community forests across British Columbia have been incredibly successful. They're a model that easily could be replicated in a number of other communities, and we're actively in discussions with communities to expand the community forests around the province.

One of the community forests that I often like to refer to is the McBride Community Forest, an early adopter of the community forest. They are innovators. Mike Frazier, who is the mayor of McBride, has done a great job delivering fibre into the marketplace, growing value-added businesses in his community and extracting maximum value from his community forest.

I recall several discussions that I had with Mayor Mike early on, long before I was in this role. His passion around the opportunities associated with a community forest was absolutely clear to me.

This particular amendment allows for community forests to be issued for the full 25-year initial agreement as opposed to going through a probationary period of five years. We have in the neighbourhood of 50 community forests around the province right now. Our experience is that it's not necessary to have them go through a probationary period any longer.

We have confidence in the delivery model of community forests, and we think it makes sense for those community forests to go into full production. This gives them the certainty necessary to go out and finance new operations and attract the types of businesses that would be looking for fibre security over a longer period of time.

One of the other community forests that I see as an exemplary model is the Revelstoke Community Forest. This is an interesting model because they actually purchased the rights to a TFL as opposed to being provided a community forest through the normal channels that have evolved.

The Revelstoke Community Forest actually has a sort yard, and they sell small components of the fibre, whether it be a few logs, a few loads or a larger volume of timber. There has been a series of value-added businesses that have evolved in the Revelstoke-Golden cor-

ridor, which rely on the Revelstoke Community Forest. It has spawned a number of new businesses as a result of the work that they do, and it really is, I think, a great model.

[1540]

I often refer to the Revelstoke Community Forest as one of the real success stories in the province. We would be well served if we can model many of the other community forests after the Revelstoke model, but we do have many community forests across the province.

Maple Ridge–Mission has had a community forest for a long time. I just had the privilege of signing off an extension agreement to that particular community forest. Again, people feel more connected to the wood and to the forests and to the world around them when they have a stake in the resource and in the decision-making processes, and that's why I'm so supportive of the notion of a community forest.

I like the model of us growing community forests, providing more community forests and larger community forests. Ideally, I'd like to see these all located in the immediate communities that benefit from them, and we're going to work hard to continue to grow this particular segment of the business. This amendment does have the support of the British Columbia Community Forest Association, and I'm sure that members opposite will also support this amendment.

The second amendment speaks to woodlots, and it actually allows for larger woodlots to evolve. Previously, woodlots would be a maximum of 400 hectares on the coast and 600 hectares in the Interior. This new legislation would allow for woodlots of up to 800 hectares on the coast and 1,200 hectares in the Interior, double the existing size of the woodlots. This will allow woodlots to become more efficient in their delivery model, and that's not to say there isn't a role for the smaller woodlots still. There will be.

We're very excited about the woodlot opportunities across the province. I haven't counted the number of woodlots that I've announced over the last number of months, but I'd guess it's in the half-dozen-to-ten range of new woodlot opportunities that we've been able to provide to communities.

Again, the beauty of the woodlot program is that it really allows for fibre supply from the local community to have the decision-making processes and the benefits associated with that community. Oftentimes woodlots see their wood going into value-added manufacturers to provide long-term contracts that allow these different companies to create new forms of products and new businesses that evolve from them. More importantly for me, woodlot owners are passionate about growing trees as well.

[S. Hammell in the chair.]

I know many woodlot owners personally, and I know that they manage their individual woodlots very, very carefully. They're a great example to follow because each of those woodlot owners will oftentimes produce several times more timber per hectare available than there is in a normal forest.

So again, woodlots are a great model. Allowing woodlots to get larger — double the previous size — or consolidating two woodlots into a single woodlot is a proposal that the B.C. Woodlot Federation is wholly supportive of and, again, I think will provide real benefits to the woodlot sector.

The final component of this bill speaks to postponing cutting permits, and I want to go into a bit more detail in this particular item. Cutting permit postponements were introduced originally in 2007. The purpose of the postponement regulation was to allow for beetle-attacked timber to be managed more effectively and to maximize the value from our beetle-attacked stands and direct the harvest into those stands and away from green stands.

Many times companies had gone out and put together a block of timber in a green stand with a plan to harvest it, but as the beetle came into their area, we tried to focus their attention on the beetle-impacted stands and asked them to be more aggressive in harvesting those particular stands. What we found was that the time lines for those permits to expire is four years, and as we move through the beetle period of time, we are finding that they weren't getting an opportunity to go back and harvest those green stands. So we thought it appropriate to create this amendment.

There are other reasons why our statutory decision-makers had the authority to postpone permits relating to fire initiatives for, again, maximum extraction of fibre that was imminently... There was the potential for it to imminently lose value. So a number of reasons why we wanted to have that flexibility. Given the circumstances of the day, we think it's appropriate to expand those options again.

[1545]

Members opposite and around this Legislature will know how strongly I feel about us maximizing the value from our forests and full extraction, extrapolating all of the material that we can possibly get out of the forests and doing something with it — whether it's pellets, it's energy or it's high-value cedar siding — products that we further manufacture and create very high-value further-manufactured products, all of the various components.

Being able to manage our stands more effectively in postponing permits and allowing companies to retain the value of the effort put into establishing that permit is absolutely appropriate and I know will be supported as well.

These improvements provide better tenure certainty for our community forests, they create new opportu-

ities for woodlots, and they allow for more flexibility to postpone cutting permits. Bill 13 allows small and community tenure holders to spend more time on forestry, on silviculture, on creating jobs and opportunities in our forests. It is the continued work of this government to support licensees in sound forest management and managing our provincial forest resource.

D. Hayer: I seek leave to make an introduction.

Leave granted.

Introductions by Members

D. Hayer: It gives me great pleasure to introduce 38 grade 5 students and 16 grade 6 students visiting from Frost Road Elementary School in my riding of Surrey-Tynehead. They're joining us with some of the best teachers in Canada. That is Mrs. Jas Cruise and Mr. Fred Sommer, along with a special education assistant, Miss Estelle Slamang. There are also many volunteer parents with them who have taken time away from their busy schedules to accompany the students.

Would the House please make these students and these parents and teachers very welcome.

Debate Continued

B. Simpson: I do stand with support for this bill — with questions. The minister is correct that we will be supporting the basic intent of this bill. We do have some questions. The bill, as I understand it....

I've said this many times in this House. An amendment act is one of the most difficult things to understand, because unless you are very vested in all the legislation that's behind it — you understand what the implications are — it's very easy within an amendment act to make changes to a single word that has huge implications in practice.

Some of that is in here, and I will be asking questions about those things in third reading when we get to that. For example, in section 12 of this act it talks about a community forest agreement, and it gives the government the right to increase the area covered by the community forest agreement.

That has, of course, questions. How do you increase the area? What are the implications for other tenure holders? What would the consultation process be for that?

As the minister indicated in his discussion of this, towards the end of this act, in section 16, there is a change to the rules regarding cutting permits and restrictions on cutting permits. As the minister indicated, there are a number of reasons why one may want to do that. But again, this is a single sentence change that gives the minister freedom to make changes — and his

designated decision-maker freedom to make changes — with respect to the regulations.

Again, we've seen over the last four years that we have had this change from legislation to regulation, which does give the government of the day freedom to operate and the minister of the day freedom to operate but doesn't necessarily give comfort to the opposition and to people who need to be consulted before decisions are made. So I will explore tomorrow with the minister what the nature of any consultations would be.

What would we actually see in terms of notification to people if there are going to be changes to cutting permits? It's one of those things. It does take some time to tweak out, if you will, answers to some of these questions.

With respect to the bulk of this, this is a change to tenures in British Columbia — two tenures in particular, community forest tenures and woodlot tenures. A tenure is something that is now a hot topic for discussion.

[1550]

I see a group of students in the gallery with us today. I can tell you that as a longtime educator, one of the things I'm very conscious of as I come into this chamber is that we use a lot of language. We use a lot of acronyms. We believe we understand the meaning of that language, but the general public and people who are trying to understand what we do here don't often understand the same way we do.

What happens with a tenure? It's a way that we give people access to the public forests. For those folks up there, we own 94 percent of British Columbia's land base. The people of British Columbia own the land base. That is a unique aspect of living in British Columbia. If you're a citizen of Canada and a resident of British Columbia, you actually have an ownership right over the largest portion of this province. Ninety-four percent of the province is owned by you and by other British Columbians.

Over the years we've had to figure out: how do you get people access to the resources in that public land base in a way that they can generate economic activity and create jobs? How do they create those jobs and economic activity in a way that benefits communities?

I live in the community of Quesnel, which is in the heart of the province, dead centre almost. It's in the heart of the mountain pine beetle epidemic, and we're struggling to address that issue and the long-term implications for our community and for the province.

When you live in those communities, your only economic activity is dependent upon how we give people access to the public lands surrounding those — for mineral rights, so they can go and create mines and create jobs from that; for fishing and guide-outfitting; for hunting rights and permits. One set of rights is these things called forest licences or tenures.

A forest licence or tenure is a way that we give a company or an individual rights to go out to the forest, take

down the standing trees, turn them into logs and bring those logs into our communities so that we can manufacture them into products that people want to buy. That's what we mean when we talk about the tenure system or the forest licensing system.

This is a system that has a long and sordid history to it. There was actually a Forests Minister who was put in jail for playing around with this system to his own benefit. There have been all kinds of challenges — court challenges, challenges in the Legislature, challenges between companies — about who has access to our public forests, because it is a rich source of resources for economic activity and job creation.

We on this side have engaged in a debate now, leading up to the May 12 election, about a fundamental change that's needed to the tenure system. The Forests Minister was part of the round table that went around the province to hear what people had to say about the B.C. forest sector and the B.C. forest industry. The round table heard loud and clear in community after community, by presenter after presenter, that our current tenure system is broken. It doesn't serve the needs of the vast majority of British Columbians, and it desperately needs to be fixed.

So we have a bill in front of us today that does some tweaking of the tenure with respect to community forests and woodlots, and I'll speak to the nature of those changes. But does it really address the heart of the matter, which is a full and sweeping change to the tenure system?

The tenure system that we have just now — the way we give access to the forest licences so that people can get out into the forests — was actually designed.... The 1956 royal commission said that we designed the tenure system to ensure stability of employment in forest-dependent communities.

What we attempted to do through tree farm licences, which are grants to areas of the public forest for 25 years and being renewed.... We said: "You can have those exclusive rights to that exclusive area of B.C.'s public forest if you build a mill, if you create jobs, if you provide community security in a forest-dependent community." We have a number of these tree farm licences around the province that were issued with that explicit goal in mind.

Other forest licences are issued just to go out and get a volume of timber, cut the timber down and come off the land base. You have an obligation, since 1987, to go out and replant that, but you may never get on that land base again. A lot of people question whether or not that's the right thing to do, because you don't have a vested interest in that land base.

[1555]

The reality is that since the 2003 Forest Act changes, what we have done is delinked community benefit and job creation from the right of a company or an individual to have a forest licence and a tenure. There are some very explicit examples of that. In the minister's own region,

in the timber supply area in Mackenzie, there's a company called AbitibiBowater that has a 15-year renewable licence in that timber supply area. AbitibiBowater very shortly here may get chapter 11 bankruptcy protection because they are really struggling to stay afloat in these economic conditions.

They have permanently closed their mills in the Mackenzie area — two sawmills and a pulp mill. The sawmills are in question as to whether or not they're going to even be made available for sale in a way that somebody might be interested in buying them. Yet AbitibiBowater still holds a public forest licence for just under a million cubic metres of public logs to come off that licence. For what? To whose benefit?

That's really now the fundamental question. Who benefits from these tenure systems when the communities do not get the job creation, when communities do not get the direct benefits and the long-term security and stability of employment in their communities?

We have another case — and this case is in front of the minister — where Weyerhaeuser permanently shut down its mill in the Kamloops region. In the announcement of that mill shutdown, they also announced that they had sold or were going to transfer their licences to West Fraser Mills, which in turn was going to subdivide those licences to another company called Interfor, which would use the wood to run their Adams Lake mill.

What that meant for the community of Kamloops is that without consultation with them, without consultation with the first nations in that region, there was a company-to-company agreement to take the wood that surrounds Kamloops and move it north and south to benefit other communities outside of the Kamloops region.

Now, that may be good for 100 Mile House and Williams Lake, and it may be good for Adams Lake. But it begs the question of what the purpose is of our forest licence and tenure system if it no longer benefits the communities that are surrounded by those forests, if companies are free to actually come in, buy the licences and move the wood away from the community to the benefit of other communities.

That's why people come forward and say: "We think that the tenure system is broken. We think that it doesn't meet the needs of British Columbians today." It doesn't give the security of jobs in forest-dependent communities. It doesn't guarantee that there will be economic activity in those regions.

The second thing that's happened since 2003 is that.... I'm probably dating myself, and the kids in the gallery probably don't even know what I'm talking about when I say that a Pac-Man game has occurred. That Pac-Man game has been a big game of gobble-up, as one forest company has gobbled up another forest company because of the freedom to treat these forest licences and tenures as a privately held asset that you can trade, that you can sell, that you can subdivide.

You don't have to come to the public who are impacted. You don't have to go to the workers who are impacted. You don't have to go to the minister, in most cases, and tell him that's what you're going to do.

As a consequence, we now have corporate concentration on the land base the likes of which we have never seen. We have one large company, Western Forest Products, on the coast that controls the majority of the public forest licences — almost all of them on Vancouver Island — and the majority of the log flow on the coast.

In the Interior we're collapsing down to four major companies, with Tembec down in the Kootenays. We also now have Interfor, Tolko, Canfor and West Fraser, the main ones in the interior of the province.

Now, logging contractors, silviculture contractors and trucking contractors will tell you that that is not serving them well. When I was involved with West Fraser's purchase of Weldwood, I know that our logging contracting and trucking community put briefs before the Competition Bureau in Ottawa saying: "We don't believe that West Fraser's purchase of Weldwood will serve the interests of the logging contracting and trucking community in the Quesnel–Williams Lake area."

[1600]

Subsequent to the sale of Weldwood to West Fraser, the loss of Slocan Forest Products and Riverside and all of these other companies that have disappeared, we now have a concentration in the central Interior that does cause significant downward price pressure on the work that the logging contractors, trucking contractors and silviculture contractors do.

In fact, the silviculture contractors tell me that, in many cases, the price that they get for planting trees is equivalent to what they used to get in the 1950s and 1960s. There's that much price pressure because there's a concentrated market. When you only have one major log buyer, when you only have one major company setting prices for silviculture or trucking, you naturally get that compression of prices, and it's making it very difficult for these companies to survive.

Now, it's interesting that H.R. MacMillan, one of the founding fathers of forestry in British Columbia, actually gave a warning. He gave a warning to British Columbia when he said that the citizens of British Columbia will rue the day when a very few companies control the land base in British Columbia. We will rue the day.

Well, that day has come. That day is here. I know that we're in the election window. I know that the good people of West Fraser and others are publicly... In fact, there's a letter to the editor today in my own hometown publicly stating that what we are talking about in doing tenure reform will scare away investment, will cause de-investment in the forest sector, will create a loss of jobs.

Well, my challenge back to those people who are saying that is: the companies have certainty over the land base the likes of which they've never had, and we're

losing jobs. We've got permanent mill closures. We've got a collapse of the industry down to a few major mills in the Interior, one company on the coast. Jobs are being lost on a daily basis and a monthly basis, and they have certainty over the land base.

So how can we rationalize continuing on that path when we need an alternate path? And the round table heard that loud and clear. I've read the briefs from the Association of B.C. Forest Professionals, the Truck Loggers Association, the Central Interior Logging Association, the woodlot federation. Everybody's saying that we need a greater diversity of ownership over the land base, a greater diversity of tenures, in order to create a real log market in British Columbia that people can actually come to and buy logs in to create benefits for communities and create jobs, and that's all we're saying.

We're saying that we hear that. We hear that loud and clear from all sectors of the forest industry, and we're committing that what we would do is, rather than bring forward amendment acts that tweak and play around with community forest tenures and woodlot tenures, actually look at the system as a whole. We would ask the fundamental question: what do we need to do to change the tenure system in British Columbia to make sure we realize what the minister says is his vision — the maximum use of fibre from our forests, the maximum use of forest resources — to once again re-establish a connection between our communities, a connection between job creation and economic development and our public forests?

That's what we would do, and the commitment we're making isn't unlike this administration when it made its changes in 2003. We're committing that we will go out and consult with the people of British Columbia. We will actually go out on a very tight time frame, and we will sit down with the owners of the public forests and say: "What do you want the ownership structure to look like so that our forest-dependent communities get benefit again, so that our forests are creating jobs again and so that we get the benefit of family-supporting jobs from our public resource?" That's what we're committing to do.

In that discussion we'll be asking some fundamental questions. We'll be asking the question: how do we change the forest-licensing and tenure system in a way that allows us to have the freedom to manage our forests as forests? In a world of climate change the one thing that we should learn from the mountain pine beetle epidemic is that if we manage our forests for a single-species sawlog profile, we take the risk of losing everything, because that's really what's happening.

Decades of forest management decisions to have a pine forest there, to allow it to go to maturity, to have it available as sawlog profile... When the mountain pine beetle hit there, there weren't the cold snaps. The pine beetle was allowed to run through that forest, and we've seen the devastation that we have today.

[1605]

A fundamental question in the world of climate change, when there are no longer those cold snaps, when we continue to manage for fire is: how do we manage our forests in a way that we first and foremost ensure ecosystem resiliency and adaptability, that we have robust forests and that those forests can give us the economic benefits we need in our communities?

I think that right now — and it's one of the struggles I have, because I get excited about this when I talk about it, but we're not realizing it — we have a match made in heaven. We have a desire for the world to seek an alternative to fossil fuels. The world wants to move in that direction, to find ways of not having to go and get the oil and the gas resources out of the ground, but to find alternatives that work within the normal carbon cycle and don't add additional greenhouse gases to the atmosphere so that we can start addressing climate change.

Because British Columbians own 94 percent of their land base, we have the richest resource available to us, if we can figure out a tenure system that allows us to go to that land base for more than sawmill and pulp mill activity. Sawmilling and pulp milling will always be part of what we do. I believe that it does have a strong future. I believe it will have a smaller footprint than it's had before. It will create fewer jobs than it has historically, but it will always be part of what we do.

Our challenge is to figure out how we wrap around that and grow jobs around that. Those jobs are in.... I've been clear about this for the last two years. They are in biochemicals. They are in biofuels. They are in biopharmaceuticals, bioplastics, where you take the raw materials that are in our forests and you digest them. You boil them down, if you will, to make it as simple as possible, and you free up the long-chain chemicals that act as the raw materials for making plastics and lubricants and chemicals, and you substitute for going to the earth, digging out the fossil fuels, drilling for the fossil fuels and putting more greenhouse gases into the atmosphere.

That's our future. The problem is that our current tenure system is a sawlog-based and pulp log-based tenure system, so we're going to have to adapt it. That adaptation can be done in a way that we don't threaten our existing industry and we grow the economic pie.

Now, in discussions that I've had with the CEOs in the companies.... I've been doing that for the last year — talking to them about our ideas about this — and I admit that they're quite concerned about what we have to say. I've had discussions with West Fraser Mills, which has 1,600 employees in my own hometown. Their head office is in my own hometown. They're quite concerned about what I am saying about tenure reform, but what I have committed to them is that I believe we can do tenure reform in a way that actually gets a very big monkey off their back.

What's happening just now with fewer companies having control over the land base is that it means more

and more of the costs of our expectations of a return to the public are being put on their backs. If I'm only going out to the forest land base for a very narrow profile of sawlogs to run my mills, it means that I am bringing more costs to bear on a smaller amount that I'm extracting.

I believe what we need to do to give certainty to the existing, remaining sawmills and pulp mills is create a log market, not to have them control the land base. They don't need the control that they've got over the land base in order to get the certainty they need to go get investment. What they need is certainty of log supply, and I believe we can accommodate that. I believe we can give them certainty of log supply and free the land base for good forest management, for alternative products and to grow a whole alternate economy.

My challenge to West Fraser is.... In fact, as a company, they bought 13 mills down in the United States without any land base associated with those mills. They were able to justify to their shareholders that purchase of those mills without actually having control of the land base. All I'm saying to them is that if they can do it in the southeastern United States, they can do it here in British Columbia.

Now, we have an ironic situation, in that the argument back to me on this is that these companies need control in order to get the certainty for investment but that the small business operators, the independent operators, the value-added operators, the remanufacturing operators, don't need that same certainty — that we shouldn't socially engineer the tenure system to give certainty to all of these smaller players. We should only socially engineer it for the large companies.

[1610]

So I have challenged back. Many of these people are my peers. I worked with them for ten years when I was at Weldwood. I had business relationships with many of them, and I challenge them back and say: "Look." It's very interesting to me that they're socialists when it comes to the tenure system that favours them and that they're free-marketers when it comes to a tenure system that would favour people who may actually compete for logs with them. There's a huge irony in that.

What I believe we need to do is step back and say: "What does a 21st-century tenure system look like" — not a 19th-century or an 18th-century tenure system — "that allows us to manage our forests for resiliency, adaptability and climate change and that allows us to generate a whole new range of economic activity and to, once again, restore the connection between communities and their land base?"

Having said that, with respect to the bill, we do have agreement with the government that, I think, the certainty and security that the government has given to community forests in this bill is important. I have attended many AGMs of the Community Forest Association and individual community forest associations. I have one in

my neck of the woods. The Xats'ull-Likely community forest is a very vibrant community forest.

A very good friend of mine — and I know the minister knows him well as well — is Robin Hood. That's his name. His own woodlot is called Sherwood Forest. You know, that's not a joke. Now, the problem is, of course — and I've said this to Robin.... He's not a robin; he's a little hood. Robin is a giant of a man who fills a room. So he's misnamed. But Robin is a phenomenal individual, both as a leader of the community forest in that region, as a leader in the community forest family and the Community Forest Association and also in the work that he does in the woodlots.

I'm fortunate that I get an opportunity to attend the Likely community forest AGMs. What happens is they put a dinner on. Virtually the entire community shows up, including members of Xats'ull First Nation, or Soda Creek band. We have dinner together. The community decides collectively what they want next year's community forest benefits to go to in their community. They have specific criteria that community members get jobs first and foremost from any activity they do in their community forest and that the benefits of the community forest accrue half to Soda Creek First Nation band, half to the Likely community.

The community decides collectively where that goes. Does it go to more signage? Does it go to help Quesnel Forks, a historic site in their area? Does it go to help their airport? What do they use it for? They'll actually adjust the management of their community forest if they want a bump-up in revenue in any given year because they have a major project underway. It's a fascinating thing to watch, because it really is an intimate connection between a community and the public resources surrounding them that gives that community long-term viability and security.

What this bill does is gives them more certainty by increasing the scope of their licence and the time that they will have that licence. So I applaud that being done.

What we would like to see is more of that. We would like to see more of that intimate connection between communities and their land base. I know that right now in my area we have Wells, which is working through the early days of a small community forest. Williams Lake has been offered a community forest. I know that Quesnel has an ask in for an offering.

Ironically — it seems to be my word today, "ironically" — I was involved back in the early 1990s as a private consultant with the first Quesnel community forest deliberations process. There's a site in Quesnel — it's in the viewscope of most of the community — called Dragon Mountain. At the time, people were looking at Dragon Mountain specifically because it was in the viewscope. There are lots of water licences there. There's a community pasture in the area, and so on. They were looking at

a community forest for that site, because they thought it would be an interesting way to manage it.

[1615]

As a private consultant at the time, I was asked to come in and do the initial scoping around this. I went up and visited Fort St. John, I think it was. It had a fledgling small community forest at the time. I went and talked to the folks in Revelstoke, who were just getting off the ground in that time. Of course, theirs is more of a tree farm licence than a community forest.

As we looked at all of this, I came back to the community and made some recommendations. Then we went to hold a public meeting, and for some reason, the people in the area thought that what we were going to do was log off Dragon Mountain. So I was getting phone calls.

I had one of the first cell phones in Quesnel, and it was one of those big ones that the kids use as toys now, the big Motorolas. I was walking to my car to go up to the meeting, and I got a phone call from somebody who said that one of the companies had all their logging trucks all ready to go, that when we went into this meeting, if we said yes to the community forest, they were going to start logging Dragon Mountain off the next day.

It was a very, very heated environment, as the community was very worried that what the community forest was, was an excuse to log this area that was in their viewscope. We held the meeting in Maple Park school. They have a stage, and they had some theatrical props in the back. I went behind the curtain. The hall was full of people. I found an old flak jacket and World War II helmet, and I came out from behind the curtain with the flak jacket and the World War II helmet, pleading for people not to shoot me, that I was just the messenger. It kind of broke the ice, and we were able to get through it.

One of the interesting things about community is that now that Quesnel's talking about a community forest again, there are people who still believe that it's an excuse to log off Dragon Mountain. So there's still tension, and my office has had a number of phone calls about the fact that they want to make sure that they're consulted this time.

Community forests can bring a community together. They can make a community work. They can give a community resources to do the kinds of things that otherwise they wouldn't do. But not done right, a community forest can divide, and we do have examples of that with existing community forests, where there's a concern that the community is being divided by the community forest, not brought together by it. That's an issue of process.

But on balance, we believe community forests are the way to go. We would like to see them much bigger. We would like to see communities have a much larger piece of the public forests around them than they currently do, and we would like to see more of them.

Interjection.

B. Simpson: No, I'm designated speaker.

Interjection.

B. Simpson: Madam Speaker, I am the designated speaker for this bill.

With respect to community forests, we would like to see them larger, we would like to see more, and we would like to see a much larger proportion of the land base in that, but we do have to address that to the general public. We have to make sure there are no traps in that for our existing industry.

We need to make sure we work with our logging contractors to make sure they understand what that looks like, and we need to work with the Steelworkers and the CEP the PPWC to make sure they understand how that will once again potentially restore some certainty for their jobs and for the companies that they work for. I understand that, and that's why we're committing to consultation.

With respect to the woodlot portion of this bill, I think that again the government overstates this portion of the bill. This really is only going to streamline situations where an individual owns more than one woodlot and wants to combine those woodlots together. It does not address systemic problems with the woodlot program. That is that these individuals.... I agree with the minister's assessment. I have walked many woodlots with many woodlot licensees. The intimate connection they have with their land base is something we have to replicate all over this province. We would love to see many more people have that kind of intimacy with the forests.

I've walked Fred Marshall's, down in the Kootenays, where he's pointed out things that are going on in his woodlot that he hasn't seen before, because of the impacts of climate change. I've walked one that is FSI-certified in my neck of the woods, where again there's an intimate connection with the land base that you don't experience if you're managing a volume-based tenure.

We would like to see that program expanded, but what this bill doesn't do is address issues of stumpage for the woodlots. The government has had a number of misses in trying to address that.

[1620]

Again, stumpage is the charge that the government puts on the removal of trees from the public forest in order to be able to pay for things like health care and education and roads and so on, throughout the province. So we put a charge on each cubic metre or telephone pole worth of public logs that we take off of the public land base, and that's in the form of stumpage.

Many of the woodlots are not really viable, because they cannot get a good price in a concentrated buyer's market to offset what they're charged in stumpage. The minister is fully aware of this, and I know the govern-

ment has tried a number of times to address it but has not been successful. One of the reasons for that is that the softwood lumber agreement puts a major constraint on us addressing this issue. It would be seen as an administrative adjustment in stumpage, and it's one of the things that is a perpetual dispute in the softwood lumber agreement.

The other thing it doesn't address is that while it streamlines the requirements for reporting and planning with two woodlots being blended into one, you get a situation where that still does not address all of the other woodlot owners who are complaining that the level of red tape under this government has gone through the roof.

I have woodlot owners who tell me that they used to have very simple filing prior to the Forest Act changes in 2003. Now they have filing cabinets full of filing, and they have to get registered professional foresters to electronically file, and so on. They've added a whole bunch of costs to the system, and this doesn't address that.

We need stumpage addressed. We need a streamlining for the woodlots addressed. All this does is allow somebody not to have to duplicate that for two woodlots but to report that woodlot as one.

Then finally, as I indicated before, the questions we have around section 12 and section 16 — the issue of expanding areas for woodlots and the issue of the flexibility the minister wants on cutting permits — we will explore in third reading.

To close, I think it's important that people understand this bill in the context of a fundamental question of what B.C.'s public forest tenure system should look like for our 21st-century forest economy.

One of the things that all British Columbians must be clearer in their minds about is that true wealth is generated from the earth's resources. It is not generated in Wall Street, and I said this in my budget speech. It is not generated by people who trade paper or trade currency. It is generated by the people who get dirt under their fingernails, the people who take our natural resources and turn them into something that we either want or need. We are losing sight of that.

What we need is a new forest tenure system that restores the connection between communities and their public resources; that once again creates jobs, not loses jobs, from our public resources; and that once again restores a fundamental connection between human beings and the natural resources that surround their communities.

This bill will do some of that for the few community forest licences that we have. It will not address the broader issue of an alternate tenure system that addresses those needs. That's unfortunate, because we need that alternate tenure system, or at least we need to begin to discuss that alternate tenure system sooner rather than later.

I think the public demand and desire is there for it, and I hope the government actually does embark on

something like that very soon. If not, after May 12 we're committed to doing that very thing.

J. Horgan: It's a privilege, as always, to rise in debate at second reading on Bill 13, the Forest Amendment Act, 2009. It's also always delightful to follow my colleague the opposition Forests critic. His knowledge and understanding of these issues is formidable, and it's a stark contrast to what we hear from Ministers of Forests current and past on these issues.

I do want to talk just briefly. I haven't had an opportunity to, as the critic pointed out, take the Forest Act and line these amendments up beside it.

[1625]

Whenever I see the words "tree farm licence" penned by a member of the B.C. Liberal Party or an executive council member that is a member of the B.C. Liberal Party, it causes me pause, because, of course, of the fiasco of deletion of private lands from tree farm licence 25 in my community, from East Sooke to Port Renfrew, in 2007. So whenever I see "tree farm licence" and it's associated with this government, it causes me pause.

Despite that, as I listened to the minister's second reading presentation and I listened to my learned colleague from Cariboo North, I'd like to make a couple of observations. Certainly, those of us in the community on the west coast of the Island in the Juan de Fuca portion of my constituency of Malahat–Juan de Fuca have been trying for two years now to get the government's attention, whether it be the Minister of Community Development or the Minister of Forests or the Minister of Lands, to come up with some way to put the genie back in the bottle when it comes to forest issues and forest land issues in my constituency.

One of the suggestions and proposals that's being bandied about by people in the community — community leaders, woodworkers, environmentalists and others — is an expansion of the community forest idea in our community.

We don't currently have a community forest licence in the Juan de Fuca portion of Malahat–Juan de Fuca. So when I see language that looks to expand and strengthen community forest tenures in British Columbia, that's good news, I would think, in my community, provided the government follows through and is committed to those areas in my constituency that have been affected by their disastrous policies from 2007.

Following on my colleague from Cariboo North, the notion of tenure reform is fundamental, I believe, to meeting the objectives that I heard the minister speak about. Those are the high-value products from every bit of fibre on the land base.

I don't doubt the sincerity of the minister when he says that. I genuinely believe that that's what he wants to see. All of us in this place want to ensure that we're

maximizing employment from our land base. We're a resource-based economy.

There have been, certainly, adaptations to our industrial activity over time, but I don't believe that in the forest sector in the past seven years that adaptation has kept pace with the need for transformational changes on the land base, particularly when it comes to our public forests.

I don't want to speak on the woodlot issue. I know my good friend from Nelson-Creston will have something to say on that and perhaps even my friend from Columbia River–Revelstoke, who has positive experience with both the community forests and with woodlots.

On the west coast of Vancouver Island the challenges that we have are about access to the lands. We are tied up on Vancouver Island by the E&N land grant, now mostly held by TimberWest, who have announced publicly that their private lands are now up for sale.

They've created a division called Couverdon. It's some variation of Vancouver and somewhere else, the place in Holland where Captain Vancouver was born or had a cup of beer at one time in his life. I don't know where it is — Couverdon. I don't what that is. I'm not big on branding. I'll leave that to the marketing experts.

[H. Bloy in the chair.]

Nonetheless, the issue past and arriving is that TimberWest has now officially said: "We're not in the business of forestry anymore. We own 11 percent of Vancouver Island, and you know what? We're going to see what we can do about building more condominiums." That gives us pause here on Vancouver Island, and I would suspect that it should give pause to the Minister of Forests. Whenever we have that much of the working forest alienated from forest activity, it should be cause for concern.

We have talked repeatedly in this place over the past number of months about the extraordinary job loss in the forest sector. Mr. Speaker, 20,000 was the number I think we last heard, with more to come on Vancouver Island with uncertainty in the small contracting sector and mills shut down — temporarily, initially, and now permanently.

In my constituency the Sooke mill has been down for a long, long time. I've heard the minister talk about Cow Bay and the prospects for that operation. Catalyst is at risk. So the notion that we heard our Forests critic talking about — the transition or the adaptation of tenure from sawlogs and pulp logs to another way of doing business, maximizing, as the minister suggests, the high-value products from our forest base — is absolutely crucial. I think both sides of the House would agree on that.

[1630]

Where we divide and where there are differences between that side and this side of the House is that we would not have allowed a private forest company to have

access to public lands for half a century and then, when they decided that they'd had quite enough of that agreement, allow them out without any compensation to the Crown, without any compensation to communities and without any discussion with communities.

I have first nations in my community — the Beecher Bay band, the T'Sou-ke Nation, the Pacheedaht people — who have seen their landscapes denuded for generations, their landscapes just devastated for generations by large tenure holders.

Now that the trees are all gone, and we've got nothing but stumps and twigs jamming up the San Juan River, the government of British Columbia, currently operated by the B.C. Liberal Party, says: "Well, tell you what, folks. If you don't have any more trees left, why don't we just let you build some condominiums? Why don't we release these lands? You can still have access to the public timber, but on those lands that you covenanted to the people of B.C., have at it."

No discussion. Not a word of discussion with communities. Not a word of discussion with workers — only with the executives of the company that gives big donations to the current government.

So I'm encouraged by the comments from our critic, the member for Cariboo North, about the details of these amendments. But as I say, whenever I hear the words "tree farm licence..." In fact, I'm not alone in this respect. Most of southern Vancouver Island, when they hear a member of the B.C. Liberal government say "tree farm licence," they're expecting something bad to happen to them and something good to happen to donors to that party. That's a pity. In fact, it's a tragedy.

Interjection.

J. Horgan: For those watching at home, we had one of our more nimble members run into a chair. But we're all good now. So I'll just carry on, if that's all right. I want the member to note that I referred to him as a nimble member, just for the record.

Our critic talked about greater access to the public forest, and these are the issues that we hear about when we have our community meetings. This is, I'm certain, on both sides of the House, although there aren't as many forest-dependent communities, I believe, in the government benches these days as there are on this side of the House.

Certainly, in forest-dependent communities what we hear from working people is: "Why can we not access that fibre? Why are we leaving it on the ground? Why are the big companies, the tenure holders, leaving the high-value fibre that the minister talks about to rot? Why are we not allowing access to those lands? Why are we not changing the tenure system in the interests of the people of B.C. rather than exclusively in the interests of those current tenure holders?"

I suggest, as the critic has proposed, that the amendments in this bill with respect to community forest tenures and woodlot tenures are going to be positive for those involved in those activities. That's a good thing, and provided our questions are answered, I commend the government for doing that.

But I go back to the fundamental issue. This incremental changing around the edges doesn't provide confidence to people who have been out of work for 12 or 24 months. No effort — it appears to be at any rate, looking at this bill — has been made to make the significant changes in tenure that we're going to need now and into the immediate future to address the needs in our communities.

The opportunities for community forests in the Otter Point district, in the Jordan River district and in Port Renfrew are enormous. The benefits to the people who live there would be significant. The benefits to the land base would be significant. If we could have community forests in my constituency, that would provide an opportunity for watershed rehabilitation as well. You could have more people back working in the woods, ensuring that our salmon stocks are preserved.

The second most important issue on the west coast of Vancouver Island is our fishery. The activities of the large tenure holders over time have devastated those stocks. We need to rebuild those stocks. We need to reclaim our watersheds, and we're not going to do that unless communities have access to fibre. The fibre that the big players, the large companies who — as the member for Cariboo North has suggested — are consolidating by the day...

[1635]

I was at a friend's house last night, and we were going through the various names of the various iterations of the large tenure holders that we've had here. Crown Zellerbach. Hands up if you remember Crown Zellerbach. There you go — a long, long time ago. Fletcher Challenge. There you go. BCFP, and on and on and on. Where are they? Gone-zo. Macmillan Bloedel — gone-zo.

An Hon. Member: Rayonier?

J. Horgan: Rayonier? Sure. That one I don't know. It must be a Surrey-based company.

But the consolidation in the industry, the consolidation of the large tenure holders, has had a profound impact on the land base and, of course, on the shareholders as well. This constantly gobbling each other up may be good for dividends and may be good for bonuses, but it hasn't been good for workers. It has not been good for people working in the industry.

I use the term... It's gender specific, and I apologize to those at home or in this House who are concerned about that. The lumbermen of our past have been replaced by Harvard MBAs who care not a whit about perpetuating the industry. It's quarterly returns, quarterly profits.

"What's the bottom line? How can I demonstrate to my shareholders that I deserve my bonuses? Well, I can't do that by preserving the forest. I can't do that by reclaiming watersheds. I can't do that through silviculture. I can do that by condominiums. Let's take that productive forest land. Let's denude it, first off. Let's export the logs offshore. Then we'll start planting condominiums."

Condominiums grow a lot faster than Douglas fir. You can turn around the profit on that a lot faster than you can waiting a hundred years for a tree to grow back. That's good for the shareholder, or so the CEOs would let you believe. It's not good for the shareholder over time, hon. Speaker. If you have any shares.... Well, I'll have to look at your disclosure statement. I'm not sure.

I'm sure there are people in this place who have money in the stock market. They used to have more than they do now. But the CEOs of these large forest conglomerates — they're doing really well. They're doing really well by planting condominiums — not spruce, not cedar, not Douglas fir, but townhomes, walk-ups. That's what they're doing in my community.

That's why I'm concerned anytime I see a B.C. Liberal say "tree farm licence." They've broken the covenant that we had with the people of B.C. They've said to communities: "You don't matter as much as the shareholders." Of course, the shareholders are really a second afterthought to the CEOs who write the cheques to the B.C. Liberal Party and cash their own bonus cheques.

I'll leave the floor to my friend from Nelson-Creston to talk in more detail about these things. I'm hopeful that the Minister of Forests' commitment to high-value products from every bit of fibre on the forest floor will be realized.

Hon. P. Bell: Absolutely.

J. Horgan: I believe him to be sincere when he says that, but I'm from Langford. That's the "show me" city.

You show me. You show me that you're committed to my community. Show me that there will be compensation for the lands that have been alienated for residential development. Get back into the forest industry. Have some community forests started on the west coast of Vancouver Island. Then I'll believe something that you say.

C. Evans: I rise to speak on Bill 13, the Forest Amendment Act of 2009.

For the benefit of those people who might be watching this debate, the gist of this bill, as I understand it, is to expand the tenure. That means contractual access to the land base for a form of forest use we have here called community forests, where a community controls the land base around it and is allowed to log and sell trees from five to 25 years.

It is to change in a fairly tiny way the contractual relationship of woodlots. That's where an individual, such as

anyone here, can apply for a piece of ground and manage it to produce logs and sell into the market. It changes it so that two woodlots can go together and engage in their contractual obligations — their cruising, their land planning, their road access — together.

[1640]

But way more than that, the fact that we have Forest Amendment Act, 2009, Bill 13, and we are talking about tenure gives me an opportunity to, in the last 15 minutes of my presence here, talk about some issues that I have wanted to talk about for nigh on 25 years, which is tenure generally.

A couple of pieces of background for folks who might not understand. The people in this room manage — what is it, 92 percent, 96 percent...?

An Hon. Member: Ninety-four.

C. Evans: Ninety-four percent of the land base of British Columbia. And of that, about half is growing trees. So the decisions that the people in this room make decide what happens on half the land base. That is not the way it is in the United States. That's not the way it is in eastern Canada. That's not the way it is, certainly, in Europe. This is a unique room. This is the board of directors of a land base as big as California, Oregon and Washington put together, and this bill is about how we decide who's going to work on that land.

It is, uniquely to myself, actually the reason that I ran here. People have said to me: "Why did you want to be an MLA?" I built my house in about 1972 facing across the river where I live in the Slocan Valley. I was at the time a faller. And I look at the Crown forest every morning. I get up and sit with my cup of coffee, and I look out the window at the Crown forest. It belongs to me, but I can't go to work there unless I go to work for the company that has tenure, the piece of paper.

A company has a contractual right to that land across from.... I'm the owner. This room is the board of directors. I elect the people in this room, but I can't go to work on the hillside unless the company that has the piece of paper hires me. Then I can't log in the way that I think is good for the land. I have to go engage in whatever the boss, who at that time was in New York.... The guy in New York had the piece of paper. Whatever the boss told me to do, that's what I had to do.

It seemed to me that it wasn't rational. If the people own the land, how come the people can't go to work on the land? It got me interested in politics and wound up in me being here, and that is pretty much a direct line to wanting to give a speech about the nature of tenure — a philosophical consideration of the nature of tenure.

Let me explain a little why I think I know a little bit about this. I started out setting chokers in Copper Canyon up the Island here in Chemainus. That was an IWA job. I was about 22 years old. And then I worked

in sawmills at Youbou and Slocan City. I learned to fall trees in TFL 3 out behind Slocan. I horse-logged, I cat-logged, and I skidder-logged. I worked on steel towers.

Somewhere around 1985, I cut up one hand and couldn't run a power saw anymore, and I became a cat operator. I had a partner, and we were a gyppo logging company. Gyppo — that's a word we use here in British Columbia to mean "not big," maybe a little bit haywire. Me and my partner lived across the road — dear man, my best friend.

We fed two families for 20 years as gyppos. That's a non-union business, a non-big business — which of course meant that the first time and the second time I ran for office with the NDP, the IWA put up somebody else because I was the non-union guy. Then, of course, the companies ran against me because I was the little guy.

[1645]

The gyppo, the independent in British Columbia, tends to be the worker without political backing, and that is what I did all the years before I came here. I thought every single day about tenure, because that means who gets to work here.

I believe — and I'll say right up front — that what it is we do with the land base now, in this century, I don't think can apply to the decisions we made in the last century. I don't think the world looks the same.

I also don't think that the ideas that get us there ought to come from me. I am a politician and a logger of the last century. I think there ought to be some kind of broad public discourse about what is appropriate to do with this gorgeous land base in the future. It ought not to be determined by some folks in New York or Bonn, Germany, or by some stockbroker somewhere, and it ought not to be determined just by default because we're afraid to have a conversation.

In the past — I think three times that I know of, starting with the Sloan commission — when the Crown was confused about how to manage the land, they had a thing they called a royal commission. It took several years. People travelled all over the province and engaged academics, blue-collar workers, mayors, environmentalists, conservationists and first nations people. Everybody got involved. There was a conversation. A big report came to this room, and then the people here would change how we do forestry. I think we are ripe for such a dialogue at this point.

I'll give you just a little bit of my understanding of tenure where I live. It used to be, in the 1950s, that there were 17 sawmills in the Slocan Valley. There were 38 different gyppos, or independent logging contractors. They logged around the drainages near to the valley bottom. It was easy to get up there.

As the roads started to get more expensive and they moved farther back, the Forest Service, in the 1960s, said: "Maybe this is becoming too expensive for these little guys. Maybe we need some different kind of

tenure." They asked one of their own, a guy named Gill — I think Ray Gill — to do a study on the Slocan public working circle.

It was a beautiful name. Put it on the record. Maybe we can get there again — public working circle. That meant that the people who lived there could assume that within the circle of their community influence, they could work. Public working circle. So they said: "Let's do a study on the public working circle and see what kind of tenure would be appropriate."

Mr. Gill came back with a report, and he said: "The gyppos, the independents, come down, and they bid on timber. We, the Forest Service, go out and mark it. Then they go up and look and see what they think it's worth and who they can sell it to, and then we hold an auction." That's called free enterprise, an auction — the freest kind of business that we have. Everybody comes and stands in front of the Forest Service building or sometimes even a general store, and we sell the wood.

Then the gyppo goes and logs it, and they bring it down. Then they sell the wood to the sawmill that offers them the highest bid for the species and the size that we have logged. Business — right? Business as we understand it.

So that's getting pretty expensive, and the back drainages take a lot of money to get a road in there. Maybe we should have a different form of tenure and let the sawmills have tenure on the back drainages, because they're the only ones with deep enough pockets to get the road there.

But we should always have the closer timber sold at auction so that the public working circle actually puts wood on the market. Unfortunately, the Forest Service decided: "No, we're not going that way."

British Columbia at that time had a good idea. W.A.C. Bennett had a good idea, and the idea was backed up by the banking community. It essentially said: "We" — the bankers — "will capitalize the forest industry in British Columbia as never before, move it east of the Cascades, build the pulp mills that we had never had before, put in the efficient, large and permanent sawmills that we'd never had. We will bring the capital to British Columbia, but only if we have long-term access to wood, which we will call tenure."

Instead of the public working circle, they decided to say: "Okay, we'll have a program called the licensee priority system, and we'll slowly phase out the gyppo." The licensee priority system said that if you logged a thousand cubic metres last year, you could log a thousand cubic metres next year. But if you happened to have a broken leg last year and didn't log at all, you couldn't log anything. They said that would be a saleable right. You could sell the right to log a thousand cubic metres.

[1650]

So what happened? Over the next few years the public working circle was eroded. The sawmills said: "We won't

buy anything from you independents, but we'll buy your piece of paper." So the only way the independents could eat was to sell the piece of paper to the sawmills.

You watched exactly the same thing, all you folks in this room, happen in the fishing industry in the 1990s, so you know exactly how it works. It was called a processing plant, a cannery, then. But the sawmills did to the logging community in the 1960s — late 1960s, early 1970s — essentially what the processors did to the independent fishing industry in the '90s. They bought them out. The public working circle went away.

The Forest Service invented a thing called the public sustained-yield unit. That was a big line around the Slocan Valley, around every valley in this province. It had the word "public" in it, and it had "sustained yield," and that meant we would log only as much as grew. We would have a sustained yield and a unit. That was the circle. And tenure was invented.

They put a sawmill first in Passmore and then in Slocan City. Every other sawmill went out of business, and competition within that circle ended — both competition to buy the logs, because they were no longer put up at auction, and competition to buy the wood when it hit the valley floor, because there was no more sawmill but one.

We went from 17 sawmills to one as we went to a public sustained-yield unit. Then as we worked our way through the 1970s and 1980s, we lost the "public," and we just called it a sustained-yield unit. In the late 1980s we decided to call it a.... We just took the "sustained yield" right out and the "public" right out and called it a timber supply area, and one company would have access.

I didn't like any of this. I'm pulling boards in 1973. You know what pulling boards is? We don't do that anymore in British Columbia. It's an old-fashioned kind of work, before they had computers. Human beings pulled the boards off the greenchain in the sawmills. That was my job in Slocan City, afternoon shift.

I didn't like the tenure system. I didn't like that there was only one company. I thought we should have free enterprise. I thought we should be able to go out and bid on timber and go to work. There should be a white pine sawmill, and there should be a Douglas fir sawmill, and there should be a veneer plant, and there should be a cedar sawmill, and there should be a shake mill.

We should use this gorgeous forest for what it was instead of running it all through, chipping and sawing and cutting it into boards and shipping it to Europe and calling it — what do they call it? — SPF, spruce-pine-fir; every species except a red one. Cram it into one box and send it off to England. Then they cut it open on the dock, and some guy gets a Mercedes-Benz because he separates it back into species and sells into the secondary market.

We British Columbians, of course, run it through the big mill. I didn't like that. So I went around the sawmill

saying to these guys: "This isn't working. This tenure supply, this monopoly.... We shouldn't have monopolies. Monopolies are bad for workers and bad for business. We should break the tenure system."

There's an old sawyer there, a great guy, and he called me some names, said that I was a stupid kid. "You're wrong. This system — this tenure system, this contract — is the best thing that ever happened to us." I said: "How could it possibly be? We owe our lives to the company."

He said to me: "Do you have any idea how we got cement foundations under our houses?" I said: "Yeah, I guess you jacked them up and put a frame there and poured cement." He said: "No. Before the tenure system, before the one big company that you're badmouthing here, we didn't know if we'd get paid or not. We'd go to work all winter long and live in camp, and we'd cold-deck the wood."

"When spring came, we'd throw it in the river, and maybe the sawmill that bought it would actually have money and pay us, and maybe they wouldn't pay us. Maybe they'd go broke or they'd leave. Then if they left, we'd have to leave. Nobody in our valley had a cement foundation, because we couldn't trust that we could stay here, until W.A.C. Bennett invented tenure, and we got the one big company and wiped out all the little mills.

"Now we've got a union. Now we've got a company. Now we know that their bank account is good. We jacked up our houses and poured a cement foundation. We even built a hockey arena, because we're going to stay."

[1655]

At that point, hon. Speaker, I realized that the thoughts of this young man.... I guess by that time I must have been — what? — 25 years old or maybe a little bit too.... Maybe I didn't understand the other side of the story. Maybe there was something to this tenure system. Maybe it was a good idea that in the 1950s and '60s, the people in this room decided to trade access to land for capital so that workers could trust that they could live in their community.

It was explained to me how the thing worked. It worked pretty good, actually. In the big public sustained-yield unit — or timber supply area later — there was a rule that you could have tenure, but the wood was called appurtenant. That's a word which I've looked up in a bunch of dictionaries, and it doesn't have anything to do with logging.

It meant that you could cut the wood off the hill, but you had to take it to Slocan City. There was a deal with the people that lived there. The trees — if you could see them, if they grew in your area, if you were the loggers that logged them.... They came — bam! It was a monopoly, but at least you had to cut them up in the community.

There was another really smart deal that the folks here did — a previous minister. They had a thing they called cut control. You know that in mining and logging there are good years, and there are terrible years. It goes up and down. That's the way capitalism works, and that's another speech.

But at any rate, there are good times and bad times. In the bad times nobody would work. Then you couldn't pay your mortgage, and then the small businesses would fall apart, and you'd lose your machinery. So the people in this room put in a thing called cut control.

They said to the monopoly company: "Okay, in the good years, when wood is worth 400 bucks a thousand, you can't log more than 50 percent of your allowable cut. You can't go over the sustained yield by more than 50 percent in the good years" so that we didn't all work in the good years.

Then they said: "In the bad years, when it goes down to 200 bucks a thousand, you still have to cut at least 50 percent. If you won't cut it, you can't work here, and you lose your tenure."

Both of those things — that idea of appurtenancy and that idea of cut control — meant that there would be a sustained yield of trees and of work, and it would come to us, and we could have cement foundations under our houses and live there and raise kids.

You've got to admit that there was some sense to it. It attracted capital to British Columbia, and it made capital behave in such a way that there was a levelling-out of the boom-and-bust cycle.

Then after globalism came along, the world began to change, and some stuff changed quite rapidly. It used to be, when we invented tenure, tenure was your way to go to the bank. If you want to buy a house, you've got to go to the bank and show them a picture of your house. You've got to say: "Look, it's worth \$400,000. Loan me \$400,000."

If you wanted to build a sawmill or a pulp mill, you had to take a piece of paper to the bank and say, "Look, I have access to all these hundreds of thousands of cubic metres of wood annually, so loan me the money," and the banks did.

The idea was, in the '50s and '60s and '70s, that access to trees guaranteed you access to capital. Then in 1982, when the world went into recession, and again in 1996-97, when Japan stopped buying lumber, we went through two periods of time where it actually turned out that if you had tenure, it got harder to make money. Banks severed the relationship with the forest.

Why did it get harder? It's because you have silviculture obligations. You have cut-control obligations. Having timber in a bad time costs you money. You have obligations. So the bank said: "Well, actually, if you have a tree farm licence or a public sustained unit — if you've got tenure — we're less likely to loan you money." That was a stunning shift from the W.A.C. Bennett times.

Then in the 1990s, the first time I've ever heard of, Castlegar built a pulp mill — actually raised capital internationally — with Venezuelan money, Canadian money and Chinese money with no timber. Some radical thinkers said: "Actually, there's enough chips surplus to use between Golden and Trail, and the Okanagan and

Alberta, that we could buy them on the open market and build a pulp mill."

They built this beautiful pulp mill and reduced pollution, and everybody's happy, and it's running still here. They built it without capital. That changed the nature of tenure, I think, for all time.

[1700]

My thinking on the subject began to mature a bit when, in this room in the 1990s, I was honoured to be the Chair of the Standing Committee on Forests. The Minister of Forests at the time had a problem and didn't know how to solve this problem, so he asked the committee to go around and find out how to get wood to the remanufacturing sector.

People who want to build beautiful desks like this, people who want to build flooring, people who want to build beams, people who want to build kitchen cabinets, people who want to make veneer, people who want to make our wood into something were all saying: "We've got markets for desks. We just can't get it. The big companies won't sell to us. We can't get any wood." So the minister said: "Go out, and figure it out."

The committee was made up of New Democrats and Liberals, and they thought it might be cool to actually work together. Wilf Hurd was the guy, the Liberal co-Chair. For two years 11 people travelled around British Columbia and talked to the remanufacturers and the big companies and then had an opportunity. For the first time in my life — actually, the only time in my life — we followed the logs across the American border. We followed the cants and the 6-by-6s and the 2-by-6s to see where they would go — to the door plant in Oregon, where they actually make the doors that they sell back into your condominiums here in British Columbia.

The Liberal people thought: "Oh, they're making doors in Washington because the nasty IWA makes wages too high in B.C." We go there to Oregon, and the guy says: "No, no. It costs us just as much money here as it does in British Columbia. Our wages plus what we have to pay for health care equal any IWA wage. And our taxes on the land here outside Portland are way higher than they would be in Port Alberni."

"We're not in British Columbia not because it's cheaper here in Oregon. It's probably more expensive. We're here in Oregon because we're not tied to tenure. We're in the free market system. We can actually buy boards, whereas you guys are all tied to monopolies in corporations."

Liberals and New Democrats had their eyes opened that maybe monopoly capitalism was actually costing us jobs. Maybe we ought to figure out a way to make wood on a free market. Both sides of this House, as far back as probably 1910, would argue that the marketplace has value, but in terms of tenure, we killed it. Both sides agree. Soreds over there, or Liberals today — they love tenure because the companies love tenure. New Democrats on this side — we love tenure because the unions love tenure.

The people who are in the business of primary breakdown love the present system because they're doing okay, at least until this year, when we decide to wipe out 30,000 of them. But it means that we export the real work, the creative work, the value-added work. We ship it as a primary breakdown commodity, and somebody else makes it into something and sells it back to us and makes the profit.

We came into this room in 1993, maybe, with a report on how to restructure the forest industry, which was unanimous — New Democrats and Liberals. None of this carping back and forth. Wilf spoke, I spoke, we all voted, and it said that we had to get wood on the open market.

Let me tell you the story of the Vernon log market. We visited there. It was a little experiment. The Forest Service did it themselves. Bless them. They said: "Oh well, we've got a bunch of small business sale wood here in Vernon. What if, instead of selling the wood to some sawmill, we logged it and put it down and then separated out the spruce and the fir and the balsam and the cedar and the hemlock? What if we straightened out the crooked ones and the straight ones? What if we put the clear logs in a pile? What if we put the building logs to make log houses in a different pile? What if we made 15 different piles, and then every Sunday auctioned them off?"

You know what happened? A whole bunch of the value-added sector moved to Sicamous and Salmon Arm and Vernon. Darn. Why was that? Because for the first time they had access to wood.

[1705]

I think the old man, the old sawyer who was telling me that communities had a right to sustainability and used access to the people's trees to get it, was right. But somehow or other, those days are gone. Appurtenancy is gone. Cut control is gone. The relationship between the banks and tenure is gone, and the monopoly system is sending the cream to other places to do the work that our kids need to do here.

This is a place of patsies — unless we like it, unless somehow we came here to give monopoly corporate control of our land and trees and work to some people somewhere that aren't us. If that's not our intention, Liberal or New Democrat — and I don't think it's anybody's intention — we need a conversation. We're living under the rules that we brought in here in 1952, and the century is dead. It doesn't work anymore. The rules aren't there anymore. The company that old sawyer worked in is closing next week because they can't get any trees, even though they hold the piece of paper.

It's busted. I'm leaving here, but I'm pleading that somebody will have the jam to ask the people to have a conversation about how we manage this land in the century we're living in instead of the one we're nostalgic for.

S. Fraser: I rise today in this place to speak to Bill 13, the Forest Amendment Act, 2009. It's always a challenge to follow my colleague from Nelson-Creston, one of the best orators I've heard in this place, certainly.

The amendment act, Bill 13. We've just received this, so I'm assuming that we will have time at committee stage to go through it piece by piece and sort of parse out what some of the individual sections mean and how they will affect, basically, community forests and the smaller woodlots.

The bill appears to tweak some of the rules around that. I see that with community forests, it appears that the term will be increased substantially from five years currently, I think it was, to 25 years. That's probably a step in the right direction. That brings some security and some ability to plan and do business planning with that longer term. That's probably a good thing.

With the woodlots, I see that there's going to be some amalgamation for those who own two woodlots to reduce some of the substantial red tape that those small woodlot owners and operators have to deal with. If they have two woodlots, they'll have that streamlined down to the amount for one. I think that's my take on that. Again, that will be clarified at committee stage.

I guess that's a good thing. I know that the woodlot owners in my area, in the Alberni Valley, that I've spoken with are quite concerned about the level of red tape they've received under this government in dealing with woodlots. Indeed, the amount of bureaucratic paperwork that they have to deal with is pretty much the same as with the big operators, the tenure holders, and of course, these small woodlot owners don't have the same resources.

I'm hopeful that this is a step in the right direction to streamline some of that, but only, it appears to me, for woodlot owners that already own and operate two woodlots. I'd suggest that we need much more sweeping changes to make sure that those small woodlot owners have the ability to thrive in our communities.

I'm quite impressed by how small woodlot owners actually operate. They tend to be true stewards of the environment and of their industry and look to the future, to their children and to their families to ensure that they will have jobs in the forest too. That model is certainly not one that we see duplicated on the corporate level that seems to have the concentration of the coast, certainly on the Island.

[1710]

With that in mind, I notice that there's the opening here in dealing with Bill 13 to talk a little bit more about some of the larger-picture issues on the Island. Certainly, in the Alberni Valley — the history there is quite a sordid one — we have woodlot owners that are trying to do something creative on the ground.

A company named Greenmax, a very good company. Shawn and Dave have spoken with me lots about how

they're trying to do innovations like old-growth-sustainable cycles, where old growth can be harvested in a way that actually can be sustainable, with a 300- or 400-year cycle. It can be done in perpetuity.

Indeed, whether it's the small operators like these stewards of the forest, the woodlot owners in my area, or the corporate entities, what they should be doing is managing the forest for sustainability, keeping in mind that this is a renewable resource. There is no excuse, there is no reason, there is no rationale in the world for British Columbia to allow its forests to be anything but a renewable resource.

It has been the greatest creator of wealth for the province of British Columbia. Indeed, the forest base has built this great province in many ways as far as the economy goes.

It's been mentioned before. There was a royal commission, the 1956 Sloan report. I did a member's statement on that a couple of years ago and spoke of, even then, the values. Justice Sloan, in this lengthy document, this giant tome of 800 pages, dealt with the importance of tree farm licences to maintain the forest base in perpetuity for jobs; for the industry; for forest communities; and even in 1956, Justice Sloan cited, for forest health, for the environment.

We often think that those are issues that we recognize and hold dear at this point in history, but even in 1956 Justice Sloan cited the environment and forest health as laudable goals to be achieved through the tree farm licence system, where there was public control of the public resource.

I referred to a murky past. On the Island, certainly, we've had the old E&N land grants and, I believe, collusion between groups that basically took away a huge amount of land from the forest base, ostensibly for creation of a railway. But it became a cash cow for a few people and companies to make an awful lot of money through the forest system. At least historically, some of that land was within the tree farm licence system.

The TFLs, the tree farm licences, on Vancouver Island and the coast and the province are an amalgamation of public and private lands. The Sloan report of 1956 highlighted the fact that these lands, both private and public, under the control of the rules of the tree farm licence system would be maintained in perpetuity. That premise, that value has held, and it has stood the test of time — certainly the test of politics, if you will.

It didn't matter what government was in power in this province. All respected the important premises that Justice Sloan talked about — managing our forests in perpetuity for all of the values I've mentioned: jobs, communities, industry, the environment, or forest health, if you will.

One government changed that: this government. It was a stark reminder to me when I got elected in 2005 and was first visited by forest workers in the Alberni

Valley who were suffering job loss, loss of security in an industry that they'd put years, decades into. All of it related to the 2004 removals of land from TFL 44. An unprecedented, huge amount of forest land was removed from TFL 44, about 77,000 hectares.

[1715]

Through internal documents that I received from the minister of the day.... The Forests Minister of the day in 2004 is now the Government House Leader. His staff — I'm going to be paraphrasing here — in an internal report to the minister, suggested not to remove that land from TFL 44, citing that it would be a violation of the law, of the act; citing that it would not be in the interest of the communities involved; citing that it would be cost-prohibitive for the company, Weyerhaeuser, which had requested those land removals of this government.

It would be cost-prohibitive for them to get that land out of the tree farm licence, because the government, representing the taxpayer and the public interest, in theory, would have to require a payback to the Crown, to the taxpayers, to the community of Port Alberni. The payback would be made because when the lands went into the tree farm licence — which was going back to the MacMillan Bloedel days, the early '80s — the company received what they call consideration, consideration being massive amounts of public land already within the tree farm licence system. MacMillan Bloedel was given exclusive rights to that land, that resource and that timber.

They made a lot of money with that land, with that timber, with that exclusive use and the rights that they got as part of the deal in exchange for putting their private lands into TFL 44, to be managed for the public benefit in perpetuity, based on the premises that I referred to earlier, highlighted by Justice Sloan back in 1956.

When the minister of the day ignored his own staff's advice and handed over 77,000 hectares to Weyerhaeuser, it was a surprise in so many ways. There was no public process, which was required. The act was changed by the minister so that the giveaway would not be in violation of the act. All of the money — the consideration that should have gone back as part of the deal to the taxpayer, to the people of Port Alberni — was waived by this government.

Tried to get the Auditor General to quantify that. He was busy with a major report on recent land removals, from 2007, around Jordan River and other parts of the Island. But it is fair to say that what was given up was hundreds of millions of dollars that should have gone back to the taxpayers, should have gone back to the communities, to Port Alberni, to the industry that was adversely affected by those removals.

We have an amendment act we're discussing today, Bill 13, Forest Amendment Act, and while it touches on small issues around community forests and certainly woodlots, the larger issues have never been addressed by this government.

I would note that there are probably two community forest licences that communities in my constituency are trying to bring forward, one in the district of Ucluelet and also in the city of Port Alberni. There have been so many hurdles and hoops to jump through to try to make these community forests work, to actually have them create jobs and provide prosperity to the area. It's been frustrating to all involved.

I was hoping to see something in this act — maybe it's here, and I just don't see it — that would help communities like the district of Ucluelet and the city of Port Alberni in achieving a viable woodlot or community forests that could help the communities and help bring back some stability and employment and access to fibre, because all of that has been lost by government decisions on a massive scale.

[1720]

Now, the lands that were removed from TFL 44 — 77,000 hectares totally ringing the Alberni Valley — have been to the detriment of the workers of the valley in the forest industry and of the community in general. Those lands are now under the control of the Private Managed Forest Land Act — again, not coincidentally, I would suggest, also brought in, in 2004. The land giveaways happened quickly, with no consultation, as I mentioned, and the Private Managed Forest Land Act was implemented thusly with no public consultation, with no consideration of the public interest.

As a matter of fact, the Private Managed Forest Land Act stripped the rights of communities or regional districts from having any say over the activities on those private managed forest lands, even if it contradicted growth strategies or community planning or zoning for those communities. These are the basic tools that local communities and local governments use to protect the public interest, based on local knowledge and values.

Their abilities were stripped with the 2004 act, and it has allowed a level of cut in the Alberni Valley — in the Beaufort Range, in the watersheds that actually are the water source for the city — that we haven't seen before. I've noted that retired loggers and unemployed millworkers are now standing shoulder to shoulder with environmentalists in outrage that this can be allowed to happen now, to the detriment of the community and of future planning for the community.

That is wrong. It is at the community level that true wisdom rests. Decisions made here to benefit corporate entities that come and go, as has been mentioned by previous speakers, are not to the long-term benefit of the people of British Columbia or of coastal communities or forest communities like Port Alberni.

I note that Bill 13 also does not appear to significantly address issues of stumpage. I know that's an issue that woodlot owners have talked to me about. Their stumpage rates are almost punitive and can make

it very, very difficult to get a good price consideration for their products, considering the relative cost of stumpage rates.

It is another barrier, I think, to these woodlot owners, who are trying to address sustainability issues and provide stable employment for their families and for future generations too — a good model, as I mentioned before. It is a model that we've lost on the larger scale, with things like the giant land giveaways of 2004 in the Alberni Valley and also, I would suggest, with the Private Managed Forest Land Act.

What we have is a liquidation of the forest base. We have practices like high-grading that even the Forest Practices Board has chastised across the province as being not in the best interests of forest health, certainly, but also not in the long-term interests of employment opportunities for this industry for future generations.

As we are seeing, a lot of this forest base inside and outside of the tree farm licence system is at risk. As long as land can be removed from tree farm licences.... There's not much left that can be, because this government has pretty much done a total job on that.

[1725]

Just on the coast it's about — I had to calculate this out of hectares; I work better in square miles, a more stark example — 500 square miles of land removed from public control under this government since 2003. So 500 square miles of valuable forest land were removed and are now controlled by faceless shareholders from giant corporations that are basically income trust companies.

Point of Order

Hon. P. Bell: We've given a fair degree of latitude to the members opposite, and I think it's appropriate that we do that. However, the member has wandered well off the spirit and intent of this bill, and I'd ask him to refocus his remarks on the bill.

Deputy Speaker: Member, please continue, but would you focus your remarks on the intent of the bill.

S. Fraser: Thank you, hon. Chair. I thought I was doing that. The bill certainly refers to TFLs, tree farm licences, so I believe it's open to that. Previous speakers have spoken to the same issue. I believe that since we're in second reading here.... It's not committee stage, and we haven't had a chance to go through this section by section. I will try to keep my conversation germane to the bill, and I appreciate that advice.

Debate Continued

S. Fraser: On Bill 13. It's the Forest Amendment Act. I'll refer to some of the things that were not amended

in this bill when there was an opportunity to. There are gaps here.

As we see changes to community forest regulations or community forest tenure — length of time for these community forests — and we see changes, potentially, to woodlots in the sense of something of a streamlining, which is well overdue, the bill does not go far enough.

I have had a chance to look at it a little bit in detail. We just received this, of course, but in sections 12 and 16, I would suggest expanding areas for community forests. More work needs to be done. We're just tweaking changes here that I do not believe address all of the needs. I think the minister needs to go back to the table with woodlot owners and those holders and applicants' communities that wish to achieve community forests and actually to make them work.

You can't do amendments to woodlots and community forests without taking into context the larger picture of forest health. Indeed, forest workers know that, and wildlife that inhabits the forests knows that. They are inextricably bound, not by boundaries of a tree farm licence or by bounds of community forests.

Watershed protection and the protection of jobs that can be created in perpetuity on those watersheds, I would submit, could be done in a way that does not infringe the communities if there was a will to address some of those issues within the amendments that are being brought forward today in Bill 13. I would suggest that the government, the minister, could show more leadership by dealing with some of these key issues that are neglected in Bill 13.

It's interesting that we are weeks away from an election, and we are getting some tweaks on forestry in Bill 13. Yet the independent operators that make up 70 per cent of the forest economy on the coast, in the areas that we're talking about in Bill 13, are all at risk now. Making tweaks to or amending an act while another 3,000 jobs are currently at stake....

[1730]

Today we found out that 3,000 jobs are at stake, and 75 independent businesses that generate 70 per cent of the forest economy on the coast are at risk. On the same day we're finding that out, we're getting a bill here. An opportunity is what a bill is. It's a forest amendment act, and it doesn't touch this at all. If we lose those independent contractors, the ability of the coast to sustain forestry and forest jobs will be gone — maybe forever.

We need leadership in forestry on the coast, not just some tweaks before an election that fall short in Bill 13 in addressing the needs that the woodlot owners have talked to me about. Indeed, the level of red tape that this government has imposed on woodlot owners was minimally affected in Bill 13.

[S. Hammell in the chair.]

It addresses, as far as I can see, only those woodlot owners that have two woodlots — that own two woodlots or operate two woodlots — suggesting that through economy of scale, they can reduce their level of red tape. While that might be a small step for those woodlot owners....

I don't know the numbers. It would be interesting to find that out at committee stage how many woodlot owners are in a position where this would benefit. As far as I can see, the only ones that will see that benefit will be those woodlot owners that have two woodlots or control the use of two woodlots, and I'm not sure how many of those there are.

Welcome, Madam Chair, to this debate on Bill 13.

While we have the potential for small woodlots.... They are managed, in my experience, in a sustainable way, with stewardship in mind, with future generations and forest health in mind. While we're addressing that through Bill 13 to some extent, and while we have the potential for community forests, they are still often moving ahead at a glacial pace, I would suggest because of lack of effort and prioritization of this government.

While we have that happening, the Forests Minister; the previous Forests Minister that was forced to step down, I would suggest, from that post; and the previous Liberal Forests Minister have all turned their back on one of the prime roles as ministers of the Crown in forestry.

I believe it's stated in the Forest Act quite clearly that one of the prime roles of the Minister of Forests of British Columbia, regardless of political stripes, is to protect the province against corporate concentration and monopolies. This government has turned their back on that prime directive of the Forest Act. They've allowed the largest concentration and monopoly creation in history, contrary to the spirit and intent laid out in the Forest Act as a key role for the Forests Minister — this Forests Minister, the previous Forests Minister and the Forests Minister before that.

This bill, Bill 13, fails to address that corporate concentration. It fails miserably to address the public interest on the larger scale on the issues I've talked about before. The concentrations of raw log exports that are being allowed are jobs going away. Tweaks under Bill 13 are not enough. We need a government that looks out for the public interest — something failed by this government, as clearly stated by the Auditor General.

The government forgot to look out for the public interest when they removed huge amounts of lands from the tree farm licences. Not addressed in Bill 13. Those remedies and suggestions made by Mr. Doyle, the Auditor General, have not been addressed in Bill 13. Whenever there is an amendment act, there is a chance — I would suggest an opportunity — for the Forests Minister to make amends for past injustices to the people of British Columbia. He failed to do that.

With that, I will sit down.

[1735]

D. Routley: I'm pleased to rise to speak to Bill 13, the Forest Amendment Act, 2009. There's no more important an issue to British Columbians, by and large and far and wide, than resource use and the gains that our province makes through the exploitation of our resources, particularly forest resources.

The number one industry of our province is forestry. It ought to always remain that way because it is the most replenishable industry, it is the most renewable industry, and if it is properly stewarded, it can be the most environmentally friendly industry, as our forests are the lungs of the planet.

On the other hand, if forests are deregulated and companies are able to do as they have in the recent past, adding huge amounts of waste to the forest floor, that environmental benefit is lost and turned around to being a very negative input in terms of rotting wood releasing carbon into the atmosphere.

It's very important that we look at tenure of our forests and how that affects our economy and our social services that are supported by the revenue that government brings in from forestry, as well as our environmental health in this province and globally. That seems like a very big and far-ranging set of topics for a bill that basically affects community forests and woodlots.

Perhaps that is a far-reaching set of discussion points, but it ought to be, because our communities are small, but their effect on the globe is huge. Community forests process a lot of fibre and produce a lot of products for the world and for our province. They produce a lot of jobs and a lot of income for our communities.

In Lake Cowichan, the Cowichan Lake Community Forest Co-operative did a study recently, just a year ago, which showed that over 95 percent of the revenue that they net created from their community forest stayed within the community of Lake Cowichan. So this is a very direct benefit to the people of Lake Cowichan.

One of the main problems they've had in maintaining that and building on that benefit is the fact that they have only had five-year tenure over the lands that they logged. So this bill does address some of their issues by increasing that tenure from five years to a 25-year term, which is very important to community forests.

But the questions are bigger than Cowichan Lake Forest Community Co-operative and bigger than community forests themselves. We're talking here about the issue of tenure, and tenure is probably the most important issue facing our forest industry right now. It's one of those issues that causes stakeholders to run in all directions when the issue comes up.

On the one hand, the corporations that control our tenure want to maintain the monopoly they have over our fibre. But the unions that represent the workers want to maintain an economy of scale or a mass large enough for them to have organized worksites. So they

both become very concerned when any government talks about changing the tenure system.

The problem with change in systems like tenure over forest licences or over public forests is that most of the changes and most of the considerations for those changes are done and made behind closed doors and don't include all the stakeholders. What we need to do in this province.... Rather than just introduce bills willy-nilly or just on the eve of an election to tweak the detailed edges of this issue, what we need instead, and what our party has promised to do after May 12, is to have a full discussion of the issue of tenure with all the stakeholders included.

We need to include our first nations. We need to include our community interests. We need to include our workers' interests, the unions. We need to include the companies, big and small, that benefit from the harvest of our forests. Only then can we come to the kind of consensus that will allow British Columbia to truly benefit from what is our greatest natural resource — that being our forests.

[1740]

What happened in the recent past? Well, TFLs, tree farm licences, used to oversee and manage the use, the stewardship and the benefit that was derived from our forests. This government came to power and disconnected the community from that process.

Community forests, on the other hand, do exactly the opposite. They reconnect the community. This government deregulated our forests, and what we saw was a liquidation of the forests. High-grading occurred, and huge losses were incurred to the public purse. The waste on the forest floor has increased by 50 percent, thereby contributing carbon to the atmosphere and starving our pulp mills of fibre.

The connections between land and community are gone. The connection between finance and those companies is challenged — and, in large part, gone — because of the lack of guaranteed fibre supplies in many cases.

So what we need to do is have that conversation, that open conversation about renewing that connection, about relinking the industry, about reintegrating all the different component parts of our industry — the sawmilling industry, the pulp-milling industry.

My own history with forestry is that I was, for a couple of years, a chokerman with MacMillan Bloedel. I've worked in a sawmill. For five seasons I was a tree-planter. My stepfather was a homebuilder, so I have used the end product in building homes. I've had wood and logs and the forest industry in my hands and under my fingernails. I know that the industry is integral to not only the economies of our communities but the social fabric and the history of our communities. In fact, it's almost a cultural connection in most cases.

When you visit a town like Lake Cowichan, their memorials and their parks are named for or are pro-

vided for and by component parts of that great industry. It is a social, political and economic consideration and link, but it's also an emotional link that people have to the forest industry.

It's so challenging and damaging to our communities when, for example, in the Cowichan Valley we see 200 truckloads of logs per day leaving our valley and being exported for processing over the border, only to see 2-by-4s stamped from U.S. mills on our building sites. It's emotionally upsetting, it's economically damaging, and it's socially damaging.

Look up to Courtenay. There's a flooring company in Courtenay that wins business awards for their use of responsibly harvested wood and waste wood to create new flooring products. They are an example of what entrepreneurial people in this province can do if they have access to the wood or access to the resources.

Door plants in our communities are threatened because they don't have access at reasonable cost to fibre. Even first nations have to wait years to get logs to carve in certain areas of the province. That is because the monopoly that companies hold over the fibre has been maintained, while the connections between them and the community, and them and those small companies, and them and even that first nations carver have been severed.

It begs the question. Why Ikea? Why not "B.C.ea"? Why aren't we doing better? Why don't we build the table? Why don't we build the door? Well, we do, but we're not building on that.

The deregulation of the forest industry threatened all of those connections, threatened all of those potentials. Instead of young people in B.C. viewing the forest industry as a place of great opportunity, a place where they should apply their minds to new products, developing new markets, it's been sold to them by the agents of these policies as a sunset industry. Well, we see it as a sun-up industry. We see it as an industry that continually replenishes itself. We see it as an industry for the future, not just the past.

[1745]

A great example of this application of creative industry is the Teal-Jones sawmill in Richmond. It is an example of a plant that takes the worst chunks of wood that you would barely think would be suitable to burn on a beach fire. Somehow they derive out of those chunks of waste wood great products like shingles and finger-joint wood that's used in finishing, and they are very, very efficient.

Their number one problem? Access — access to fibre, because of monopoly and because of deregulation that has left that quality of wood on the forest floor to rot or to threaten our existing forests with fire, if that unfortunate thing should occur.

The Auditor General pointed to the removal of lands from TFL 46 as a betrayal of public interest — that this government, the B.C. Liberal government, did not protect the public interest when it allowed those removals.

That land was added to those TFLs in combination with public lands so that the companies that controlled those lands would agree to have their practices overseen and proper stewardship maintained. It also guaranteed that benefits would flow back to the community, not just to the shareholders of those companies. But as markets challenged those companies, they found a friend in this government, which allowed them to remove those lands from TFL control and put them up for sale for real estate development.

That is a sunset move. That's a graveyard move in any industry. If you give up the raw material, if you give up the manufacturing base.... In the words of a great musician — I think it was Johnny Winter — "That's a graveyard move." That is a killer move. That is a move that will kill an industry, and that's what we're seeing.

We're seeing an industry that struggled with the chaos of deregulation throughout the past seven years while there was a building boom in the U.S. that was unparalleled since World War II. During that time, because of forest policies implemented by this government, this province lost 20,000 forestry jobs and four dozen mills.

The three CEOs of the major companies at the time toured the province and tried to convince local governments to support their requested changes by saying that they would invest billions, if only they got these changes. Those were broken promises. It never happened. We didn't see those new mills. We saw the loss of the mills that we had, and it isn't even a question of efficiency, as the member from Nelson pointed out. He pointed out that it's not a question of who's more efficient or what the cost is. It's a question of who's going to benefit and who has access.

There are mills on Vancouver Island that are incredibly efficient and adaptable. The mill in Ladysmith that shut down is a mill that in a matter of hours can switch from species to species, from dimension to dimension — very flexible for a number of different markets. It closed. It closed because the company that owned it was more interested in exporting raw logs than in preserving jobs, and they were allowed that by policies brought in by this government.

So now that that's happened, where do we go from here?

An Hon. Member: Election.

D. Routley: Yeah, we go to election.

What do we do now? Well, we need that discussion with the whole community, with all the stakeholders, to review tenure, to reconnect the community's benefit, the community's direction of how its resources should be used, to reintegrate an industry that has been disintegrated by this government.

We need a balanced approach. We need access to the fibre that we own. Ninety-four percent of B.C.'s forests are publicly owned, and if this government had its way, I

believe that would change. I believe there would be a privatization of those forests. I believe that we would lose public control over them. We would lose the options that people like that flooring company in Courtenay and people in our door plants and people like Teal-Jones offer us — the creative entrepreneurialism that B.C. is famous for.

[1750]

You know what? People used to come from around the world to ask us how to market wood, to ask us how to process wood, to ask us how to scale wood — how to do the whole industry. We were the leaders. That's gone. Gone but not forgotten.

We have a narrow window now. If we act with something more comprehensive than Bill 13.... Though Bill 13 does tweak the edges and does offer some positive benefit to community forests and woodlot owners. But if we act now, before we lose the human infrastructure, the workers, the mines, the industrial infrastructure that would support the industry, we can still revive that.

But key pieces are missing. Key pieces are falling off. Madill made forest equipment in the member for Nanaimo's riding. In that business, there was an incredible wealth of human intellectual capital, and now those workers are flocking to the oil fields or flocking to other industries, because they've been driven out by this disintegration that has occurred.

This bill, while it does do some positive things around the edges of the issue, doesn't deal with the core problem. The core problem is the deregulation that occurred under the B.C. Liberal mandate, and we need to reverse that — but not by turning the clock simply backward but by turning the clock forward and looking towards the new industry, the new demands of a new economy.

We look around the world and see that countries like Russia are within ten years of providing huge competition to our softwood lumber capability. The huge boreal forests of northern Russia are ready to be harvested if the infrastructure is put in place, and that is occurring now. Within ten years we will have an unbelievably strong competitor in Russia.

We have an advantage now that we have to not give up. We have to develop export markets. This bill doesn't address any of these issues.

The removal of the lands from TFLs 44 and 46 broke the social contract. As my friend from Port Alberni pointed out, 500 square miles of land were freed for real estate development. The impetus for this occurred while there was this huge building boom and property values were skyrocketing, and now there's sort of a faith that that will come back. But what's that all built on? The made-in-North-America building boom that the government happened to couple with the made-in-B.C. poverty boom. But that's for another discussion.

But what's it really motivated by? It's motivated generationally. We see boomers across North America retir-

ing, selling and moving to retire in British Columbia. Just like the oil industry, we can't convince the dinosaurs to die twice and have another oil industry. We can't convince the boomers to retire twice and have another building boom. Maybe you can, Member. So that really is a sunset industry.

If we give up our productive forest land base to that industry, our children, our grandchildren and their grandchildren will regret that decision. That will be, in the words of Johnny Winter, "a graveyard move." That would be a real and true tragedy.

The exchange of benefit between the companies and the communities that was established through tree farm licences — the public and private land swap that happened on Vancouver Island in order to bring benefit to the communities and protect the forests — was all lost through this deregulation. It was kind of an idealistic, faith-based approach that the free market could solve anything. All you had to do was add a drop of water, and — poof! — the free market would have an answer. But it didn't. We've seen it fail all around us.

[1755]

Deregulation took away regulations that this bill, in a minute way, tries to re-establish. That deregulation mirrors the deregulation of the U.S. banking system. Look what a success that was. It created absolute chaos, just like this deregulation of our forest industry created absolute chaos.

What looked like an immediate benefit to large monopoly-based companies really didn't translate to anything except a huge cost in deficit to our communities. So the removal of those lands without compensation cost the public hundreds of millions of dollars. Hundreds of millions of dollars — what could that have done? Housing the homeless, building schools, building hospitals — that's what those revenues used to do. Forest revenues used to support those things.

We had this beautiful balance in British Columbia between public services and private enterprise that was disrupted and dislocated by that deregulation. Community forests, which will see some benefit from this bill, are the best example of re-establishing that connectivity. They don't have the size of land or access to the amount of fibre that they need to make the real difference that they could make, but maybe that will come after May 12, after this party takes control and has that bigger discussion with British Columbians about what the future of the forest industry should really look like.

This government broke the social contract. Companies sought their own benefit, not ours, understandably, and it didn't work. Government's job is to balance those interests, not to put its thumb on the scale and press the scale in favour of their friends and contributors and ignore the public interest, which is exactly what the Auditor General said that this government did when they removed the tree farm licences on Vancouver Island.

What's not in this bill is anything that would deal with stumpage issues that are faced by these companies. What's not in this bill is anything that would balance the competition issues between the coast and the Interior where 25-cent stumpage has entirely disrupted the market. What's not in this bill is any measure to rebuild or invest in the infrastructure that would support the development of new export markets for our products. What's particularly not in this bill is the larger discussion on tenure which will occur after May 12 when this party takes control.

Now, mere days before the provincial election, after a government has ignored this issue for seven years, their own minister is claiming that they were simply spectators and could do nothing to affect the situation. Well, I'd say the spectators were on the field and disrupted the game early on when they deregulated, when they tore apart the social contract. Then they moved to the bleachers and simply watched the outcome, which was devastation for our communities and a tragedy for a great industry.

They pushed people they didn't like out of the industry, and they pulled their friends in to take the benefit. Take Western Forest Products and the Doman family, for example. First, the three amigos and deregulation, then the loss of 20,000 jobs and four dozen mills, now a few simple tweaks to the act, and that should be enough for the people of British Columbia. Well, it's nowhere near enough. It's opportunistic. What are we — seven weeks less one day — from the provincial election? Now we get this meek effort.

[1800]

Community forests have been calling for this kind of help for years. They've practically had to shut down their operations for the past couple of years because they haven't had any help.

My friend from Prince George should visit the Cowichan Lake Community Forest Co-operative and ask them what they think of his forest policies, what they think about the absolute denial of even meetings.

Deputy Speaker: Member, through the Chair.

D. Routley: My friend from Prince George should visit those people and ask them what they think of their refusal to extend their term when they needed it. My friend from Prince George should come and visit them and ask them what they think of this kind of cynical move now, just seven weeks, less one day, before the provincial election. They're not going to say no to the help, but they're certainly going to know why it was offered at this particular moment in time.

So we support community forests. We support community benefit from our resources. We support efforts to do that, and we fight hard against efforts to break that connection. We've fought for the last seven years these policies of deregulation that have severed the interests of the public from the public resource.

We have fought at every step the efforts of this government to hand over British Columbia to the global corporate interests that they represent, to create monopolies that benefit companies that are located far from the shores of the coast of British Columbia but that have made decisions that have devastated the communities on those shores.

We've fought at every step the deregulation of an industry which led to a coroner in Duncan three years ago pointing at that deregulation as a severing of the chains of responsibility and a contributing cause to the death of logger Ted Gramlich and many other loggers like him. That is a simple truth.

What's missing from this bill is an effort to really deal with that disintegration — the disintegration of an industry that cost jobs and cost lives. Families have paid the price for those choices. Communities have paid the price for those choices. British Columbia has paid the price for that deregulation and disintegration.

British Columbia needs a bill thicker than this one in content that would deal with the real issues — the issue of tenure, the issue of returning benefit from the land base to the community and the issue of disintegration brought by B.C. Liberal deregulation of the forest industry.

Thank you very much. It's been my pleasure to speak about forestry today.

J. Rustad: I am very happy to stand today to say a few words with regards to Bill 13. It will come as no surprise that I am very supportive of Bill 13. I want to start off, though, by just making a few comments, particularly around community forests.

The prior pontification that just came from the member for Cowichan-Ladysmith around community forests and policy.... I would invite him to come up and visit Fort St. James or Burns Lake, the community forests in those areas, and talk to the people about the difference that has made within their communities and talk about how positive they are about the future of their community forests and what it can do. I can tell you that I'm very pleased to have been a part of a government that has seen a significant expansion of community forests over the last number of years.

Bill 13 does a number of things. I want to talk a little bit about some of my experience in the forest industry, because I've basically been in and around the forest industry all of my life. When a forest company goes out and wants to get some wood under permit, it has a very lengthy process to go through to propose it. It goes into the development plan. There's a lot of field work that gets put into place. It moves through the process, and it is now in place for it to be harvested.

[1805]

Then along came an issue called mountain pine beetle. What mountain pine beetle did, of course, was create a need in areas for us to be able to go and harvest and try to take advantage of that wood that has been killed by a

pine beetle and to try to utilize it to the maximum benefit. But of course there's been a huge amount of investment that's gone into permits that may be not in pine wood area and that may be in other areas.

One of the things that Bill 13 does is allow for us to be able to defer the expiration of those permits so that we can get companies into the pine wood without losing all of that expense and dollars and time and effort that they put into those cutting permits. This is a step in the right direction. For anybody that's been up in the pine beetle area and knows the impacts there, we need to be focusing our harvesting there, and this is just one more tool to be able to help with that.

The other thing that I'm very happy about with this is the elimination of the probation period on the community forests. Community forests can play a very critical role in communities, as I mentioned earlier. I actually think it's a great way to connect communities with their forests, connect communities back again with what they have had in the past.

What I'm talking about is 50 years ago, when everybody seemed to have been tied into the forests. It's a way to be able to remind people of the importance of forestry, of the importance to the people and also to generate some revenues into the community. I'm very pleased that this will eliminate the probation period, because I know that some of the communities have been concerned about it in the past and expressed those interests to me.

The last thing I want to quickly touch on is the consolidation of woodlot licences. Woodlot licences are very small tenures. Often they can be very challenging in terms of managing, but they are a very important component of putting wood into the hands of people, to having that direct connection into forestry. So I think the consolidation of woodlots will be well accepted and appreciated within the industry.

When I think about a bill like this — and as the member for Cowichan-Ladysmith has said, we're about seven weeks away from election — it's tough to get legislation through this process over this period of time. Particularly when you hear the pontification that goes on and the rather lengthy debate that can be carried on around this stuff, it's no wonder that sometimes it's challenging to get virtually anything done.

However, this is one piece of legislation that I believe is an important piece of legislation. It's something that we need to get into the House, to move through, that'll help in the forest industry and bring some stability.

I just want to close by saying that I want to thank the minister very much for bringing this forward. I think this is a good piece of legislation. It's one that is timely and that we should be able to move through the House here in an appropriate manner.

N. Macdonald: I just wanted to talk for a few minutes about a particular community forest and just talk about

the concept of community forests and why any of the moves that we make in forestry....

Very clearly, there have been a whole host of initiatives that should have taken place over the last seven years that haven't taken place. But this is a piece of legislation.... As small as it is, there are some important moves here to support not only the community forests but also the tree lots.

One of the first community forests that came into being — perhaps it was even the first; I could be corrected on that — was in Revelstoke, and I just want to talk about some of the principles behind the creation of that community forest that are of importance to communities across British Columbia and rural British Columbia to this day.

It was the concept of local control of a resource. The city of Revelstoke is surrounded by public forest, by public land, and that land is something that the people of Revelstoke make their living from. They work on it. The recreation takes place, whether they're hunting, snowmobiling or hiking. It is an area that they feel passionately about and that has created wealth, not only for Revelstoke but also for the province of British Columbia and for all British Columbians.

[1810]

In 1986 there was a mill. I could here again be corrected, but I believe it was Federated Co-operatives that had a mill there, a Saskatchewan company. They shut down, and at that time the concern was that the logs would now move out of the community and be milled away from Revelstoke.

For a period of time that seemed to be the direction it was going. People talk about the way that the community, through its chamber of commerce and through the leadership of the city council, moved to make sure that logs that were being taken from the area — this at the time was all TFL 23 — would be processed in Revelstoke. People felt very strongly that that needed to be the case.

By 1987 they were able to get logs into two mills that are, for the most part, still there. Kozek mill is a mill that has operated for a long time. It's a fairly small operation. Then you have, of course, Downie Timber, which members will be familiar with and which is one of the main employers and remains one of the main employers in Revelstoke.

In 1991 Westar Timber was selling TFL 23, which included sections that were broken off. The northern section, close to Revelstoke up to the Mica dam, became TFL 55. The southern section was sold; I think it was to Pope and Talbot. The northern section around Revelstoke was going to be sold to a number of companies, including one of them that I'm sure of, Evans Forest Products in Golden.

That was a time when we had processes that included community input. The NDP government at the time, including Dan Miller.... I'm not sure if my friend from Nelson-Creston was involved as well. I think he was.

Jim Doyle, who was an NDP MLA from Columbia River–Revelstoke, was involved at the time. They held community meetings.

This goes back to 1991. There were meetings of over 500 people in Revelstoke coming together, saying for all sorts of reasons — not only economic but also environmental, just about controlling the land mass — that there needed to be local control and there needed to be processing in the community of Revelstoke. The government at the time rejected the sale of TFL 55, because Revelstoke as a community demanded, quite correctly, access to timber surrounding the community.

At that time I was a councillor in Golden, and there certainly was an interest in TFL 55. Evans Forest Products was one of the companies that wanted access to the timber that was there. In December, in the middle of a snowstorm, we had a community meeting in Golden. The MLA at the time — this was Jim Doyle — was going to be in for a bit of a rough ride. There was a huge community meeting, and people were questioning why the decision that was made around TFL 55 was made.

In through the door comes Dr. Battersby, who at that time was mayor of Revelstoke. The pass was closed, as often happens — Rogers Pass; it's often closed — so he could easily have given a reason for why he couldn't make it to the meeting to explain Revelstoke's point of view to the people of Golden.

Instead, he talks to friends in Revelstoke and gets a ride on a CP freight train, comes through the pass on a freight train, arrives in the middle of the meeting and walks to the front. He speaks to a fairly heated group and says: "This is about Revelstoke. This is about the forest around Revelstoke, and we think we should retain the benefit. If it was land around Golden, you would think the same thing should be happening there."

I can tell you that the people of Golden understood that. They understood the premise that the land that surrounds our community, the land that we care about, should be there and that we should have a say in what goes on with that resource. People accepted that. It's fundamentally true.

[1815]

What came from that meeting and from the meetings that followed was that the government and Dan Miller, who was the minister at the time, took the advice of the NDP MLAs that were in place. He created an opportunity for the city of Revelstoke to actually see if they could put something together.

Dan Miller told the city of Revelstoke that they had a set period of time, that they needed to negotiate with the companies that were interested in the other communities and that they needed to come up with a solution that worked not only for these other companies but also for the community of Revelstoke.

What they did immediately.... I use Dr. Battersby's name, but of course it's never one person. It's a whole

group of people. In fact, it's a whole community. Remember, you've had meetings of over 500 people. What they did is they got together. The city council, by December 29 of that year, passed a motion saying that they would have a referendum on whether they would try to buy 50 percent of that TFL 55. Then they went through a lengthy process.

I'll just talk about what a community process should look like. They had a meeting of community leaders. They had 11 presentations to community groups and agencies. They had workshop after workshop. They had open houses, public meetings. They distributed a pamphlet to every household. They had radio open-line talk shows. They had newspaper articles.

In the end, they had a referendum as to whether the city of Revelstoke would take responsibility for a portion of the forest and create a community forest and a community forest corporation. Sixty percent of the eligible voters turned out, and 78 percent of them voted yes.

From that point on until the present time, the city of Revelstoke and the people of Revelstoke have had a community forest. It struggles, as all people involved in forestry do, but they have retained that connection between the land base and the community.

[Mr. Speaker in the chair.]

What I want to finish off by saying is that that's a wonderful thing. When my friend from Nelson-Creston talked about the need to really sit and have that long conversation with the people of British Columbia about what goes on in the land base, that is a conversation that is long overdue.

The central principle that has to be at its core is that connection between the rural communities that we live and work in and the land around them, and the right to have control of what goes on, on that land. That's something that I believe strongly in, because the people that I'm here to represent believe strongly in that. That's something that's worth fighting for.

With that, I cede to other speakers, and I thank you for the opportunity to speak on a bill that I intend to support.

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

Hon. P. Bell: There are a few things that I need to put on the record as a result of some of the comments from members opposite.

I found it quite interesting that the member — I think for Alberni-Qualicum — was complimenting Teal-Jones of Richmond, British Columbia, on their outstanding performance. I guess he hasn't visited the operation, because it's actually in Surrey, not Richmond, British Columbia. He may be thinking about another one of the successful operations in British Columbia.

One of the things, listening to some of the members opposite, that I found just didn't align with a reasonable level of discussion or debate was the notion that long-term tenure for major manufacturers who in fact build a larger facility or plant is not appropriate.

I heard that from a number of members opposite, and yet they also complimented this particular legislation on providing 25 years' worth of tenure to community forests. They acknowledged how that would allow them to borrow money to build the longer-term business case to make sure that they had viability and profitability. It seems to me that the two align very nicely.

In fact, what the round table determined in its discussions was that it was appropriate for major manufacturing companies to have associated tenure, that that made sense, whether they acquired it by purchasing it from someone else or whether they were originally awarded that licence at some point in time. If you're going to have a secure industry, an industry that is able to maintain strength over a long period of time, that's important. That's why the round table decided that it was appropriate to maintain a level of security for major manufacturing facilities.

[1820]

But they also recommended the importance of growing the community forest, the number of community forests, the size of community forests, the number of woodlots, the size of woodlots and also the number of first nations tenures, the size and security of first nations tenures, which is an important element that hasn't been discussed here today. All of those different initiatives, we think, are important and need to be moved forward.

I want to read into the record a letter that was in the *Quesnel Observer* today because I think it's significant. It was referred to by the member for Cariboo North, and I just think it's relevant for it to be on the record.

"I've been following with interest numerous reports in which — and in this case he identifies the member for Cariboo North — "basically claims that the sky is falling and the only hope of survival of the province's forest industry and thus the economy of the province is to give the major licensees timbers quota away to small businesses.

"It appears that the member for Cariboo North does not fully understand what it takes to obtain financing for his business ventures and the construction of manufacturing plants. His goal seems to be to get rid of existing manufacturing plants and all the jobs they provide in exchange for an unproven industry — a very risky and scary plan for anyone living in the Cariboo or anywhere else in this forest-dependent province.

"Yes, the forest sector is in trouble, due in part to the mountain pine beetle epidemic but mostly because of the unprecedented global economic downturn, which has caused significantly reduced housing starts worldwide, where most of B.C.'s forest products are sold."

Interjection.

Hon. P. Bell: The member opposite asked if we wrote this. Actually, Gary Townsend from Quesnel did. I know

that the NDP has a habit of penning letters for various constituents. We don't do that.

"It's most naive to think that British Columbia, even though it is the best place in the world to live, can correct the global financial problems we find ourselves in through tenure reallocation. In 2003, under Bill 28, the Liberal government took back 20 percent of the replaceable tenure held by major licensees and used this volume to expand the B.C. Timber Sales program, First Nations Tenures and Community Forests."

Interjections.

Hon. P. Bell: I know this must hurt the member opposite.

Don't worry. There are only a couple of paragraphs left, and we'll get through this.

"The B.C. Timber Sales program now holds 20 percent of the provincial harvest and offers this volume for sale through the competitive bid process. Community forests, first nations tenures and woodlots currently comprise 13 percent of the provincial harvest, with the proposed increases recommended in the round table report.

"The Working Round Table on Forestry, established in March of 2008, has held many meetings around this province. This group includes first nations, unions, academics, local government and business representation. In the report, on page 20, they state: 'Forest companies require certainty to invest capital.... Uncertainty creates risk, increases the cost of capital and discourages investment.'

"Promoting policies like sweeping tenure reform is an action that would surely drive both investment and jobs out of this province. This is a course of action that we as British Columbians simply cannot afford."

This was written by a gentleman by the name of Gary Townsend. I just thought it was worth putting that on the record, since the member opposite had referred to it earlier on. I thought it was particularly relevant for the debate.

This is a bill that's relatively simple. It has three specific things that it deals with. I'm sure that we'll have an opportunity in the committee phase to deal with that, and I move second reading.

Motion approved.

Hon. P. Bell: I move that the bill be referred to the Committee of the Whole House for consideration at the next sitting of house after today.

Bill 13, Forest Amendment Act, 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 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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