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**5TH SESSION, 37TH PARLIAMENT**

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WEDNESDAY, MAY 19, 2004

The House met at 2:04 p.m.

Prayers.

[1405]

### Introductions by Members

**Hon. R. Neufeld:** I would like to acknowledge special visitors from Korea in the members' gallery today. Please join me in welcoming His Excellency Sung-joon Yim, the newly appointed ambassador of the Republic of Korea to Canada, and his wife, Madam Kwee-joo Yim. This is the ambassador's first official visit to British Columbia, and I am pleased that he has travelled here to discover the many opportunities our beautiful province presents.

He is accompanied by Mr. Bom-yon Lee from the Korean embassy in Ottawa and Mr. Jae-won Jun from the Korean consulate in Vancouver. Would the House please make them welcome.

**Hon. S. Bond:** I am delighted today to have in the gallery two very special members of my staff. They help make my world a much more organized place and make sure I'm doing my homework on a regular basis. I hope the House will help me not only make them welcome but thank them for a job extremely well done. Please welcome Kara Houston and Erin Bowman.

**J. Bray:** Joining us in the House today are Stacy Jensen and Alana Samson. Stacy is a board member of the Men's Trauma Centre, and Alana is their executive director. The Men's Trauma Centre will be having an open house on June 10 from three to six, and they are located at 1420 Quadra Street. Would the House please make these guests very welcome.

**J. Nuraney:** We have today in the gallery a contingent of students from Eugene Reimer School in Abbotsford. With them there is a young member of my family, Zakim Nuraney. He is bright, smart and a shining star of our family, and I would like the House to please join me in offering him a special welcome.

**D. Hayer:** It gives me great pleasure to introduce to this House Anter Pamma, a close friend of all Surrey MLAs and a prominent member of the Surrey community. He is also the owner of Bear Creek plaza, located off King George Highway at 88th and 140th Street.

Also joining us today is Sarbjit Singh Taggar, who is the owner of Speedy Homes Ltd. and has done a terrific job building a stronger sense of community in Fleetwood in my constituency of Surrey-Tynehead. Would the House please make them very welcome.

**J. Wilson:** Today is one of those rare occasions when I actually have someone down from the riding. A good friend and a longtime acquaintance, Duncan Barnett, is here today. He is doing business on behalf of

the British Columbia Cattlemen's Association. I had lunch with him, and we had a wonderful chat over lunch. I ask the House to make him feel at home.

**L. Mayencourt:** In the gallery today we have a most distinguished guest. Chief Inspector Dave Jones has served the Vancouver police department for a very long time. He has now moved into community work and is one of the people behind the Trespass to Property Act and the Safe Streets Act, called the Safe Streets Coalition.

Dave is here to speak with media and to visit with Victoria-area groups that are part of the coalition to ensure that people understand the law enforcement side of these two pieces of legislation.

Dave, I haven't had a chance to talk to you, but that's the public response from the Safe Streets Act in the last seven days. So, you're doing good work. Thank you very much.

Would the House please make him welcome.

**Hon. T. Christensen:** The member earlier introduced one of the students from Eugene Reimer School, but I want to join with the House in welcoming all the students from Eugene Reimer.

[1410]

I know that very good things are happening at Eugene Reimer Elementary School in Abbotsford, because I had an opportunity — not to visit the school, unfortunately — when I was in Abbotsford to discuss some of the things that were going on with their literacy programs with a couple of teachers from Eugene Reimer. It's a multicultural school that presents some real challenges on a literacy front. I know that the teachers at Eugene Reimer and all the students are working very hard and doing great things. Please join me in welcoming all of these students to the House today.

**D. Hayer:** After the Minister of Education, I'd like to announce that it gives me great pleasure to introduce 60 grades 5 and 6 students from Coast Meridian Elementary School, who will be visiting the Legislature later. Accompanying them will be their teachers, Mrs. Simone Lawrence and Mrs. Jas Cruise, as well as several parent volunteers who have taken time away from their families and busy schedules to accompany them. This is a very special school for me, because my daughter Katrina Hayer graduated from there last year, from grade 7. Would the House please make them very welcome.

### Introduction and First Reading of Bills

#### COMMUNITY LIVING AUTHORITY ACT

Hon. C. Clark presented a message from Her Honour the Lieutenant-Governor: a bill intituled Community Living Authority Act.

**Hon. C. Clark:** I move that Bill 45 — a bill that the government intends to pass in the fall — entitled the

Community Living Authority Act, be introduced and read a first time now.

Motion approved.

**Hon. C. Clark:** I'm pleased to introduce Bill 45, the Community Living Authority Act. This bill introduces groundbreaking legislation which will transform how community living services are provided to individuals with developmental disabilities in British Columbia. It will create a legislative framework for community-based delivery of services currently provided by government. This transition to community-based services is the next step in a process begun by the Community Services Interim Authorities Act and the Community Services Labour Relations Act, proclaimed in 2002 and 2003 respectively, of the thirty-seventh parliament.

The bill establishes Community Living British Columbia as the permanent provincial authority responsible for providing support to adults and children with developmental disabilities and their families. This bill, which will be debated in the fall, will enable the transfer of services from the Ministry of Children and Family Development to this permanent authority.

With this legislation, the ministry remains responsible for setting standards for how services will be provided, and it retains the power to monitor and assess the new authority. Creating a community-based authority to provide fundamental services will respond to the wishes of individuals and families who have been working for decades to make this change happen.

This legislation gives British Columbians with developmental disabilities and their families better options and more opportunities in their communities. They'll be able to look forward to a safer, healthier and better quality of life.

I move that the bill be placed as an exposure bill on the orders of the day for debate and passage in the fall session of the Legislature.

Bill 45 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)

#### EVENTS AND ACCOMPLISHMENTS IN BURNABY NORTH

**R. Lee:** The fifth session of the thirty-seventh parliament will end this week according to the schedule. Thanks to this government's policy of a fixed legislative calendar, MLAs can have some certainty in planning activities in our constituencies.

In Burnaby North we have the sixteenth Hats Off Day taking place on Saturday, June 5, thanks to the collaborative effort involving many organizations, including the Heights Merchants Association, The Heights Neighbourhood Association, Volunteer Burnaby and Gilmore Community School. This event will

provide an opportunity for the merchants to thank their clients and for the residents to celebrate their community. I would like to encourage my colleagues to join in with over 10,000 people to enjoy a day of festivity.

[1415]

Mr. Speaker, if you have some spare time on May 29, you may also want to come to the seventh annual European Festival held at the Scandinavian Community Centre in Burnaby North, where visitors will find the food, music, dance and displays representing more than 20 European countries.

Mr. Speaker, I don't want to give you an impression that the people in Burnaby North are partying all the time. We study and work diligently as well. Many students in Burnaby's schools and post-secondary institutes have excelled in arts and science. For example, I recently had the pleasure to personally congratulate two students from North Burnaby, Grace Leung and Elaine Deng, who won the second and third place in the Canada Day Poster Challenge in this province.

In the next few weeks, I have the privilege to attend graduation ceremonies at SFU, BCIT, UBC, Douglas College, Capilano College, Alpha Secondary and Burnaby North Secondary. My son Jarek is graduating from Burnaby North Secondary this year, and he is planning to attend UBC. I wish him all the best in his studies. I also would like to take this opportunity to congratulate all the graduates for their successes in reaching an important milestone.

#### HEALTH CARE SERVICES IN RURAL B.C.

**B. Bennett:** Many of the very positive changes the government has made to health services in rural B.C. are not well known. We now train more nurses in B.C. and recruit more nurses to B.C. than before, and B.C. nurses are the highest paid in Canada. We are increasing the spaces for training doctors in B.C., including the new university medical school spaces for physicians at the University of Northern B.C., where young doctors can get experience working and living in a smaller town atmosphere. Our doctors are amongst the highest paid in Canada as well.

We have created the rural subsidy agreement which identifies rural communities that need help to recruit and retain physicians. My communities of Elkford, Sparwood and Fernie are all on that list. Because of this special provincial funding, the interior health authority has recently recruited two new doctors into the Elk Valley. We are spending \$23 million on capital funding for the East Kootenay Regional Hospital. We've already spent \$6 million. We have also recruited nine new specialists at the East Kootenay Regional Hospital because of this government. Patients from all over the East Kootenay region can now access specialist care in their home region for the first time ever. This is high-quality health care closer to home that we did not have before.

We also have some new subsidized assisted-living units happening in Cranbrook and Fernie. We have the

new long-term residential care home in Fernie, which is half completed, and one announced for Cranbrook.

Despite all these very positive initiatives that make health care more accessible in rural British Columbia, it's important to acknowledge that there is much more work to be done. Specifically, remote communities and remote worksites must have access to a high level of paramedic service. B.C. Ambulance Service has recently raised the level of paramedic training and plans to raise the expertise of rural paramedics even further. This is a very positive development. We as government must support those paramedics in their desire to improve their skill level and ensure that patients from remote worksites like the mines north of Elkford receive the necessary care on their way to our improved hospitals.

Regardless of all the improvements we make, the quality of health care is something we should never be satisfied with. We will continue to strive to improve health care in our rural communities.

#### MEN'S TRAUMA CENTRE

**J. Bray:** The World Health Organization, in 1999, called child abuse a major health threat. Research suggests that between 20 and 30 percent of all male children are sexually abused before the age of 18. A 1990 study in Ontario found that 31 percent of males reported suffering some form of abuse — emotional, physical or sexual — as children. These plus other studies suggest that in an area the size of greater Victoria, between 4,700 and 46,000 males have been subject to some form of abuse at some point in their lives. The need for support services to male survivors of sexual abuse is clear. This is why I'm so pleased to advise this House and my community about the newly established not-for-profit society, the Men's Trauma Centre.

[1420]

Their mission statement is:

"To provide treatment and support services to adult and late adolescent males who are survivors of physical, emotional or sexual trauma as well as support for our clients' significant others. To acquire and develop educational materials concerning the traumatization of males and to gather statistics for dissemination to professionals and the community at large. To assist other agencies through educational outreach to improve their responses to their own male clients who may also be survivors of trauma. To work in cooperation with other service agencies and professionals to ensure comprehensive case management with respect to male survivors who seek treatment or support from whatever source. To consult with community and government groups in the areas of prevention, treatment, legal issues and other matters relating to sexual violation of males."

The Men's Trauma Centre staff actively strive to ensure accessibility to all adult and late adolescent males, regardless of ethnic origin, physical or intellectual ability, or sexual orientation. The centre has registered clinical counsellors and a victim services coordinator with seven years' experience working with this client group. Because the emotional, physical and sex-

ual traumatization of males has such a wide-reaching impact on family stability, drug and alcohol addiction, employment and criminal behaviour, it is essential that we all become informed about this important social issue and the services at the Men's Trauma Centre.

**Mr. Speaker:** That concludes members' statements.

#### Oral Questions

##### OPEN LEARNING AGENCY SEVERANCE PAYMENTS

**J. Kwan:** At the beginning of this session we asked about severance packages at the Open Learning Agency that appear to have been deliberately structured to contravene government guidelines. The Minister of Finance promised a swift investigation. Later he said he needed just a few more pieces of information from the Open Learning Agency, and then he would have all the facts. What on earth is taking so long? Did the minister's letter to the Open Learning Agency get lost in the mail? Or is he deliberately stalling until this session is over?

**Hon. G. Collins:** Unlike the opposition, I think it's important to get all of the facts on this matter. There are people....

Interjections.

**Hon. G. Collins:** As is usual with the matters brought to the attention of this House by the opposition, they're rarely based in fact, so I want to check the facts. In fact, that's exactly what I've been doing. I've had a dialogue with the board of the Open Learning Agency. I'm also awaiting an additional piece of correspondence from an individual who is impacted by the matter. We're dealing with individuals who have done good public service in the province of British Columbia, and I think it's important they be treated fairly.

All of the severance arrangements will need to be made within the parameters of Bill 66. I've said that publicly. I expect that will be the case, and as soon as...

Interjections.

**Mr. Speaker:** Order, please.

**Hon. G. Collins:** ...we have all the facts, I'll be making those public.

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

**J. Kwan:** My oh my, the Minister of Finance is operating at the speed of lightning in trying to get this information here. I remind the minister that we're talking about the potential abuse of tax dollars to pad severance payments for Open Learning Agency executives. This is a very serious matter, but it appears that

the Minister of Finance doesn't seem to be in a hurry to get the money back.

This is not rocket science, Mr. Speaker. Either the Open Learning Agency broke the guidelines or they didn't. How is it possible that a person in charge of a \$30 billion budget can't get quick answers to simple questions? What is he trying to hide?

**Hon. G. Collins:** Rather than cast the aspersions, as we've heard from the member opposite, I thought it was important to get all the facts. The reality is that some of the people who used to work at the Open Learning Agency don't work there anymore. They don't work for us. The effort is to try and get the facts from them in as timely a fashion as possible, and that's what we've been doing.

It is important to get the facts for a number of reasons. The most important one is that the NDP government, when they were in government, repeatedly engaged in what I would call political firings, only to find that the court came back and rapped their fingers very hard. In fact, we paid something like over \$500,000 — I think it was — in punitive damages with regard to the firing of a CEO at B.C. Transit. The comments....

Interjections.

**Mr. Speaker:** Order, please. The Minister of Finance has the floor.

**Hon. G. Collins:** The noise level goes up when they don't like the facts.

The fact of the matter is that when they were in government, they repeatedly engaged in political firings, only to find that taxpayers were left holding the bag when they received a reprimand from the court.

Mr. Speaker, it's important to get the facts. When we have all the facts, we'll be making those public.

**Mr. Speaker:** The member for Vancouver—Mount Pleasant has a further question.

**J. Kwan:** Isn't that interesting, from the Minister of Finance. He can't get the information. He says he can't arrive at a conclusion on whether or not the OLA guidelines were violated, but that's our fault. It's the NDP's fault — right. Okay.

[1425]

#### GOVERNMENT SEVERANCE PAYMENTS AND MINISTRY CONTRACT SPENDING

**J. Kwan:** Mr. Speaker, while we're waiting for an answer on the severance package to the OLA executives, the government is also hiding the legal opinion that it says required the B.C. Liberals to hand out to Chris Haynes a severance payout worth more than a half-million dollars.

Can the Premier explain why he won't release a legal opinion granting half a million dollars to a guy

who blew \$2.3 million in the budget for children in this province?

**Hon. G. Plant:** You know, I sat in opposition when those members were in government, and they routinely relied upon the fact that when lawyers advise their clients, they do so on the basis that the advice is kept privileged. That's a very important principle of our society. It's an important principle for private citizens. It's an important principle for government. We generally rely upon it also. It makes it possible for us to get the best possible advice and for us to act on that advice in the best possible way.

So there's nothing unusual happening here. We're following the procedures that we should follow — that good governments, that competent governments should follow — and that we as a good and competent government will continue to follow to protect the public interest of the people of British Columbia.

**J. MacPhail:** In the past when this government was in opposition, they never let legal opinions or the facts get in their way when they were railing about severance packages — never. And we know how seriously the Premier takes his contractual obligations to workers making \$30,000 a year. But heaven forbid we step on the toes of a \$200,000-a-year deputy who helped a B.C. Liberal insider run off with hundreds of thousands — millions — of dollars in taxpayer money. For those folks there's a higher principle at stake. We've got to get the facts. We need legal advice. But it's contained in a legal opinion that no one can see. This is a charade.

Can the Premier explain why the public should accept that a government that can rip up contracts and override Supreme Court decisions at whim can't find a way to get \$500,000 back from a deputy who let the Premier's cousin run half his ministry?

**Hon. G. Collins:** I'll be glad to do my best to get that back, as we have, if that member can go out there and get back the \$1.2 million we paid to Marc Eliesen from B.C. Hydro when she was in government.

Interjections.

**Mr. Speaker:** Order, please. Order, please.

**J. MacPhail:** I love the standard this government is setting. I wonder if the public is getting tired of the standard that this government is setting. Hmm, I wonder if they've had any say in that.

The Walls audit leaves a lot of questions unanswered. British Columbians want those questions answered, but the government is refusing to do anything other than stonewall and obfuscate. The only way we're going to get to the bottom of this scandal is to have an independent investigation. Mr. Parks notes that the Minister of Finance has the power to order an investigation under the Society Act.

Will the Premier direct the Minister of Finance to order that investigation today into \$2.3 million of lost

taxpayer money, or will he continue to bluster and spin, hoping that the issue will just go away?

**Hon. C. Clark:** The member would know, if she'd read the report, that that has already been done. That was already a part of the report that was issued. It is a little rich to hear the NDP stand up and talk about accountability when they have a leader who is afraid to even run for office.

You look at the bizarre world of British Columbia politics. Here we've got a province where Glen Clark goes to work for Jimmy Pattison, where Ujjal Dosanjh goes to work for Paul Martin, and Carole James won't even show up to work.

Interjections.

**Mr. Speaker:** Order, please.

Interjections.

**Mr. Speaker:** Order, please.

Interjections.

[1430]

[Mr. Speaker rose.]

**Mr. Speaker:** Let us have some decorum in the chamber, please, or we'll be extending question period to make up for injury time.

[Mr. Speaker resumed his seat.]

#### ARBITRATION OPTION IN LEGISLATION ON HEALTH SUPPORT WORKERS

**R. Hawes:** Yesterday I spoke about the HEU's refusal to allow its membership to vote on whether or not they would have arbitration to take benefits reduction in their contract. Since then I've had numbers of calls in my office — and I know many of my colleagues have had the same calls — from members of the HEU expressing both outrage and real concern about what's going to happen with their paycheques and the fact that they have not been allowed to have a vote within their own union. In fact, I note on their website — the way I read it — that the union is telling its membership they weren't allowed time to have a vote, even though we know they were offered 60 days to allow a vote to take place.

My question is to the Minister of Skills Development and Labour. My constituents are crying out for help, and I know a number of other members here have the same thing happening. Is there anything that the minister can do to help our constituents get what they need from their union?

**Hon. G. Bruce:** It was unfortunate that the leadership didn't allow the membership to have a vote. A process had been worked out for them also, which they

could have gone through. Everybody within that bargaining group could then have had an opportunity to express how best they wanted to deal with this particular issue. But they have a process internally within their union and then in front of the Labour Relations Board if it is that members have difficulty with the decisions that have been taken by their leadership.

#### SIGHT TESTING BY OPTICIANS

**P. Nettleton:** On April 19 the College of Physicians and Surgeons asked this government to reconsider enacting a regulation that would allow opticians to prescribe eyeglasses without medical supervision. The college claimed this regulation would "introduce a significant element of risk to patients." My question is to the Minister of Health Services. Will the minister heed the advice of this respected medical authority and fully review this proposed regulation?

**Hon. C. Hansen:** I welcome the question. There is absolutely no evidence that shows that automated sight testing is in any way harmful or inaccurate. That is an admission that comes from, I think, everyone involved in this field — whether it's the ophthalmologists, the optometrists or the opticians. The fact of the matter is that for the last number of years, there have been opticians using automated sight-testing equipment in this province. What we are bringing in are regulations which manage that, so that the interests of the individual are protected and people understand the importance of an eye health exam to determine the other issues that they may be faced with.

I've certainly had lots of meetings with different groups that are involved in this issue. I think the more people understand what's behind it, the more they realize that this is a very sound direction that government is going.

#### SKILLED TRADES TRAINING

**E. Brenzinger:** My question is to the Minister of Advanced Education. Several different automotive trade groups in my constituency have raised concerns about the disturbing effects of the new model for trades training proposed by this government. The deficiency that this training proposal being developed creates is that the B.C. Automotive Retailers Association and the B.C. New Car Dealers group are the only contributors to this proposal. As these business groups do not represent a cross-section of the whole industry, it leaves approximately 75 percent of the automotive industries unrepresented in this proposal.

[1435]

My question is: will the minister guarantee that before the Industry Training Authority endorses any proposals put forward, all stakeholders will have an equal opportunity to participate in the process? Will the minister install a safeguard to ensure that special interest groups do not use our publicly funded post-secondary education system to their sole benefit?

**Hon. S. Bond:** The whole point in revitalizing the industry training system in British Columbia is to ensure that we have a skilled and trained workforce to meet the needs of the future of British Columbia. That's exactly what we're doing. Just recently — as a matter of fact, on Monday — the first certification in the province under the new system was announced. It's a framing certification that was rigorously reviewed before it was actually approved. In fact, that's the process that the Industry Training Authority will continue to use as it looks at skills training programs across the province.

[End of question period.]

Interjections.

**Mr. Speaker:** Please. One gets the distinct feeling that this place is about to wind down. The Minister of Forests has the floor.

**Hon. M. de Jong:** Or wind up, Mr. Speaker.

#### Tabling Documents

**Hon. M. de Jong:** I have a report, the Forest Appeals Commission annual report for 2003, that I table today.

#### Petitions

**K. Krueger:** I table a petition, Mr. Speaker. This is a petition by 395 citizens, delivered to your constituency office, the constituency of Kamloops, with regard to laboratory reform.

#### Tabling Documents

**Hon. G. Abbott:** It's my pleasure to present the 2003 annual report of the Property Assessment Appeal Board.

**D. MacKay:** I seek leave to file a petition.

**Mr. Speaker:** Please proceed.

#### Petitions

**D. MacKay:** I have a petition here signed on behalf of 180 constituents who live in the village of Granisle, who are concerned about the proposed closure of their RCMP detachment.

#### Tabling Documents

**Hon. M. Coell:** It's my honour to present the 2002-03 annual report on multiculturalism to the Legislature.

**Hon. S. Bond:** I have two documents to table. One is the final set of statements tabled in relationship to the Industry Training and Apprenticeship Commission.

Secondly, I committed in the House earlier to bringing the new Industry Training Authority service plan before the end of May, and I table those documents today.

#### Reports from Committees

**J. Kwan:** I have the honour to present the second report of the Select Standing Committee on Public Accounts for the fourth session of the thirty-seventh parliament, entitled *Annual Review of Auditor General Reports*.

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

Motion approved.

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

Leave granted.

**J. Kwan:** I move that the report be adopted.

The report. During the session, the committee considered six main reports and ten follow-ups and progress reports. It also approved the auditor general's *Financial Statement Audit Coverage Plan* and his appointment as auditor of the two organizations outside the government reporting entity. The details of the work of the committee are contained therein.

Motion approved.

**B. Lekstrom:** I have the honour to present the report of the Special Committee to Review the Freedom of Information and Protection of Privacy Act for the fifth session of the thirty-seventh parliament, titled *Enhancing the Province's Public Sector Access and Privacy Law*.

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

Motion approved.

**B. Lekstrom:** I ask leave of the House to suspend the rules to permit the moving of a motion to adopt the report.

Leave granted.

[1440]

**B. Lekstrom:** I move the report be adopted, and in moving the adoption of the report, I wish to make the following comments.

This report reflects the work of the Special Committee to Review the Freedom of Information and Protection of Privacy Act and our consultations with British Columbians. Based on this input, the committee's report makes 28 recommendations to improve the functioning of the act. Our report concludes that the act is generally working well in providing British Columbi-

ans with an appropriate balance between openness and privacy protection.

However, the committee also concluded that there is a need to modernize parts of the act and to clarify the purpose of certain provisions. Our report reaffirms that all British Columbians have the right to expect that their information requests for records will be treated equally, impartially and in a timely manner.

It was an honour to serve as the Chair of this committee. I believe that the principles of information access and protection of privacy, which are enshrined in this legislation, are fundamentally important in a functioning democracy.

In closing, I would like to thank all British Columbians who took the time to provide us with their thoughts. I would also like to extend my sincere appreciation to all members of the committee for their input and dedication throughout this important process. I would also sincerely like to thank the staff of the office of the Clerk of Committees and Hansard staff for their work in support of the committee. In particular, I would like to thank our Clerk, Kate Ryan-Lloyd, and our researchers, Josie Schofield and Mary Walter.

This report was unanimously accepted by the committee, and it's a privilege. I move that this report be adopted.

Motion approved.

### Orders of the Day

**Hon. G. Collins:** I call Committee of the Whole for consideration of Bill 56.

### Committee of the Whole House

#### ADMINISTRATIVE TRIBUNALS ACT

The House in Committee of the Whole (Section B) on Bill 56; J. Weisbeck in the chair.

The committee met at 2:44 p.m.

**G. Halsey-Brandt:** I seek leave of the House to make an introduction.

Leave granted.

### Introductions by Members

**G. Halsey-Brandt:** It's my pleasure to recognize in the visitors' gallery a group of high school students, grade 10 students from J.N. Burnett Secondary in Richmond, along with several parents and two of their teachers. The delegation is led by Mrs. Morelli. They're here today to observe question period in the Legislature and the debate that's going to follow, and to study history and government. I can assure that it's an outstanding high school in Richmond, which four of my children had the privilege to graduate from. Would the

members please make them all welcome to the House today.

### Debate Continued

On section 1.

**J. Kwan:** The Administrative Tribunals Act sets out rules for administrative tribunals in B.C. We have more than 30 administrative tribunals in British Columbia, including the Agricultural Land Commission, the Employment Standards Tribunal and the Workers Compensation Appeal Tribunal.

[1445]

I do want to clarify for the benefit of the House as well, Mr. Chair, that the bill does not apply in totality, as far as I understand, to any tribunal in British Columbia. The bill does not form the comprehensive set of rules for any particular tribunal in B.C. Only sections of this bill are used to amend the existing legislation that the various tribunals are enabled by. This is important clarification that needs to be made. It is also important to note that while Bill 56 amends the enabling legislation for 25 existing tribunals, it does not at all affect 12 other tribunals and regulatory boards in British Columbia. Again, this is as far as we understand.

I recognize that Bill 56 is the product of many years' work and considerable effort by the ministry in conjunction with various tribunals in British Columbia. Accordingly, Bill 56 is a complex piece of legislation, most notably because its implementation takes place through consequential amendments to existing legislation for each administrative tribunal. To make things more complicated, much of the existing enabling legislation for each tribunal already contains similar provisions to those contained in Bill 56, the Administrative Tribunals Act. Bill 56 therefore requires careful reading, as it cannot be read in isolation from existent legislation respective to administrative tribunals in B.C.

Each of the various tribunals in B.C. has unique and individual needs, powers and mandates. It is true that one shoe does not fit all, and I do not believe this legislation attempts to do that. In that light, in that context, I do have questions for the minister.

Under section 1, in the definitions section, the terminology is: "appointing authority" means the person or the Lieutenant Governor in Council who, under another Act, has the power to appoint the chair, vice chair and members, or any of them, to the tribunal." I just want to clarify that "another Act" refers to existent legislation that a tribunal would be subject to. Is that the right reading and interpretation of that language?

**Hon. G. Plant:** Yes.

**J. Kwan:** I think this is the correct answer as well. Presumably, that's for all of my opening statements about it referring to all of the tribunals — some 30 administrative tribunals in British Columbia. That is in reference to some 30 tribunals and the respective legis-

lation attached to them. Am I correct in making that assumption?

**Hon. G. Plant:** Yes.

Section 1 approved.

On section 2.

**J. Kwan:** Now, sections 2 through 10 are the same as those listed in Bill 68, the Administrative Tribunals Appointment and Administration Act. Section 2(1) defines the rules for the appointment of the chair, and this section states: "The chair of the tribunal may be appointed by the appointing authority, after a merit based process, to hold office for an initial term of 3 to 5 years." What would a merit-based process consist of?

**Hon. G. Plant:** Well, first of all, to follow up on an aspect of the member's question, she's quite right. This section is not new. We debated it last year when it appeared in last year's bill. Or we had the opportunity to debate it; I don't remember if there was an actual debate.

I think the important part of that phrase "a merit-based process" is not to prescribe the particular kind of process but, rather, to ensure that the process focuses on identifying the best-qualified candidates. The process could include advertising. It could include formal or informal interviews. There are a number of different ways that tribunals — or, in this particular case, tribunal appointing authorities — could go about looking for a chair. The important point of the subsection at issue here is that whatever the process is that is used, it needs to focus on finding a candidate that is qualified for the position.

[1450]

**J. Kwan:** I'm curious, then, how this section is supposed to work. The chair of the tribunal may be appointed by the appointing authority through a merit-based process. Who the appointing authority is, however, is defined by the existing legislation. The reason why I want to point this out is that not all of the existing legislation which this bill amends contains a merit-based system for appointment. Take, for example, the Mediation and Arbitration Board enabled by the Petroleum and Natural Gas Act. Under this act, the Lieutenant-Governor-in-Council can appoint the Mediation and Arbitration Board without any merit-based process.

Perhaps the minister could clarify this for me. Is a new merit-based process going to be established or part of Bill 68, which appointing authorities will then need to follow?

**Hon. G. Plant:** Yes, and I believe that process has already been established by the board resourcing and development office.

**J. Kwan:** Would it then be brought into force by regulation? Bill 56 makes no further reference as to

what the process might entail. Is the assumption that it's going to be brought in by regulation?

**Hon. G. Plant:** There's no requirement that this be done by regulation. It can be done by policy. I think what's important is that if you were to go to a statute that created a tribunal and find in the statute that there is a power to appoint, the power to appoint may reside with cabinet, for example, and it may be in the enabling act, unconstrained by any particular process requirement.

What happens now, as a result of the introduction of this provision last year, is that those tribunals or government would be required to undertake some process to ensure that they were finding a candidate for the position on the basis of merit. But there's no requirement that there be a specific regulation to define the process for appointment.

**J. Kwan:** Okay, so it may not be brought in by regulation. It might be just general policy that would apply. When do we expect that this set of policies or regulations — whatever route that the government chooses — would be in effect?

**Hon. G. Plant:** They already are in effect. This provision is not new. It's been in effect for a while.

**J. Kwan:** Given the situation that now, though, not all the tribunal appointments have merit-based processes built into their enabling legislation.... In those circumstances, is it expected that the policy would apply for these authorities?

**Hon. G. Plant:** Yes.

**J. Kwan:** All right. Section 2 also establishes office terms. I have not examined the enabling legislation for every tribunal, as there are many, but I've noticed that the stated term durations will be new to some of the tribunals. Is this correct?

**Hon. G. Plant:** Yes.

**J. Kwan:** Some tribunal members could hold positions indefinitely. Is that correct?

**Hon. G. Plant:** There were many appointments formerly that could be made at pleasure, which would be without any duration of term specified in the appointment. Under this regime, there is a term of appointment. But in most cases, although not all — I don't want to say "in all cases" without having a chance to consult with help — there is an opportunity for reappointment so that a tribunal chair — this would also be the case for tribunal members, which are provided for in section 3 — could be reappointed for a series of terms. But each of those appointments would be for a fixed term of years.

[1455]

Section 2 approved.

On section 3.

**J. Kwan:** Section 3 deals with a member's initial term and reappointment, and it reads: "(1) A member, other than the chair, may be appointed by the appointing authority, after a merit based process and consultation with the chair, to hold office for an initial term of 2 to 4 years." Now, the notion of merit-based process — am I assuming correctly that the policy that exists applies in the same way that we canvassed earlier?

**Hon. G. Plant:** Yes.

Sections 3 to 11 inclusive approved.

On section 12.

**J. Kwan:** Section 12 states: "12(1) The tribunal must issue practice directives respecting (a) the usual time period for completing an application and for completing the procedural steps within an application, and (b) the usual time period within which the tribunal's final decision and reasons are to be released after the hearing of the application is completed."

Now, I'm wondering about the term "usual." How are usual time periods going to be established? How is that defined?

**Hon. G. Plant:** Let me come to that question by first stepping back from this section to talk for just a minute about the policy issues at play here. When we started to get the administrative justice project underway, one of the issues that I wanted to be put on the table is that aspect of customer service or citizen service which has to do with the extent to which tribunals build confidence by operating in a timely way. In practical terms, that means making decisions in a timely way and taking each step of the process in a timely way.

While most tribunals across the province have a tradition of doing the best they can to meet the needs of the people they serve, from time to time I certainly did hear concerns about whether or not tribunals were issuing decisions quickly enough — remembering that we are talking about what is by and large a more informal part of the justice system. One of the characteristics, I think, of an effective informal system is that it is capable of making decisions quickly and providing the certainty that people need from fast decisions.

Then the question is: how do you give effect to that as kind of a general policy thrust? One way to look at it or do it would be to impose time requirements as a matter of law. Another would be — at the other end of the scale, I suppose — not to impose any time requirements but to allow tribunals to continue to do the best they could.

What we tried to do here is strike sort of a middle-ground approach. That is that the tribunals themselves will be expected to give some thought to what represents a reasonable time frame within which they should be expected to do the work they have to do. Then, having given some thought to that, they must

issue practice directives. I think the practice directives are intended to sort of set an expectation threshold so that the people who use the tribunals have some sense of how the tribunals are going to make decisions in most cases. The tribunal will organize its own workload management in a way to make sure that in the majority of cases, it can do just that.

We have been pretty careful here. We've talked about practice directives as opposed to mandatory rules. We've also made it clear in subsection (2) that the tribunal is not bound by its practice directives in the exercise of its powers or the performance of its duties. I think what we want to do is recognize that while there are probably some general standards of practice that tribunals should attempt to adhere to, there will always be the possibility of exceptional or unusual cases that are going to take a lot longer because of the issues or the parties or the circumstances.

[1500]

We tried to avoid being excessively prescriptive here. I think the "usual time period" language is really intended to mean exactly what it says. It's intended to say that for most cases, the time period for completing an application or for completing procedural steps or for rendering a decision will be whatever the practice directive says.

I expect that practice directives would be issued by tribunals that provide them with the opportunity to deviate from those general guidelines in exceptional circumstances. It's not really intended to be, I think, a lot more complex than that.

**J. Kwan:** What I gather from the minister's answer is that it allows, for each of the respective tribunals, some flexibility to make their determination of what the term "usual" would mean in terms of what the time period would be and for them to then engage in establishing that. I can understand that. Different tribunals have different mandates and different issues that they're dealing with, so I can accept that.

It is interesting to note, though, that I think part of the premise here around the usual time periods — the term that is being used — and its application would really be to ensure matters are dealt with in an expeditious manner and in a way which one could say would be reasonable in terms of the time period.

The Workers Compensation Act adopts section 1 and then sections 13 and 15, but not this section — not section 12, the practice directives tribunal issue. Now, according to the Workers Compensation Appeal Tribunal website, the number of backlogged cases on December 31, 2003, was some 13,000. I think, generally, people would agree that there is a huge delay with respect to WCB cases. It's complex — fair enough — but section 12 does not apply to the WCB. Why not?

**Hon. G. Plant:** When we speak of the workers compensation scheme in this context, we're not talking about the board as a whole. We're only talking about the Workers Compensation Appeal Tribunal. The member is right. Section 12 of this bill does not apply to

the Workers Compensation Appeal Tribunal. I'm advised that that is because time lines for decision, in respect of WCAT decisions, are provided for in the workers compensation legislation. So in this particular case the workers compensation legislation sets out the time lines, and therefore there is no need for section 12.

Sections 12 to 23 inclusive approved.

On section 24.

**J. Kwan:** Section 24 states the time limit for appeals. Section 24(1) reads: "A notice of appeal respecting a decision must be filed within 30 days of the decision being appealed, unless the tribunal's enabling Act provides otherwise."

Could the Attorney General please advise how this section would apply in the case of an enabling act which does not specify a time limit for filing an appeal?

**Hon. G. Plant:** In that case, the 30-day time line in this provision would apply.

**J. Kwan:** That would be for all cases? It would just default to a 30-day time line, then?

**Hon. G. Plant:** That's right. There may be statutes where the time limit for appeals is actually set out in terms of days, in which case the enabling act time line would apply. This provision generally would apply only where there is not already an expressed time limit in the enabling act.

**J. Kwan:** Okay. Now, section 24(2) states that a tribunal may extend the time to appeal. How would one go about getting an extension to file an appeal?

**Hon. G. Plant:** By application to the tribunal. I expect most tribunals will have rules governing the making of such applications.

[1505]

**J. Kwan:** So the process of appeal would then default back to the original act related to each of the respective tribunals in terms of what their process would be with respect to a time line for appealing?

**Hon. G. Plant:** I'm reminded that here we're dealing with appeal tribunals. I think the process for making application would be defined by the rules of the tribunal. Those rules may be made either under the rule-making authority in this act or perhaps in the rule-making authority that exists in the act creating the appeal tribunal.

**J. Kwan:** This sort of jumps into another section, but it is related to section 24. I want to know that section 31(1)(b) allows a tribunal to reject an application if it is not filed within the appropriate time limit. There are issues about time limits, which is why I'm asking this question here under section 24. Considering this,

what sort of process would a tribunal go through in considering extending the time limit for filing appeals?

**Hon. G. Plant:** I think the fundamental question in any case where someone is asking a tribunal to extend a time limit is: what do the interests of justice require in a particular case? There are a variety of considerations that could come to bear on that determination. I know that in the days when I used to practise litigation a bit more actively, one of the considerations that courts were always interested in taking into account in deciding whether or not to extend a time limit or enforce a time limit was whether or not the delay had caused any prejudice to the person on the other side. If there was no particular prejudice caused to the other side, then that was a factor that made it slightly more likely that the time extension would be granted.

I think the interrelationship between these two provisions that the member is referring to, section 24 and then the provision in section 31, really is just intended to give a tribunal the power to dismiss an application if it's filed outside the time limit. I think that, generally, the scheme is that tribunals have the authority to create exceptions as long as they're satisfied that the interests of justice require.... These matters will come before the tribunal by way of application.

I expect that sometimes the application would be an application for an extension of time, and that would be where the argument would happen. Other times there might be an application made by a respondent in a matter saying that the tribunal should dismiss an application because it wasn't filed within the applicable time limit. Then there would be some argument about the issues, and the same considerations would probably come into play in that argument.

Sections 24 to 40 inclusive approved.

On section 41.

**J. Kwan:** Section 41(1) states: "An oral hearing must be open to the public." Subsection (2) states: "Despite subsection (1), the tribunal may direct that all or part of the information be received to the exclusion of the public if the tribunal is of the opinion that (a) the desirability of avoiding disclosure in the interests of any person or party affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public." Can the minister please provide some examples in which avoiding disclosure would be above the interests of a hearing being made public?

[1510]

**Hon. G. Plant:** Examples where the issue would be raised would be where there is particularly sensitive or confidential or private business information that would be talked about in the course of the hearing. Then the tribunal would have to make a decision about weighing the competing interests in whether or not to exclude the public from the hearing.

**J. Kwan:** Are there specific guidelines or policies, if you will, to guide what matters would be determined to be above interest for the purpose of disclosure — I'm not putting this clearly — or policies that would actually provide some guidance to tribunals so that they can better understand when matters should be disclosed and when they should not be disclosed?

**Hon. G. Plant:** We're not intending to issue a specific policy statement about this. I think the general law is well understood that hearings of tribunals, like courts, should be open to the public. Therefore, the starting point in any discussion of this would be a strong predisposition in favour of an open and transparent process.

Then there is a body of law out there — general law — where issues that are said to be particularly confidential or sensitive are raised in support of arguments that the public should be excluded from a particular part of a proceeding. I expect that tribunals have recourse to that body of law. I also expect that across the landscape of tribunals, there are probably some tribunals that have a great deal of experience with these sorts of things already and draw on that experience on a case-by-case basis when issues arise to make a decision.

This provision, like most of the provisions in this bill, is not intended to change the law as much as to set the law out as clearly as possible so that when tribunals make these kinds of decisions, they're doing so on the basis of a very secure statutory foundation.

**Hon. G. Abbott:** I ask leave to make an introduction.

Leave granted.

### Introductions by Members

**Hon. G. Abbott:** I make this introduction on behalf of our colleague. I guess I shouldn't use her name in here — the member from Kelowna-Westside, is it? At any rate, what we have in the gallery today is a group of 80 students from Kelowna Christian School who are visiting the Legislature and in the gallery. They're accompanied by their teacher, Mr. MacArthur. I ask the House to make them all welcome.

### Debate Continued

**J. Kwan:** Actually, I'm fine with the minister's answer on section 41, and I'm ready to go to section 43.

Sections 41 and 42 approved.

On section 43.

**J. Kwan:** Section 43 covers the discretion to refer questions of law to court. Subsection (2) states: "If a question of law, including a constitutional question, is raised by a party in a tribunal proceeding, on the re-

quest of a party or on its own initiative, at any stage of an application the tribunal may refer that question to the court in the form of a stated case."

Does this mean that the obligation would solely be on the party to identify and raise any matter that infringes on constitutional questions?

**Hon. G. Plant:** No, I don't think so. Strictly speaking, on its terms this process in this subsection could arise when a question of law is raised by a party. It also could arise, though, if the question of law arises or is identified at the initiative of the tribunal. That's what the words "or on its own initiative" are intended to mean.

[1515]

**J. Kwan:** Thank you for that explanation. Who determines if a raised question is in fact of constitutional nature or not? Who makes that determination?

**Hon. G. Plant:** I think the tribunal will in most cases have to make the determination. Sometimes a party could identify an issue that they would say is constitutional but that perhaps isn't. Alternatively, I suppose an issue or a question could arise during the course of a hearing where the tribunal says to the parties: "Well, I think you're now raising a question that really is a question of constitutional law." However you get to that point, I think it is going to be the tribunal that in these cases is going to have to decide whether in fact a question of law has actually arisen. Remember that in this case we're dealing with the power to refer, not necessarily the requirement to refer. In this particular subsection, that power may be exercised not just on the basis of constitutional questions but on any question of law.

I take this one step further, and the member may want to pursue the constitutional question side of this. It is certainly possible that in the course of a hearing in front of a tribunal that deals every day with subject matter X or Y, an issue might be raised that has to do with some fine point of expropriation law or something that is a pure question of law that the tribunal has no particular occasion to have to look at. It may be those are the sorts of questions that could arise that are not constitutional questions, where the tribunal says: "Let's refer that question to the court in the form of a stated case." The parties would go off and argue that point. The court would say, "Here's the answer," and then the matter would come back to the tribunal to proceed on the basis of the answer to the legal question.

**J. Kwan:** If the tribunal makes the decision on this, on the question around constitutional matters or not and on other issues as well.... But let's focus on the constitutional issue for the time being. If the tribunal makes that decision and the tribunal could also raise the issue, isn't that a conflict? How could it be that the tribunal that raises it also gets to make the decision on whether or not it is a constitutional issue?

**Hon. G. Plant:** The tribunal is not answering the constitutional question. The tribunal is only stating it, is only describing the question. The idea that a lower tribunal would have the ability to define a legal question in the form of what lawyers call a stated case is not a new procedure. It has happened, and it is part of court and tribunal process. It does mean that sometimes you can have a bit of a discussion at the tribunal level about what the right question is, but it's not a conflict to ask the tribunal to define the question which the parties will then go and argue in the higher court.

**J. Kwan:** So the decision is made by a higher court, then. I appreciate that clarification.

**Hon. G. Plant:** That's right. The answer to the question will be an answer provided by the higher court, not by the tribunal.

**J. Kwan:** Moving it to the higher court.... One would assume, then, that whatever decision the higher court makes and if either party agrees or disagrees with the decision of the higher court, they would then follow the normal procedures of appeal within the court system.

**Hon. G. Plant:** That's correct.

[1520]

**J. Kwan:** Section 43(3) states: "If a constitutional question is raised by a party in an application, on the request of the Attorney General, the tribunal must refer that question to the court in the form of a stated case." Could the minister please clarify exactly what his role is in this process?

**Hon. G. Plant:** The Attorney General would receive a notice that a constitutional question had been raised under the Constitutional Questions Determination Act. Then, having been told that there was a constitutional question that had been raised, the Attorney General would have to decide whether or not to request that the question be referred to the higher court.

**J. Kwan:** The application would then be contingent on the Attorney General's decision in approving the matter to go to a higher court.

**Hon. G. Plant:** Under this subsection that may be so, but I think it needs to be put in the context that what's really involved here is a recognition that when constitutional questions are raised, the implications of the decision extend beyond the parties to the dispute and usually involve important matters of public interest.

The statute law in British Columbia has long recognized that whenever parties want to challenge the constitutionality of a law in proceedings in the courts in British Columbia, they have to give notice to the Attorney General of British Columbia or to the Attorney General of Canada or both, depending on the nature of

the challenge. The reason for that, again, is to give the Attorney General the opportunity to participate in the decision in the case to ensure that the public interest considerations are brought to bear by the tribunal or by the court hearing the matter.

This is sort of an additional element of protecting the public interest in tribunal proceedings in cases where constitutional questions are raised. It's not the only way those questions might get to a court, but it's a way of getting the Attorney General as, I suppose, the representative of the public interest both notice of and an opportunity to direct consideration in the courts of the constitutional question that has been raised.

Sections 43 to 49 inclusive approved.

On section 50.

**J. Kwan:** Section 50(4) states: "The tribunal must make its decisions accessible to the public."

You can read this letter if you.... Well, actually, let me just read this letter. I was going to pass this letter on over, but no, let me just put the letter on record and then get the minister's response. It actually came from the broader community with concerns about this. The document reads: "I see this bill is moving to second reading. There has been some concern expressed among poverty advocates about the implications of this bill regarding the employment and assistance tribunals — for example, restrictions on hearing Charter arguments."

It goes on to say that the Attorney General "talks about there being a great danger of inconsistent decisions regarding Charter arguments, and that is why restrictions are necessary." The person wants to point out that in this context, pointing out the superiority of the old B.C. Benefits Appeal Board process established over the current appeal system....

"Because the B.C. Benefits Appeal Board decisions were published and because the written quality of those decisions was high with respect to a full consideration of the law — the welfare law and case law — there was an ability to use BCBAB decisions in arguing a case before a tribunal with the goal of moving toward consistency, which was working. The BCBAB itself would refer to its own library of decisions, posted on the web and searchable. Those decisions are still useful, albeit not accessible, because the current government took them away even before they said they would."

I know that people try to frantically download this information before the deadline, but some people have run into problems with that.

[1525]

"Currently, the employment and assistance appeal office does not publish decisions. They would probably be useless anyway, given the way they are written. There is no way to review for consistency or anything else in these decisions, which affect some of the most vulnerable people over basic benefits. Therefore the issue of going to judicial review and having to argue something as unreasonable at a court level, as opposed to at the tribunal level, is that much more difficult. They also don't publish the materials used to train and guide tribunal members for scrutiny.

"If we're really going to have a workable administrative justice system, there should be minimum training and accountability standards applying to all systems."

The person actually referred to a number of issues here in this e-mail. I'd like the minister to address this issue around the notion of accessibility under section 54 and the concerns raised by the individual. The individual, by the way, had asked me to keep it anonymous, so I'm not going to put on record who sent us the e-mail.

**Hon. G. Plant:** The section we have in front of us, section 50(4), which is the obligation on the tribunal to make its decisions accessible to the public, does not apply to the employment and assistance tribunal. That is a deliberate decision, and it is, in part, because the employment and assistance....

**The Chair:** Member. Attorney General. Sorry, would you just repeat that again.

**Hon. G. Plant:** It does not apply to the employment and assistance tribunal. Section 50(4) will not be made applicable to the employment and assistance tribunal.

Interjection.

**Hon. G. Plant:** This was a deliberate decision, I think is what I said.

Interjection.

**Hon. G. Plant:** I'll start again. Section 50(4), the requirement that a tribunal make its decisions accessible to the public, does not apply to the employment and assistance tribunal. That is a deliberate decision. We made that decision because at this point, the employment and assistance tribunal is still in an early stage of developing its approach to decision-making. I am advised that it attempts to make its decisions as informally as possible. I think there is going to continue to be a dialogue between the administrative justice office and the employment and assistance tribunal about how to ensure that some of the public policy objectives around transparency can be met appropriately within a framework that also allows that tribunal to do its work as informally as possible. This framework here in section 50 is a fairly formal framework.

I have to say that I think, while the author of that letter makes some good points about the fact that there is a value in building up a body of decisions that establish a common approach to frequently raised issues — that is, to use the lawyer's term, a body of precedent — generally speaking, the tribunals are not, as a matter of law, bound by their own decisions. I'm not convinced that it's always in the public interest to encourage tribunals to develop libraries full of decisions. What that tends to do over time is legalize and formalize processes and procedures that are intended to be accessible and informal.

[1530]

When you go into the libraries of some law firms and find there are virtually rooms filled with books of administrative tribunal decisions and lawyers who routinely spend hours scouring those decisions trying to get answers to some questions that are quite often, ultimately, fairly practical, I'm not sure that the interests of the public are being met in a truly affordable, accessible and efficient justice system.

This is a continuing discussion. I also think, though, it needs to be pointed out that the employment and assistance tribunal is still a relatively new tribunal, and there is probably work that needs to be done on an ongoing basis to ensure that that tribunal does the best job it can do. At this point in that evolution there will not be imposed upon that tribunal — by this subsection, anyway — a requirement to make its decisions accessible to the public.

**J. Kwan:** I don't want to argue the point whether or not that's the right decision. Suffice it to say that there are varying opinions, as the Attorney General had acknowledged, about that. Perhaps that's something the government would actually review from time to time to see what makes sense as things evolve and as this new system with the welfare tribunals.... I actually don't know what.... I think it's called the B.C. Benefits Appeal Board. I think that's the right term that's used. Anyway, it's the new system that's been adopted, and as we learn about how it is operating, we can review that matter to see whether or not that's the right decision or whether or not changes should be made.

Just a quick question on this, then. The employment assistance appeal tribunal act. Does section 50(4) apply to the employment assistance appeal tribunal act?

**Hon. G. Plant:** It does not.

**J. Kwan:** Then another quick follow-up question on that. That's presumably for the same reasons that the minister had put on record around the welfare tribunals?

**Hon. G. Plant:** That's actually exactly what I was explaining — why that section doesn't apply to the employment and assistance tribunal and the act that creates that tribunal.

Sections 50 to 173 inclusive approved.

On section 174.

**J. Kwan:** Section 174 lists the amendments to the Workers Compensation Act. I understand that the WCB has its own in-house review board in addition to the Workers Compensation Appeal Tribunal. I know this falls under the Minister of Skills Development and Labour, but I'm also wondering if this minister can tell me if Bill 56 would have a bearing on the WCB in-house review board.

**Hon. G. Plant:** I'm advised that the provisions in this bill that deal with constitutional questions will apply to the internal review process, but none of the other provisions of the bill will apply to that internal process. From the point of view of the system as a whole, it's the external appeal process, the WCAT process, which is the process that we would refer to as the tribunal part of that system. That would explain that approach.

Sections 174 to 191 inclusive approved.

Title approved.

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

Motion approved.

The committee rose at 3:34 p.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

Bill 56, Administrative Tribunals Act, reported complete without amendment, read a third time and passed.

[1535]

**Hon. G. Abbott:** I call estimates debate for the office of the Premier.

### Committee of Supply

The House in Committee of Supply B; J. Weisbeck in the chair.

The committee met at 3:38 p.m.

### ESTIMATES: OFFICE OF THE PREMIER (continued)

On vote 8: office of the Premier, \$44,129,000 (continued).

**J. Kwan:** Yesterday we were canvassing with the Premier about the Doug Walls scandal.

**The Chair:** Member, before we start here.... Take your seat, please. I believe this issue has been well canvassed in a number of ministries, and I would ask you now to move on.

**J. Kwan:** I have a lot of questions about the Doug Walls issue to which I did not get answers...

**The Chair:** Member. Member, take your seat, please.

**J. Kwan:** ...from the Minister of Children and Family Development.

**The Chair:** Member, take your seat, please. Take your seat, please. Member, this issue has been thoroughly canvassed in a number of ministries. I ask you now to move on.

**J. MacPhail:** Mr. Chair, with respect, the report has come out only in the last few days. I'm not sure what the Chair means.

I respectfully offer this. The report has only been released in the last week, and so the report has not been canvassed. The member for Vancouver-Mount Pleasant will limit her questions to the Parks report. That has only been released in the last few days and has not been canvassed in any estimates. She will limit her questions to the Parks report, Mr. Chair.

**The Chair:** As it relates to the office of the Premier. Proceed.

**J. Kwan:** Yesterday we were canvassing with the Premier about the draft report, which no one from the opposition has seen. There is a 17-day gap between the arrival of the PricewaterhouseCoopers draft report and the acceptance by the government of the final report.

Could the Premier please tell this House who got a look at the draft report and what happened to it during this 17-day period?

[1540]

**Hon. G. Campbell:** Let me start by saying I recognize that yesterday the members opposite asked that the draft report be released. The government does not release these draft reports, and it will not. They know that the report is a report of PricewaterhouseCoopers. It is not a government report; it is a report from PricewaterhouseCoopers. It was also stated in the press release when the report was released that Mr. Parks would be available to answer any questions. It is Mr. Parks's report from PricewaterhouseCoopers.

I never saw any version of the report. However, let me be clear that the report was submitted to my deputy; the comptroller general, who commissioned the report initially; and the executive finance officer from the Ministry of Children and Family Development. All of those people were requested by Mr. Parks to do a fact check. The fact check was done, and Mr. Parks then wrote his final report.

The process for this review, I should remind you and the members of the House, Mr. Chair, was indeed exemplary. There was a request for qualifications for its conduct. The terms of reference were open. It is clear about what they were in the report. The report was made. It was reviewed according to freedom-of-information and privacy protections. There was minimal severing that took place in the report, as is obvious to anyone who has read the report. I believe the report speaks for itself.

**J. Kwan:** Were the three people the Premier mentioned who were asked to review the facts contained within the report the only three people who saw the report?

**Hon. G. Campbell:** There were no elected officials, as I highlighted, that saw the report. There were no political support staff that saw the report. There may have been staff in the comptroller general's office that saw the report; I do not know.

I can inform the member of this. The deputy minister to the Premier requested no changes to the report, no factual changes to the report. Whatever requests were made, were made to Mr. Parks, and Mr. Parks did his final report.

**J. Kwan:** Did the deputy to the Premier communicate the contents of the report to the Premier?

**Hon. G. Campbell:** I received copies of the report, I believe, two days — perhaps the Monday.... I think it was released publicly on a Wednesday. I received the report on a Monday.

**J. Kwan:** What about the financial officer of the Ministry of Children and Family Development? The communications from the people who saw the report.... Did they engage in any discussions about the report to any of the elected officials or politically appointed staff members?

**Hon. G. Campbell:** No, Mr. Chair.

[1545]

**J. Kwan:** The final report, as we understand, was accepted on May 7, but the report was not made public until May 12. Could the Premier please tell this House what was done with the report between those days?

**Hon. G. Campbell:** On May 7 the report was received, as is pointed out in the press release. The deputy minister received the report on May 7. Copies were provided to ministers on Monday, May 10. The deputy minister read it over the weekend. So on Monday, May 10, the copies were made available to ministers, and on Wednesday, May 12, the report in its entirety was released.

**J. Kwan:** Now let's go to the contents of the report. In the document, it refers to an e-mail, and in that e-mail, it refers to meeting with Doug Walls, Martyn Brown and Ken Dobell. The date of that meeting was July 21. Was the Premier present at this meeting?

**Hon. G. Campbell:** No, I was not present at that meeting with regard to Mr. Walls — or any other meetings, for that matter, since I have become Premier.

But let me ask the member.... If she's referring directly to the report, it would probably be helpful if she gives us the page reference so we can respond directly to her.

**J. Kwan:** I'll endeavour to do that. The report's page-numbering system is kind of difficult to refer to, but anyway, we'll try to do that.

The Premier said he was not at that meeting. Did his staff report back to him about that meeting?

**Hon. G. Campbell:** I was answering the question with regard to my attendance. I was not there. I'm not aware that any such meeting took place. That's why I need to see the reference in the report.

**J. Kwan:** I found the page. It's appendix D.12, page 1.

Interjection.

**J. Kwan:** Yeah. There are several e-mails that have been referenced. Page 1 references the e-mail, as well as page 3, under that appendix. The subject matter is consistent. It says "meeting with Ken" in all three of these e-mails.

**Hon. G. Campbell:** At least the document I have in front of me is quite straightforward. This was a meeting that was requested by Sam Sullivan. It was attended by Sam Sullivan and Dave Driscoll. My deputy was there. I'm assuming the other people that are mentioned in the e-mail — Cam Doré and Jordan Thurston — were also in attendance. My deputy has no recollection of Mr. Walls being in attendance at all. He may have been, but he has no recollection of it.

[1550]

**J. Kwan:** It's listed in here that Mr. Walls attended this meeting. It lists the number of attending individuals, and Mr. Walls is one individual that's listed.

**Hon. G. Campbell:** My deputy recalls that at this meeting there were four people in attendance. He certainly recalls meeting with Sam Sullivan and Dave Driscoll.

[H. Long in the chair.]

He does not recollect meeting with Mr. Walls at that time. However, Mr. Walls may well have been at the meeting. He certainly doesn't recall it.

**J. Kwan:** It is only in this report here, in the e-mail from Doug Walls to Sam Sullivan, Cam Doré, Jordan Thurston and Dave Driscoll. It's regarding the meeting with Ken. It says: "Good morning. This is to confirm the meeting with Ken Dobell, deputy minister to the Premier. The meeting will be held at government cabinet offices in Vancouver." It lists the address and then the time and the date, and then lists the people who attended.

How could it be that for a meeting that's been specifically arranged with the deputy minister to the Premier, the deputy minister to the Premier does not remember the attendance of the individual who e-mailed

this and confirmed the meeting? It's quite incredible, really.

**Hon. G. Campbell:** The meeting took place, as I can read it here, on July 18, 2001. My deputy has a personal acquaintance with Sam Sullivan. He recalls that. He has known David Driscoll for a number of years. He recalls that. He does not recall the other people that were at the meeting.

**J. Kwan:** Except that according to the e-mail document from Doug Walls, which I suppose one could say that this e-mail document partially would be the minutes of the meeting.... It highlights and lists some of the things that were talked about, who attended, where it took place and so on. The person who wrote this e-mail presumably was there. Interestingly, the person who is at the heart of the controversy about this scandal, who arranged the meeting with the deputy minister to the Premier.... The deputy minister to the Premier does not recall the attendance of this person at this meeting? I'm quite sorry. I do find that response quite incredible.

**Hon. G. Campbell:** I just wanted to comment on that. My recollection is even now, only a few minutes ago, we were talking about a meeting on July 21. Is that not correct?

Interjection.

**Hon. G. Campbell:** When the member started her questioning, she was asking about a meeting on July 21.

**J. Kwan:** No, I said July 2001.

**Hon. G. Campbell:** If the member reads this, she will see that this is a proscriptive memo. "We have also arranged a pre-meeting to discuss...." It's not a question of minutes. It reads, to me, at least — and this is the first time I've seen this memo — like sort of an outline of what may be discussed.

I can tell the member opposite that my deputy, as he said, did meet with Sam Sullivan. He did meet with Dave Driscoll. He does recall meeting with four people. He doesn't recall meeting with one, two, three, four, five people. However, he may well have. Those are the facts.

**J. Kwan:** Okay. The Premier says that his deputy does not remember meeting with this particular person, irrespective that the e-mail actually says this person attended this meeting. According to the e-mail, Doug Walls, director of social enterprise, Planned Lifetime Social Advocacy Network, is listed in the document as a person who attended this meeting.

[1555]

We'll go not on the basis of someone's memory but rather what's listed in this document and through this e-mail. I would go on the assumption that Doug Walls

was at this meeting and not on the assumption of the deputy to the Premier's memory.

Having said that, did the Premier's staff report back to the Premier about this meeting? If so, what was reported back about this meeting?

**Hon. G. Campbell:** First, I'm glad to have the member look at the e-mail once more. If you read the e-mail, it is not minutes. There are discussions about what will take place. "Will" is something that takes place in the future, not something that takes place now and not something that takes place in the past. "This meeting will be in the restaurant off the lobby level of the Pan Pacific. We'll meet for coffee and share thoughts on strategy." It is a prospective e-mail.

The fact of the matter is that my deputy recollects having a meeting with Sam Sullivan, with Dave Driscoll. At the meeting there were four people in attendance. It may well have been the meeting that was going to take place in the future, after this e-mail. That's possible. I'm not saying that it isn't possible. I can tell you that there were no reports back from the meeting to me or anyone else that I'm aware of.

**J. Kwan:** Maybe we can start with this. Did the deputy to the Premier meet with Doug Walls at any time, and if so, when?

**Hon. G. Campbell:** Other than the meeting that is being discussed here, which the deputy does not recall Mr. Walls being in attendance at, the answer is no.

I would refer the member opposite to page 70 of the report. This is Mr. Parks's report. There's not anyone editing it. It's Mr. Parks's report. "Mr. Walls told us...he had no discussions with Ken Dobell about appointments, he 'didn't know Ken Dobell,' he couldn't 'imagine sending him an e-mail,' he 'never did telephone him,' and he 'honestly can't recall talking to Ken Dobell....'" That's what is on page 70 of this report.

**J. Kwan:** Let me just get this straight. The Premier is saying that the deputy to the Premier did not at any time meet with Doug Walls. Is that correct?

**Hon. G. Campbell:** Other than the possibility that Mr. Walls may have been in attendance at the meeting with Sam Sullivan and Dave Driscoll that the deputy minister attended, he has not met with Doug Walls.

**J. Kwan:** Did the deputy to the Premier have conversations with Doug Walls?

**Hon. G. Campbell:** With the previous caveat, the answer is no.

**J. Kwan:** E-mail exchange?

**Hon. G. Campbell:** No.

**J. Kwan:** How about Martyn Brown — for all of the questions that I asked?

[1600]

**Hon. G. Campbell:** I hope it's all right with the member opposite, but I'm going to do this from memory. I believe it will be reflected in the report for certain. Mr. Brown met with Mr. Walls with a ministerial assistant to the former minister at one point. That is the only time that he met with Mr. Walls that I am aware of. There was one e-mail that was sent from Mr. Brown to Mr. Walls, probably three years ago.

**J. Kwan:** The last part of the Premier's answer — three years ago. Mr. Brown met with Mr. Walls once? Is that what the Premier said?

**Hon. G. Campbell:** The e-mail was three years ago. I believe that Mr. Brown met with Mr. Walls in April of... I believe it was a year ago, maybe April 2003. But I want to say, to be candid, that I'm not intending to read the entire report. The report is there. It is complete. It is thorough. It's an independent investigation that has been carried out by PricewaterhouseCoopers, and I think the report speaks for itself.

**J. Kwan:** Yes, the report outlines a number of information.... There are also a number of questions that, in my view, have not been answered by the report. So I would like to canvass these questions with the Premier.

Did anybody from the Premier's office meet with Doug Walls?

**Hon. G. Campbell:** Again, let me say that the report does speak for itself.

Mr. Dobell.... Again, let me refer the member opposite to page 70. Mr. Parks says that he reviewed the e-mail dated July 18 from Doug Walls to Sam Sullivan, Cam Doré, Jordan Thurston and Dave Driscoll. All right? The meeting was on, not.... It wasn't minutes of a meeting. You will see from page 70 that the meeting with Ken Dobell was on July 19, which the three recipients were to attend.

Those are the facts from the report. Mr. Brown did meet with Mr. Walls, I believe, in 2003, and those are the only potential times that members of my office could have possibly met with Mr. Walls. I can confirm that Mr. Brown did meet. I can confirm that Mr. Dobell did go to a meeting on July 19. I cannot confirm that Mr. Walls was at that meeting on July 19.

**J. Kwan:** So the Premier is saying that nobody from his office had met with Doug Walls other than what's been identified in this report, and nobody from his office talked to or e-mailed Doug Walls outside of what's been identified in this report. This is what I heard in the Premier's answer so far. I'd like to get a confirmation from the Premier.

**Hon. G. Campbell:** No political staff from the Premier's office met with Doug Walls. I've already answered the questions with regard to the deputy.

**J. Kwan:** The issue around individualized funding that was being promoted by Doug Walls — when did

the Premier's office first learn of this concept of individualized funding? And who did they learn this concept from?

**Hon. G. Campbell:** I can't speak for the entire government. In terms of our government, we were brought into government in June 2001. The meeting we have been discussing on July 19, 2001, may have been the first time my deputy was made aware of this, but it may have been going on in Children and Families prior to that.

[1605]

I would say to the member opposite, though, that this is not a new idea by any stretch of the imagination. For example, a letter we received from the president of the British Columbia Association for Community Living in June 2002 points this out:

"While the community living movement has long called for restructuring of funding and services to meet principles of individualized funding, self-determination and community inclusion, the vehicles and structures to manage large-scale transformation remain largely undeveloped. With the initiative you have now underway, B.C. is providing a real example and important leadership to governments and the disability movement across the country."

This was not a new idea. It was an idea that had not been picked up by governments across the country. It was an idea that was picked up by this government because we believed that people who had some of these difficulties and disabilities deserved to have a right to have a sense of personal dignity. Their families had a right to have a sense of personal direction for what was taking place in their families and with their children and their siblings. It was an important undertaking. It is an important transformation, as is mentioned by the society for community living.

It was a thrust of what we were trying to accomplish. It's a thrust that I think we should be proud of, and it's a thrust that we will continue to pursue as we develop the proposal in the months ahead.

**J. Kwan:** Well, let me just address this with the Premier. I have before me a set of notes regarding a meeting that took place on August 13, 2001 — an individualized funding information-sharing meeting.

The purpose of the meeting.... It reads:

"David Driscoll outlined the purposes of the meeting as an opportunity to share information about recent meetings with Chris Haynes, the deputy minister, Ministry of Children and Family Development" — MCFD — "and Ken Dobell, deputy to the Premier, to analyze what opportunities there may be to promote individualized funding in MCFD."

Then the document goes on to say:

"Opportunities for individualized funding with MCFD. Doug Walls reported on the current situation within the Ministry of Children and Family Development. The senior management assistant deputy ministers are gone. There is a new minister."

It names the former Minister of Children and Family Development, who has been a member of a community living agency board, and a new deputy minister.

ter, Chris Haynes, formerly an Assistant Deputy Minister of Human Resources.

"A core services review is being undertaken in the ministry, and David Young, who has had experience with individualized funding, is leading it. These changes may provide a real opportunity because the leadership is knowledgeable and open to looking at how individualized funding can be incorporated into the ministry."

It goes on to say:

"Doug Walls and David Driscoll jointly reported on a meeting that they attended in mid-July with Ken Dobell, deputy to the Premier. Jordan Thurston and Cam Doré also attended this meeting."

It goes on to talk about the purpose of the meeting. Then the document goes on to say:

"The outcome of the meeting was positive. Ken Dobell said that if the MCFD put forward a proposal for individualized funding, it would be well received in the Premier's office. He subsequently contacted the MCFD and expressed his support for an individualized funding approach.

"In summary, Doug Walls and David Driscoll asserted that there is a clear window of opportunity for individualized funding that is linked to the core review and, as a consequence, will need to be organized very quickly. A first-stage proposal will need to be ready by September 15 with a more detailed proposal ready for October 15.

"It was emphasized that the pressure on the ministry to cut up to \$160 million by February 2002 is real. The core services review will restructure the ministry. This crisis may also be an opportunity for families to reorganize, to put forward their own vision of how individualized funding could restructure the Ministry of Children and Family Development."

[1610]

This is the document that I have — notes contained within this meeting outlining several things. There was, in fact, a meeting with Mr. Dobell and Mr. Doug Walls, amongst others, in mid-July. The minutes of the meeting, not before the meeting took place, although the e-mail in the audit document says that Doug Walls was to be attending this meeting.... After the fact, in reporting out to various people, it says that in fact Doug Walls met with Mr. Dobell. That's number one in terms of discrepancy.

Second, it talked about optimizing a window of opportunity, if you will, in trying to push through individualized funding and that Mr. Dobell had put forward a proposal for individualized funding and supported this proposal to the Ministry of Children and Family Development.

Let me then ask this question: did Mr. Dobell receive an individualized funding document from anybody?

**Hon. G. Campbell:** There's nothing that the member opposite has said that is inconsistent with my answers earlier today, in the last few minutes, Mr. Chair.

First of all, let's be clear about this. I think we should be pleased that we have a public service that is known for leadership, that is knowledgeable. I think certainly, when we were a government that had been elected, we were looking for ways that we could pro-

vide better services to young people in British Columbia. We watched as young people were being taken from their homes at record rates, at rates that were far beyond anything that was found in Canada. We wanted to be sure that in fact the Ministry of Children and Family Development was working with families.

You know, if it's a surprise to the member opposite, it's maybe because her government was in government for ten years and didn't do anything with these families who were calling out for individualized funding, who were calling out for the great institution of government to think of their family and the people that were part of it.

Yes, we had knowledgeable leadership. I could certainly concur with that. I don't know what the member opposite is referring to. If she'd like to pass me the memo or the minute, I'm glad to read it myself. I can tell you that I'm sure there were lots of proposals that came into the Ministry of Children and Family Development. There was a long time through estimates to discuss with the Minister of Children and Family Development what was taking place with regard to individualized funding, with regard to community living, with regard to the new proposals that have been brought forward. There has been a recent report brought forward that's there for the member to look at.

Again, in terms of the Walls report — which is the subject, I assume, of the discussions we have — the report is complete, it is thorough, it is independent, and it speaks for itself.

**J. Kwan:** The Premier didn't answer my question.

Let me just put this on the record once again. The outcome of the meeting was positive. Ken Dobell said that if the Ministry of Children and Family Development put forward a proposal for individualized funding, it would be well received in the Premier's office. He subsequently contacted the MCFD ministry and expressed his support for an individualized funding approach.

Did the deputy to the Premier receive any individualized funding proposals from anybody, and if so, from whom and when?

**Hon. G. Campbell:** The deputy may well have received briefings at the meeting that has been referred to, which he attended with Sam Sullivan and Dave Driscoll and others. That's certainly possible. I am sure, if there were subsequent papers, they would have gone to the Minister of Children and Family Development.

[1615]

I want there to be no question, though. We were looking for individualized funding. We were looking for a way that we could respond to the needs of families that had been calling out for help from government for over a decade. That was an initiative that the government had undertaken. It was an initiative that the ministry had undertaken in response to the government's challenge to try and provide better services to the developmentally disabled and the developmentally

delayed. I think that's critical. We wanted to work with families. We were told by the community living sector that was something that was important to them, to the quality of life and to the individual dignity of the people who were faced with those circumstances, and we tried to respond.

**J. Kwan:** Well, the Premier again didn't answer the question. He says that he might have received individualized proposals. According to the e-mails here and according to the information that is coming out in bits and pieces, there appears to be communication with Mr. Dobell from Mr. Doug Walls. It's certainly curious that the Premier's assertions are raising questions on some of the implications in terms of documentation that the opposition has received regarding this matter.

Did the Premier's office contact anybody about the individualized funding and express its enthusiasm for it — or otherwise?

**Hon. G. Campbell:** First, I'd like the member to relate directly to the e-mails that she's referring to. It's very difficult for me to know what she's referring to. We've already seen one e-mail that she was casting as a minute, and it turned out that it was a future projection. I'd like to know exactly what the e-mail is so we can respond to it directly.

**J. Kwan:** I put on record an e-mail for the Premier's consideration, and then I put on record minutes of a meeting for the Premier's consideration, which expressly said that Mr. Dobell was at a meeting in July. It expressly says that in the minutes of this document dated August 13, 2001.

It's curious, because it appears to me that there's contradicting information coming forward. It isn't just in the e-mail where it identified the people attending a particular meeting, including Doug Walls with Mr. Dobell. It wasn't just that e-mail that made that reference. Minutes after the meeting made the same reference as well. In fact, it goes on to say: "Doug Walls and David Driscoll jointly reported on the meeting they attended in mid-July with Ken Dobell, deputy to the Premier. In addition, Jordan Thurston and Cam Doré also attended this meeting." That would make four people.

It is interesting that the deputy to the Premier recollects that there were four people in attendance at this meeting. Well, the four that have been identified in the minutes happen to include Doug Walls.

[1620]

There's contradicting information here that I'm trying to canvass with the Premier. I may add that the e-mail in this document — in the audit — before the meeting happens to coincide with the minutes of a meeting subsequently about who attended. When I asked the question about whether or not the Premier's office received any individualized funding proposals, I didn't get a clear answer from the Premier at all about that. Then I'm asking the question whether or not the

Premier's office communicated to anyone specifically about the adoption of an individualized funding proposal for the community living sector. I didn't get an answer from the Premier on that either. I would like an answer from the Premier, first of all, on that question.

**Hon. G. Campbell:** Perhaps as a courtesy, the member could table the minutes to which she's referring. I can't say whether the minutes are right or wrong, whether they've been read or not, who wrote the minutes, etc. It's difficult to respond.

There is nothing that the member has said that is inconsistent with the conversation we've had over the last hour, Mr. Chair. My deputy says he went to a meeting. The people that he remembers being at the meeting were Sam Sullivan and Dave Driscoll, two people he knew previously. They did discuss individualized funding. He may have received paper from them — in fact, he probably did get paper from them — with regard to individualized funding.

As I mentioned and as I read from earlier, the community living sector, the community living volunteers and the families who are involved in community living have been trying to get individualized funding for years. When the government was elected, we said to ourselves: why not try and respond to the needs of families and people who happen to be developmentally delayed? Why don't we try and respond and create a support program that's individualized, that provides them with the dignity they want and that provides them with the opportunity to direct their lives in a way they want to?

Was the government in favour of individualized funding? Yes, the government was in favour of individualized funding. The ministry was very open about the fact that they were moving with individualized funding. The whole community living sector was excited about the fact that we were moving towards individualized funding.

I won't reread the letter, Mr. Chair, but the letter is pretty clear. It's something they were excited about. They saw a major challenge in front of the government and the community living sector in providing that new approach of individualized, family-oriented kind of funding in the community living level. They saw some major shifts that had to take place there. They saw a significant amount of work that had to be done there, and we've been carrying out that work.

I don't know whether the member is for individualized funding or not. I'm not quite sure what the line of questioning is. I can tell you that the government has been in favour of that, and we've been carrying that out.

The last thing I will say in terms of the meeting that my deputy had is that my deputy was very clear. He attended a meeting. He didn't recall meeting with Mr. Walls.

I would again refer the member opposite to page 70 of the PricewaterhouseCoopers report. It is a thorough report. It answers these questions. I think we've canvassed this matter in a way that I hope will have met the member's concerns.

**J. Kwan:** The issue I'm trying to canvass here is, first of all, the process that took place with respect to the individualized funding matter. When was Doug Walls's plan for individualized funding acknowledged by government? Is the Premier saying that Doug Walls's plan for individualized funding was never acknowledged by government?

**Hon. G. Campbell:** I'm not aware of what Mr. Walls's plan was for individualized funding. I am aware that Mr. Walls was obviously interested in that. That's clear from the report. I'm aware that the community living sector has been interested in that. That's clear from the report. I'm aware that there was a meeting with my deputy, with Sam Sullivan and with Dave Driscoll. That's clear from the report.

[1625]

What's also clear from the report is that the community living sector wanted to provide developmentally delayed individuals with the opportunity for individualized funding and funding that focused on the needs of their families and the people who were involved with them. We moved as a government in that direction because we felt it was best for the people involved.

**J. Kwan:** The Premier didn't answer my question. I'm led to believe that Doug Walls did present a document — a proposal, if you will — around individualized funding to Mr. Dobell somewhere along the line.

I'm led to believe that that actually did happen, and let me just also say this for the Premier's information. In appendix D.12, page 3, there's an e-mail from Chris Haynes to Doug Walls regarding the meeting with Ken Dobell. Actually, it just says Ken. Presumably, that's Ken Dobell they're referring to.

It says: "Looks great. I would raise the profile of the way individualized funding is coterminous with the B.C. Liberal principles: choice, accountability, opportunity, fiscal prudence. As you should know, Ken is a very fast study. You must move fast. If you have reading material, he'll read it."

The e-mail is actually from the former deputy to the Ministry of Children and Family Development. Throughout the document, there are issues that are raised with respect to information potentially passing hands.

The Premier denies that vehemently and says no. Perhaps the Premier is correct, but other information suggests otherwise. The Premier wants a copy of this document that I have, and I'll check and see whether I could release this document to the Premier.

**L. Mayencourt:** That leads me to believe that you don't know what you're talking about.

**J. Kwan:** The Vancouver-Burrard member is sitting there nattering, saying that, oh well, that leads him to believe that I don't know what I'm talking about. I have with me a document....

Interjections.

**The Chair:** Order, members. Order. Keep order in the House.

**J. Kwan:** The member for Vancouver-Burrard goes: "Well, table it." As I said, I'll check with my source and make sure they're comfortable with me tabling this document with the Premier. In fact, I'll do that right now, Mr. Chair. If I may just have a five-minute recess, I will go and ask our source to see if we could do that. I'd be happy to do that.

**Hon. G. Campbell:** A point of order, Mr. Chair.

I believe the issue is on the Web. I just wanted it so that I could see it. I've got a copy of it now, so I understand what it is. She doesn't have to get any checking with her sources.

Interjections.

**The Chair:** Order, members. Order, members.

**Hon. G. Campbell:** I've answered the questions on a number of occasions. I'm sure the member opposite will recognize that this is a note from the community living sector. We can read out all the names. It's the community living sector. It is clear that this is what they hope will happen. I'm glad that they've noted Mr. Dobell's many, many talents. I think that's important.

I think it's equally important to note there is nothing from the government here. It is what they hope will happen. It's what they think happened. There is no confirmation from the government.

You know, I understand the member is concerned about this, as we all are. That's why we asked for a fully independent investigation to be done. It's been carried out. It's clear, it's straightforward, and I believe it answers the member opposite's questions in quite a lot of detail.

**The Chair:** The member for Vancouver-Mount Pleasant on a new question.

**J. Kwan:** This just goes to show you that we were actually talking about different things or different documents, because in the document it says clearly Doug Walls and David Driscoll jointly reported on a meeting that they attended in mid-July with Ken Dobell, deputy to the Premier. Jordan Thurston and Cam Doré also attended this meeting.

[1630]

Well, maybe the Premier wants to gloss over that inconsistency with the recollection of his deputy on who attended the meeting. The minutes say otherwise in this document. The information from the minutes happens to coincide with the e-mails that came and were reported out in the audit about who was going to attend the meeting. I would just say that there is a

slight inconsistency here with respect to the Premier's answers.

For the Premier's information, we got these minutes from two separate sources — not from a website, but from individuals. For the Premier to imply that these minutes are somehow inaccurate by his response.... Well, let me just say that it's not true. These are the minutes of people who attended the meeting, and that's what they reported out on.

The time line around individualized funding in that proposal — when it was implemented — is crucial. I want to ask a very specific question to the Premier: did his office at any time receive a specific proposal on individualized funding from Doug Walls?

**Hon. G. Campbell:** I don't know the answer to that question with any certainty. I know that we were carrying on, as I mentioned earlier, with a number of initiatives in the ministry. I know that individualized funding was one of those initiatives.

**J. Kwan:** The Premier says he doesn't know the answer to that with any degree of certainty, except that I think it's a pretty crucial question. The Premier goes: "What's crucial about it?" The whole scandal — part of the scandal, actually, because there are many layers to the scandal — centres around Doug Walls having an inside track and then working hard in his own fashion to push through his proposal for individualized funding. Somehow through that process he was able to, quite frankly, walk away with \$2.3 million of taxpayers' money.

I would like to know the entry point for Doug Walls in this opportunity for career development and self-promotion. Did the Premier's office receive a specific proposal from Doug Walls on individualized funding or not? I don't think that's a difficult question for the Premier to answer.

**The Chair:** Shall vote 8 pass?

The member for Vancouver-Mount Pleasant on vote 8.

**J. Kwan:** Well, the Premier won't answer the question. He says: "I answered the question, except that I don't know the answer to the question." Well, there's some answer that you can take to the bank — sort of like the tax cuts that didn't pay for themselves. I don't want to give an opportunity here for the government to walk away on these critical questions around the Doug Walls scandal.

[1635]

Let's focus on this. Theresa Kerin was formerly with the ministry as an ADM. Interestingly, Ms. Kerin was fired in the process. Interestingly, according to the audit document, Ms. Kerin was giving Doug Walls a difficult time around the amount of money that he was trying to get from the ministry. Ms. Kerin said that Doug Walls should only get \$50,000. After she communicated that to a number of people — including Doug Walls — we find, in the documentation here

from the audit, that Ms. Kerin was fired. Why was Ms. Kerin fired?

**Hon. G. Campbell:** I'm sure the member opposite knows this, and she's taken a lot of leeway with going after staff and personnel. That is, I guess, her choice. I am not going to discuss personnel matters in these estimates. It's a personnel matter that took place outside of my purview. I am not aware of what the circumstances were around that individual. It would be inappropriate for me to discuss it if I was.

**J. Kwan:** Isn't that curious? Before the last provincial election, Theresa Kerin, an ADM in the Ministry of Children and Family Development, told Doug Walls that the government would only provide \$50,000 a year to help subsidize the cost of connecting CareNet's non-profit clients to the Internet. Mr. Walls was demanding \$600,000. In July 2001, Theresa Kerin was let go by the government.

The audit report and the e-mail trail outlined in the audit made it very clear, I think. In May 2001, Doug Walls complained that Theresa Kerin was being tough with him. She's only offering \$50,000 a year when he wants much more — at least \$20,000 a month, to the sum of some \$600,000. On July 11, 2001, under this government's authority, Ms. Kerin detailed her troubles with CareNet in a note to file. She reiterated her position that CareNet only get \$50,000 a year. Then a few days later Ms. Kerin is given the boot by the government, and the government's position has changed. Doug Walls gets his money.

Why did the audit not examine the removal of Ms. Kerin's authority over this file?

**Hon. G. Campbell:** I can tell the Chair that there were no restrictions on Mr. Parks's investigation. If the member wants to know why he didn't pursue that, she should ask him. He is available, and he was available when the report was released.

**J. Kwan:** The audit only notes that later in July, Theresa Kerin was removed from her position as assistant deputy minister. On what day did she receive her notice?

Mr. Chair, the Premier's office is responsible for public servants, and in fact.... Let me just leave it at that. The Premier's office has been responsible in some of these matters. Specifically, when did Ms. Kerin receive her notice?

[1640]

**Hon. G. Campbell:** Let me be clear. I've never met the individual to whom the member is referring. I don't know her. I would refer the member opposite to page 16 of the report and the conclusions Mr. Parks raised with regard to that.

**J. Kwan:** Yes, I read that page of the report. My question, though, is: when was Ms. Kerin fired from the public service? When did she receive her notice?

**Hon. G. Campbell:** I don't know.

**J. Kwan:** Can the Premier find out? Surely he could get that information. He's the head of the executive council.

**Hon. G. Campbell:** I'm not aware, again, of when this took place. There is normally an OIC involved when an ADM is appointed and when that appointment has been rescinded, so we will see if there is a reflection of that.

**J. Kwan:** I will wait for the information from the Premier about when Ms. Kerin was fired and when she received her notice. I expect the Premier should be able to get that information.

Who made the staffing decision to fire Ms. Kerin? If it's an OIC, presumably cabinet made that decision.

**Hon. G. Campbell:** As I mentioned to the member earlier, I don't know this particular person. I don't know the date upon which she was given notice. I will endeavour to get that.

**J. Kwan:** Who made the staffing decision, though?  
[1645]

**Hon. G. Campbell:** The recommendation would likely have been from the deputy minister. If it was an OIC appointment, then obviously that would have been signed off. But the recommendation would have come from the deputy minister.

**J. Kwan:** ADMs and DMs — assistant deputy ministers and deputy ministers — are OIC appointments, order-in-council appointments. Those things are only dealt with through the executive council by cabinet, unless things have changed since this Liberal government came into office. But I don't think so. Assistant deputy ministers and deputy ministers are appointed or rescinded by the executive council.

So the Premier said he doesn't know when Ms. Kerin was fired or when she received her notice. He's not sure whether or not cabinet signed off an OIC on her. Mr. Chair, the deputy to the Premier is responsible for these senior levels of staffing in terms of the firing and the hiring. The recommendation might have come from Chris Haynes, but somebody who took actual action on the firing of Ms. Kerin.... It actually took place, I believe, by cabinet.

So if the Premier says he doesn't have that information here or he can't get that information from his very able staff here, will he endeavour to provide that information tomorrow to the opposition? I'm sure it won't take very long for the Premier to get that information.

**Hon. G. Campbell:** I told the member that I will endeavour to get the information, Mr. Chair. Let me explain the challenge here. Some EFOs are ADMs, and

some EFOs are not. It is important to recognize that. There is no endeavour on anybody's part to deal with that.

Interjection.

**Hon. G. Campbell:** Well, she may have been. If she was, then it's a matter of public record, and you can discover it yourself by going and getting OICs. The fact of the matter is that this report and the terms of reference for this investigation were broad. Mr. Parks had at his disposal whatever lines of inquiry he cared to follow, and the report speaks for itself.

**J. Kwan:** I thank the Premier for confirming that he will provide the information to the opposition by tomorrow about the firing of Ms. Kerin and who made that decision. I appreciate that.

It is curious to note, Mr. Chair, that the government fired an ADM in the ministry who told Mr. Walls that he could only get \$50,000 and no more and then opened up the money taps afterwards, handing Mr. Walls over \$1.2 million in taxpayers' money.

Ms. Kerin was replaced by Wayne Ironmonger, someone Doug Walls identifies early on as a big CareNet supporter. On May 4, 2001, an e-mail from Doug Walls to Chris Haynes identifies Ironmonger as someone "who has always been a strong CareNet supporter," and Doug Walls suggests that they have him over for a beer. That e-mail is outlined in appendix D.2, third page. Once Ms. Kerin is gone and replaced by Ironmonger, Doug Walls gets all the funding he demands, and more.

Who made the decision to hire Wayne Ironmonger to replace Theresa Kerin?

**Hon. G. Campbell:** Mr. Haynes would have made the decision, and if it was an OIC, it would have been processed through the ministry.

[1650]

**J. Kwan:** The Premier said that it was Mr. Haynes who made that decision or that it was processed through the ministry. Did that decision made by Mr. Haynes, the former deputy minister to the Minister of Children and Family Development, have to be vetted by the deputy to the Premier, who is actually responsible for the hirings?

Interjection.

**J. Kwan:** The Premier said that Mr. Haynes made that decision, and my question to the Premier is: did Mr. Haynes have to vet that decision with anybody from the Premier's office, including Mr. Dobell?

**Hon. G. Campbell:** I think it's clear — again, from the report — that Mr. Haynes was the acting deputy minister. As we came to government, there's no question that there were a number of deputy ministers that were making changes with their staffs throughout gov-

ernment. If staff changes were made within the ministry, that would have been Mr. Haynes's responsibility. If there were requirements for the routine processing through OIC, that would have been done as a routine matter.

**J. Kwan:** Is the Premier saying that the decision to hire Mr. Wayne Ironmonger was not vetted through the Premier's office at any time?

**Hon. G. Campbell:** Theresa Kerin's OIC was No. 767.

**J. Kwan:** The Premier didn't answer my question, Mr. Chair.

**Hon. G. Campbell:** I didn't hear the question.

**J. Kwan:** My question to the Premier is this. The hiring of Mr. Wayne Ironmonger, the decision that the Premier says was made by Mr. Haynes — was that decision at no time vetted through the Premier's office?

**Hon. G. Campbell:** If it was an OIC, it would have been processed through the office as a routine matter.

**J. Kwan:** So then it went to cabinet through an OIC, as is the practice. Appointments and rescinding of ADMs and deputy ministers are orders-in-council.

Here's what we've got to date. Ms. Kerin was fired through an OIC — fired by cabinet. Mr. Ironmonger was hired by cabinet through an OIC — recommendations made by Mr. Haynes, but nonetheless cabinet made that decision to carry it out.

I would actually like the OIC information about Mr. Ironmonger as well, to get the date exactly when he was hired by this government. Would the Premier provide that information?

[1655]

Interjections.

**The Chair:** Come to order, members. Come to order. Premier.

**Hon. G. Campbell:** Thank you, Mr. Chair.

Interjections.

**The Chair:** The Premier has the floor. Will the members please come to order. Thank you.

**Hon. G. Campbell:** The member opposite is aware of how these things take place. There is no question that our deputies are given the responsibility for appointments within their ministries. Again, the report deals with these things in detail. I've just got the OIC for the member opposite with regard to Ms. Kerin. I'm sure she can review other OICs should

she feel that's appropriate and that's a good use of her time.

**J. Kwan:** With the exception that this Premier is actually responsible. Cabinet signed off on the hirings and the firings of ADMs, including these two individuals.

It just so happens — it's just some sort of strange coincidence — that Ms. Kerin was fired. She was the one on record who said that Doug Walls should only receive \$50,000 through his contract. Then she gets fired because Doug Walls, in an e-mail, complains that she's being difficult and giving him a hard time because he wants \$600,000 from the ministry.

Then it just so happens, all by coincidence, that Mr. Ironmonger was hired. Doug Walls identifies him early on as a big CareNet booster. Then it just so happens, after Mr. Ironmonger was hired, that the money taps started to flow for Doug Walls, and he managed to walk away with \$1.2 million of taxpayers' money.

Maybe that's not important to the Premier. It is to the opposition, and it certainly is to British Columbians, because those dollars that Mr. Walls walked away with could have gone to the protection of children and families. I would urge the Premier to actually take these questions more seriously and, moreover, take the appointment and rescinding of OICs for ADMs and deputy ministers as more than matters of routine, because in this instance — at least one instance — it could have dire consequences from a taxpayer's point of view.

I'll await the information with respect to Mr. Ironmonger on when he was hired by the government. Let's turn for a moment to the guy who basically made a lot of these recommendations and also decisions on behalf of government that caused some of these problems. When did this government make the decision to promote Chris Haynes from ADM in Human Resources to Deputy Minister of Children and Family Development, the ministry charged with overseeing Doug Walls's pet projects?

[J. Weisbeck in the chair.]

**Hon. G. Campbell:** That's covered in the report. The acting appointment was made in June of 2001. After a full search, the full appointment was made in October of 2001.

**J. Kwan:** At the time that the Premier and his deputy, Mr. Ken Dobell, were making staffing decisions, they were — we are to understand — informed by a new-era commitment to a merit commissioner for the public service. In fact, they had even hired an expensive headhunting firm to scour the country from coast to coast for the best and the brightest, according to the Premier's words at the time, for new deputy ministers.

[1700]

The scandal at the time was that they actually ended up hiring B.C. Liberal Party president Andrew

Wilkinson. We also now know, of course, that the government hired Chris Haynes as well. On what basis was Mr. Haynes promoted from ADM of another ministry to Deputy Minister of Children and Family Development? Who made that decision?

**Hon. G. Campbell:** Let me give some information to the member opposite. Mr. Ironmonger was an executive director of the electronic service delivery. She can refer to that from appendix D.17. There is no appointment date on the record, and no OIC was required.

Let me say with regard to Mr. Haynes now.... I would refer the member to page 70 of the report. Again, it is something that was fully reviewed by Mr. Parks. Mr. Parks points out that the appointment of the deputy minister is a professional process — that ultimately he was responsible for the appointment of Chris Haynes as acting deputy minister. The permanent appointment was made some months later. That appointment was made after a full search. There is a search review committee. They make recommendations to the deputy, and the deputy would then come forward and make a recommendation to myself. If I agreed with it, I would sign the OIC.

**J. Kwan:** Did Mr. Haynes have to sign or fill out application forms and such?

**Hon. G. Campbell:** He would have gone through the full process.

**J. Kwan:** Okay, the Premier said we went through a full process, and they made a determination that he was the best guy for this job, the Deputy Minister of Children and Family Development. This government and this Premier have decided to make Chris Haynes the fall guy for this Liberal insider scandal, yet they have paid Mr. Haynes a \$288,000 severance package. They kept it to themselves, but we found out that Mr. Haynes gets an additional \$240,000 in vacation pay. That was not public information. Information only came to light after the opposition revealed it — over \$500,000 and nothing to show for it except that the Premier's office designated a fall guy for this fiasco. Why did the Premier and his staff make the decision to pay Mr. Haynes full severance?

**Hon. G. Campbell:** I do think it's important to put this in context for the member opposite. The government in fact terminated Mr. Haynes when it called for an independent audit. We didn't know what the audit would reveal, particularly the working relationship between Mr. Haynes and Mr. Walls that was revealed by the e-mail trail. The draft report from PwC was reviewed by the Ministry of Attorney General and by outside counsel. I think that's critical.

Their advice to my deputy was clear. The report did not provide a legal basis for withholding a severance payment in lieu of notice. My deputy authorized the severance on the basis of that clear legal advice.

Once that decision was made, the amount of the severance is established by regulation based on years of service. The opposition may not like it, I may not like it, and my ministers may not like it, but that is the situation, and that is the law.

[1705]

The opposition has talked about holiday entitlement and asked why that was not announced in the severance. Well, it is an entitlement. Frankly, we didn't check that entitlement. It doesn't impact on the decision at any rate. If Mr. Haynes had retired, he would get his accumulated holiday entitlement. If he had been terminated earlier, he would be entitled to his holiday entitlement.

That's why the government introduced Bill 66, Mr. Chair. That reduced maximum severance from 24 months to 18 months, I'm sure you will recall. Under the previous government Mr. Haynes would have received 24 months' severance. Further, with regard to Bill 66, it has made it impossible for public employees to build up the kind of entitlement that Mr. Haynes built up during his career with the government.

It is interesting. Now the opposition seems to be concerned about that, but when we brought forward Bill 66, the Leader of the Opposition was opposed to that change. Let me just quote what the Leader of the Opposition said: "I want to vote against, on division, section 14.2, which is a major part of section 5. I seek your advice on how to do that." The Chair then provided her with advice on how to do that. So the opposition was evidently opposed to the limiting down of that holiday entitlement.

We have acted to change that. But Mr. Haynes, as an employee of government over a number of years.... We should understand that when we came to office, Mr. Haynes had accumulated 332 days of entitlement. That was his entitlement. The severance was done under the existing severance package. It was, frankly, less than the severance he would have had under the previous government. In fact, the vacation days that he accumulated were 332 days accumulated under the previous government — and before, I would imagine.

**J. Kwan:** It is interesting to note that the Premier says: "Well, with Chris Haynes, when the audit was underway, we didn't know what the audit was going to find. So, you know, we had to seek legal advice, and here's the determination. We have to pay him \$288,000 in severance in addition to vacation pay, in addition to a full pension." Yet the government decided that they would fire Dave Basi, another appointment of the government, when the investigation is underway regarding David Basi. The government doesn't know the outcome of the RCMP investigation regarding David Basi, but the government fired David Basi anyway. How is Chris Haynes different from David Basi's situation?

**Hon. G. Campbell:** I'm not quite sure what the member is driving at. Mr. Haynes was a deputy minis-

ter. Mr. Haynes had worked, I think, in the order of 20 years for government. Mr. Haynes, under the previous NDP government, managed to accumulate vacation pay. It is something the previous government didn't seem to think was a problem. For ten years they sat and did nothing as people accumulated vacation pay. What we did on being elected was introduce a bill which limited severance for senior staff and, in fact, disallowed the kind of accumulation of vacation pay which we saw Mr. Haynes secure. Mr. Basi was terminated, and Mr. Basi, like Mr. Haynes, got his legal entitlements.

**J. Kwan:** With one big difference. Mr. Haynes, under the previous administration, was assistant deputy minister and was not in a position to promote his pet projects. I shouldn't say his pet projects — the pet projects of Doug Walls. Mr. Haynes didn't become deputy minister. Somehow Doug Walls and the scandal of Doug Walls happened under this administration, under the watch of this government, under the watch of the former deputy — not the previous administration.

The Premier has claimed that he received legal advice that the government had no choice but to pay Mr. Haynes full severance. Will he release that legal advice today?

[1710]

**Hon. G. Campbell:** No, we will not release the legal opinion, as we said today during question period.

Let me, though, go back for the member opposite, because she has a very short and, even more importantly, a very selective and many times misleading memory. The CareNet was a collection of social services agencies. It was not formed under this government. It was formed under the previous government on September 15, 2000. We were not government then. Granted, I'm sure the member opposite wishes we were government then. There are literally thousands of British Columbians who wish we were government then, but it was under the NDP administration.

It was intended to meet the need for secure information exchange between agencies in government, a need agreed by the ministry of the previous government. An MOU between the previous government and CareNet was signed in October of 2000. The first money flowed from the MOU from the ministry to ITSD on behalf of CareNet at the end of fiscal 2000-01.

The CareNet project was conceived under the NDP, and it was supported by the NDP-led government. Mr. Haynes was employed by the NDP. Mr. Walls was contracted with under the previous NDP government. Not once but twice they issued contracts to Mr. Walls. I'm sure the member opposite won't want to read the report, but they were issued inappropriately. It's pointed out that they didn't follow normal procedure.

I understand that the member opposite is not particularly interested in looking at the facts that are reflected in this report, but it is important for us to remember these facts as we move forward. The connections between CareNet and the private sector and gov-

ernment were at best complicated, which is why my deputy and the comptroller general initiated an external investigation. These are the results of that investigation.

Let's look a little more. There were two parts in the project. There was network access, and there was software development. The government part was network access. That's what government paid for. The additional expenditures by government for network access was \$1.128 million. The PricewaterhouseCoopers report says, quite clearly, that there was some value to the agencies and to government in the network access. The software development failed. Again, that's what the report says. The social service agency money that the PwC report on page ix — page 9 — of the introduction refers to as indirect provincial contribution, came from government money that was paid to agencies. It was paid from the government to those social service agencies. Those social service agencies were encouraged by the previous NDP government to move forward with CareNet. That's why they established it. That's why they set up the MOU.

Nothing was added to government funding to them as a result of this. There certainly were disappointments in terms of the results they got. There were certainly disappointments with regard to the software development. But the fact is that government does not exercise direct control over those agencies.

When we looked at this, we said it was important to get to the bottom of it. The investigative report that is prepared by PricewaterhouseCoopers is totally independent. The terms of reference are broad-based. The investigative team and Mr. Parks and his colleagues could follow whatever routes they felt were appropriate to be sure that the government got to the bottom of this. The full report was delivered to the public and severed only according to the Freedom of Information and Protection of Privacy Act. Again, I think the report is complete and speaks for itself, Mr. Chair.

**J. Kwan:** With the exception of this. It is true that the first contracts were entered into by the previous administration, but the problem here is this. There was an assistant deputy minister, Theresa Kerin, who this government had fired, who said that Doug Walls should only get \$50,000 for the CareNet project. But Theresa Kerin was fired. Then somebody else, named Wayne Ironmonger, was put in her place, who is a big CareNet booster. After that, the money tap started to open and flow — heavily, I might add — for Mr. Doug Walls.

[1715]

Memo to file from Theresa Kerin. Let me put this on the record.

"On Thursday, July 5, before a meeting between the deputy, myself and IBM, I gave the acting deputy a heads-up regarding the current situation with respect to CareNet. Specifically, I indicated that there was considerable tension between CareNet and the ministry.

"CareNet appeared to be asking for the ministry to fund their network connectivity charges this year, which

could be in excess of \$600,000. The ministry's position was that we could only fund \$50,000 of network connectivity costs this year.

"The deputy asked if this was a reduction of our last year's commitment, and I indicated no. It was a continuation and extension of the same commitment as last year. He indicated that provided there was no reduction year over year, he supported our position. I indicated that we had not budgeted for these costs this year and could not pay for such costs without a decision to extend this support to other agencies and without essentially giving CareNet an unfair competitive advantage."

Theresa Kerin then gets fired. Ironmonger then gets put in place. Then, as we now know, Doug Walls walked away with some \$2.3 million through a process of elimination of the ITSD-CITS accounts receivable journal voucher by the Ministry of Children and Family Development. Put into lay language, accounts receivable has been eliminated through a journal-vouchering process within the ministry. In other words, though, a debt that was owed to the ministry was not required to be paid because the accounts receivable had been written off. That's putting it into plain language.

Direct electronic billings from ITSD-CITS to MCFD were \$590,903. Again putting it into lay language, that would be billings made to the ministry to the tune of \$590,000, one could say. If you add those two things up, the total direct cost to the ministry and therefore to taxpayers is \$1.128 million. Then if you add in costs that agencies — non-profits — had to assume because they paid for service which they never received at the hands of Chris Haynes and associates, that totals over \$2.3 million lost in that process. That's on the record with respect to that.

The Premier said he won't release the legal advice relating to Chris Haynes's severance. Surely the Premier understands that if he won't release the legal advice he says he has, it merely then looks like the government paid Mr. Haynes a whack of cash, to be frank, to be the fall guy for the Doug Walls fiasco. I would urge the Premier to rethink that decision with respect to the legal advice around Doug Walls's severance. I'll leave it at that.

Theresa Kerin was let go, as I established earlier. Did she receive a severance?

**Hon. G. Campbell:** Ms. Kerin's departure from government was certainly known prior to the Children and Family Development estimates. It was back in 2003. That would have been an appropriate time, and perhaps that information would have been easily achievable.

I don't know the answer to what the circumstances were with Ms. Kerin's leaving the government's service. I know there was, as I mentioned earlier, restructuring taking place in the Ministry of Children and Family Development. I know there were staff changes taking place in the Ministry of Children and Family Development.

[1720]

I would just like to again encourage the member opposite to read this report. She characterized a num-

ber of items in her comments earlier that were simply incorrect, and she only has to read the summary to understand that. For example, on page 14, I think it is, it is pointed out that it has been a — let me use exactly the right words — mischaracterization to talk about the \$400,000 loan write-off. The member opposite suggested that Mr. Walls received \$2.2 million. Mr. Walls received no such thing.

The report is thorough. The report is complete. The report underlines and, I think, opens up all of the information that is required for people to see what took place. What took place was not satisfactory to me. It was not satisfactory to the government. There is no question about that. Mr. Parks has made a number of recommendations that we can follow. We will be following them. There were clearly consequences not just for the taxpayers but for those who were involved, who did not follow appropriate procedures or procedures that were laid out. There is no question about that.

In terms of the CareNet activity, do we wish it had been successful after it was established by the previous government? Sure, I wish it had been successful. But you know what? I kind of wish the fast ferries had been successful too, and they weren't. We've had to clean up a lot of mess from the previous government, and this one has been more difficult than we would have liked.

The purpose of the investigative report into CareNet Technology Society was specifically to get to the bottom of this. The report is clear. It is unequivocal. There were no wrongdoings on behalf of the elected officials. When you look at the summary, I think it's very clear that they found no evidence of outside influence in Mr. Walls's appointment as a contractor of CLTSC. We see clearly that we actually handled this appropriately, as we should have.

I think the member opposite should take some time to read the report. The decision that was made to maintain connections for the CareNet Technology Society was an important one for the societies that were involved. As I say, it was initiated by the previous government. There was clearly some value that was received for that. There was clearly a true disappointment in terms of the software initiatives and development that they were hoping to do under that program.

**The Chair:** Member, I wanted to caution you that this debate has become quite repetitious. I just wanted to make sure you can get refocused and get a new line of questioning going.

**J. Kwan:** The report says clearly that under this government's administration, some \$2.3 million has gone missing or did not actually yield any benefits to British Columbians, Mr. Chair. In the document, the cost of the CareNet project to the province and other stakeholders — over \$2.3 million.

Maybe the Minister of Advanced Education or the Premier will say: "Oh, there was a lot of benefit out of this \$2.3 million cost to the province." If that was the case, maybe the Premier can tell me: what exactly did British Columbians get for this \$2.3 million?

**Hon. G. Campbell:** Mr. Chair, I am going to refer the member to the report. The report is clear. She can go to page 14 again; she can look at what's taken place. Mr. Parks is quite clear about how the interim authority worked. The report is the answer to the question.

**J. Kwan:** Yeah, there is not one iota of benefit to taxpayers with this \$2.3 million cost to the province. There is not one shred of evidence the Premier can highlight to say: "Oh, this \$2.3 million yielded this benefit."

[1725]

The Premier would like to imply that Doug Walls and this entire scandal were somehow the responsibility of the previous administration. Let us be clear: Doug Walls never had a direct link to the Premier's office prior to this government taking office. There were no e-mails to anybody in the former Premier's office from Doug Walls.

It is interesting to note, though, the scope of the audit, which in my view is narrow. Through the information we have now had the opportunity to look at, Doug Walls specifically refers to lobbying the Premier and the chief of staff, Martyn Brown, about Mr. Haynes, for example. Yet none of those e-mails was included in the scope of the audit itself.

Mr. Walls's e-mail to the Premier's chief of staff, Martyn Brown, states: "Just want to make sure that Chris is not being overlooked. I talked with Gord about this, and he said we didn't have to do anything. It was taken care of. But Chris is being interviewed. If he doesn't wind up deputy, it would be an absolute travesty." Then in a subsequent e-mail Mr. Walls assures Mr. Haynes: "Stay calm, deep breaths. I chased Gord and Martyn Brown down last night."

What happened? Lo and behold, Chris Haynes is made deputy minister of the very ministry where he had the responsibility for Doug Walls's pet projects and companies, and the money tap was wide-open. Maybe that's just all coincidence. Maybe it's just all coincidence, Mr. Chair.

The one person who actually raised concerns about this gets fired. Maybe that's just coincidence. The one person who got fired afterwards was replaced by another person who happened to be a big promoter of CareNet. Maybe that, too, is just another coincidence.

I would like to ask the Premier the question: did the auditors, PricewaterhouseCoopers, have access to either the Premier's e-mail or those of Martyn Brown and Mr. Dobell? I understand that Mr. Dobell — he's said it on the public record — erases his e-mails almost immediately after he's read them. We now know, too, that with technology one could recover those e-mails through a variety of ways. In the process of this audit, did PricewaterhouseCoopers have an opportunity to access those e-mails, including the ones that Mr. Dobell had erased?

**Hon. G. Campbell:** Let me start by encouraging the member opposite again just to take a look at the terms of reference for this investigation. I could read them

into the record as the member often does, but I'm not going to do that. I can just say, Mr. Chair, that the terms of reference cover four pages.

The purpose of the assignment is as follows: to investigate the financial and other affairs of CareNet Technology Society, as well as the appropriateness of the province's dealings with Mr. Douglas F. Walls during the calendar years of 1999 to 2004; to determine whether Mr. Walls's relationships with certain key officials were business in nature or were carried out in the best interest of the province.

[1730]

That was the task we set in front of Mr. Parks or that Mr. Parks assumed after we laid out that scope. There was approximately, I think, \$25,000 spent on recovering historical e-mails as directed by Mr. Parks. In fact, the member could have these e-mails that she's looking at now. It was always important to the government that all of the information be made available to the public, and as I said from the start, when the final report was made, we would make it available to the public with the severing necessary under freedom of information and protection of privacy.

Again, I think the report speaks for itself. It is clear from the report.... The member opposite just has to read the summary conclusions. "We found no evidence of undue outside influence in Mr. Walls's appointment." It says: "Mr. Walls attempted to influence the appointment of Chris Haynes as deputy minister; he was admonished by the Premier for his interference." That was strictly a decision that was made, as I mentioned earlier today, following a full process that was done with full review, and at that point Mr. Haynes was appointed.

I understand that the member opposite is looking for challenges here. The fact is that this is a full and complete report, and as I said yesterday, it would have been nice if the previous government had been this open, if the previous government had just taken a moment to do the kind of review that we did upon hearing of the challenges that were faced in the ministry. The financial officer first said we should look at this. The comptroller general said: "Yes, we will carry out an internal audit." They then said they were going to do a full and independent external audit, and that's very important.

If the member wants to look at appendix C, she will see that it outlines the hard-drive search that was done. Ron Parks had full latitude to do that. I understand that the member doesn't really want to read the whole report, doesn't want to get the information, but it's clear that the government acted appropriately. The report speaks for itself.

**J. Kwan:** Well, let me just put it on record from appendix C on the hard drive that was searched. In the documentation it says: "On February 19, 2004, we imaged five computer hard drives at the office of the comptroller general, Ministry of Finance, located at 617 Government Street." Then it lists the following hard drives. Then it goes on to say: "We performed identical

forensic investigative procedures on all seven computers. We conducted a search for standard e-mail files such as Microsoft Outlook or Microsoft Outlook Express...."

Then it goes on to say:

"We conducted a keyword search of each hard drive. The purpose of the keyword search was to extract any files or file fragments which may contain information relevant to our investigation. The following are the key words we searched on each hard drive: CareNet, Doug Walls, West Pro, interim authority, Gordon Hogg, health benefits trust, Gordon Campbell, Jordan Thurston, HBT, Chris Haynes."

Missing in that search, I would venture to say, are a couple of other keywords. Ken Dobell comes to mind; Martyn Brown comes to mind.

Just to illustrate the point, were the auditors given the right to access Mr. Dobell's and Mr. Brown's hard drives?

**Hon. G. Campbell:** Mr. Parks had full latitude to request access to any hard drives that he felt were appropriate.

You know, let me just say that Mr. Parks actually has an excellent reputation. As I mentioned yesterday, I'm sure the member opposite can remember the excellent work he did on Nanaimo Commonwealth when that labyrinth of corruption was unravelled by Mr. Parks.

Interjection.

**Hon. G. Campbell:** It was a scandal involving the previous government. It led to criminal charges.

Interjections.

**The Chair:** Order, please. Order.

**Hon. G. Campbell:** I'm sure the member opposite will remember. It led to criminal charges.

We said we were going to have a full, independent, outside audit and investigation done into this matter. We went to a request for a proposal. Mr. Parks and PricewaterhouseCoopers were successful.

[1735]

This is what's important. When this report was released to the public, to the opposition, to anyone who had interest in it, it was made known that Mr. Parks would be available for questions. If the member opposite is saying that Mr. Parks is incompetent, that Mr. Parks was misguided, that Mr. Parks was not complete, then she should bring that up with him. But so far, we've gone through this, Mr. Chair, and the member opposite has cast aspersions on long-term public servants. She's cast aspersions on the comptroller general; she's cast aspersions on my deputy. I can tell you, everyone who has been involved in this from the outset has been involved in one thing and one thing only — to get to the bottom of this, to get full and complete information, to allow for an independent set of eyes to review this, to investigate it and to reach conclusions.

And that's exactly what this report does. That's what British Columbians should expect. That's what they've got.

**J. Kwan:** If the Premier goes beyond the convenient conclusions that he's put onto the record and actually goes to look at pages 60 and 61 of the document, the Premier and his staff were interviewed, but appendix C shows clearly that only the former Minister of Children and Family Development's hard drive was examined. Only Mr. Haynes's and his staff's hard drives were examined — not Mr. Dobell's, not Mr. Brown's and not the Premier's.

Maybe that's just all a bit of a coincidence, but I would say that there are some links that are missing. The question that I put to the Premier was whether or not the auditors actually had access to these hard drives. We know already — and it is a matter of public record — that Mr. Dobell admitted openly that he erases his e-mails just as soon as he reads them, so that he could erase it off of the public record. FOIs and the like would serve no purpose because those e-mails would have been erased. Well, maybe it's me. There is a bit of a missing link, I would argue, Mr. Chair.

Now, the issue is not about the integrity of Ron Parks. The issue is about the integrity of this government. Let us be clear. Let us be very clear about that. I'm going to just add that the Minister of Advanced Education's hard drive was not examined either. I might just add that. Of course, in the report it does highlight the fact that the Minister of Advanced Education had almost daily communications with Mr. Doug Walls up to a certain period of time. Coincidence? Maybe.

The PricewaterhouseCoopers audit report states on page 3 to 4 that they had no legal right to investigate the bankruptcy of CareNet and no access to CareNet's records but suggest that the Finance minister get to the bottom of the Doug Walls-CareNet bankruptcy scandal by ordering an investigation under the Society Act. This is the only way to find out what benefits Doug Walls derived from the interplay between his two companies, CareNet and WestPro. It is the only way for the not-for-profits to find out where the million-plus dollars went to — where exactly those dollars went that they had sunk into Doug Walls's failed scheme. It is clearly in the public interest to do that.

[1740]

The audit report states on page 14 that the profits Walls made through WestPro only started to flow after the Liberals were elected. In fact, immediately after the government changed, the date range they cite in the report is May 16, 2001, to September 3, 2002. Does the Premier not agree that it is in the public interest to get to the bottom of the Doug Walls-CareNet bankruptcy scandal?

Interjections.

**The Chair:** Order, please. Order, member. Let's hear the Premier.

**Hon. G. Campbell:** Let me go....

Interjections.

**The Chair:** Member for Vancouver-Burrard, would you please come to order.

**Hon. G. Campbell:** Let me again be clear to the member opposite. The independent investigation was under the independent control and guidance and decision-making of Ron Parks. It had nothing to do with the government. Mr. Parks had access to hard drives that he wanted. Mr. Parks had access to e-mail that he requested. He spent a substantial amount of dollars retrieving those historical e-mails which the member has been referring to. If Mr. Parks asked, he got.

Now, the member has been casting aspersions on Mr. Parks's professional abilities. It's interesting that she feels that way. The public certainly doesn't. He's done a number of excellent jobs. But you know.... Go to page 26 of this. You will see the documents, the interviews that Mr. Parks carried out. It goes all the way to page — gee, where does it end here? — 31. Dozens and dozens of people were interviewed. Dozens of e-mails were provided. Hard drives that Mr. Parks wanted to examine were examined. That was as it should have been. That's what an independent outside investigatory audit does. That's what we did.

Now, the member still doesn't seem to understand, in spite of the fact that she claims she's read this report, that CareNet is not Mr. Walls's company. Mr. Walls was a contractor to CareNet. I'm surprised at that, because CareNet was a society that was set up by that member's government. It was a society that was set up and an MOU that was signed by that member's government. Mr. Walls was a contractor to CareNet, as I am sure you or anyone who cared to read the report would know.

This is an important matter. I think this is very important. It's important that the public know that its resources are being used properly. It's important for the public to know that nothing was done that was in conflict with the public interest. That's why this independent investigative report was done. That's why we hired someone with the integrity, the expertise, of Mr. Parks to carry this out. It is important, I think, for us to understand that as we move forward.

There were connections made, as was mentioned in the report. Those connections were effective, as was mentioned in the report. The software that was supposed to be developed wasn't developed, or it wasn't successful, as was mentioned in the report. All of those things are true.

There was, I think, clearly an inappropriate connection between Mr. Haynes and Mr. Walls, which we discovered as we went through this report. Mr. Haynes is no longer with us. Mr. Haynes was entitled to his legal severance and his legal entitlements that he built up over 20 years of service in public life in British Columbia. That's the way it is.

Again, this report is thorough, it is complete, and it was prepared by someone who has a reputation in the community for his expertise in this regard. The e-mails and the hard drives that he required were there for him when he required them.

**J. Kwan:** The report also suggests that the government should order an investigation under the Society Act. I asked the Premier a very direct question. Does the Premier not agree that it is in the public's best interest to get to the bottom of the Doug Walls-CareNet bankruptcy scandal by ordering an investigation under the Society Act?

**Hon. G. Campbell:** Could the member give us the page reference there, please?

[1745]

Interjection.

**Hon. G. Campbell:** I'm aware of five recommendations which have been placed before the province by Mr. Parks. We have undertaken to fulfil those recommendations. I should point out to the member opposite, as she's looking through her report, that Mr. Walls was one of five primary contractors of CareNet and WestPro Solutions. Those are all listed on page 73.

Further, I would recommend to the member that she go to page 71 of the report. On page 71 of the report she will see the names of the officers and directors of CareNet. I'm sure she will note that Mr. Walls is not included in that list of names of officers and directors.

**J. Kwan:** I'll get the page for the Premier in a few moments. Actually, here it is — page 4 in the document. It says: "If the Minister of Finance determines that it is in the public interest to conduct an investigation of CareNet under the Society Act, the independent auditor will conduct that investigation. The investigation's objectives will include determining whether...." There's a list of bullets underneath that. That's where it is listed.

Let me just put this on the record. Walls was the vice-president of finance for WestPro, which got money to develop a software platform for CareNet, where Walls was a project manager. CareNet had convinced many non-profits to join a plan to use one central software system. Together they put in over \$1 million and got nothing for it. CareNet went into bankruptcy. The directors scattered.

WestPro made the profits for Walls, while CareNet is the agency that got the government loans, loaned under — yes — the previous administration. But you know what? Under the Liberal administration, the loans were.... Well, let me just say they disappeared through a process of journal vouchers and accounts receivables under this government. That should be a big distinction.

Most of the money from CareNet's membership flowed into WestPro's coffers — more than \$392,000 over a two-year period. WestPro was headquartered in the same White Rock building as the former Minister of

Children and Family Development. Doug Walls had tried to deny his involvement with CareNet, but news releases dating back to 2000 showed him to be the media contact for the society and its project manager.

In the fall of 2000, CareNet signed a deal with the former administration whereby CareNet members would get access to the Internet via the government's secure SPAN-BC, and CareNet would foot the bill. A senior government official says that a year later, after the B.C. Liberals were elected, Doug Walls was refusing to pay off CareNet's \$400,000 bill. Eventually we have the situation where that money was not required to be paid off, but rather, accounts receivables.... A process of using accounts receivables and journal vouchers eliminated the \$400,000 debt.

In the audit, it does note one thing. That is that the agencies did receive some value from the connections to SPAN-BC until they were disconnected in February 2004. Yet SPAN-BC — that initiative in terms of the Internet connections — was initiated under the previous government. Accordingly, that was the only thing that's been identified to have some value.

[1750]

After the Liberal government took office, millions of dollars have.... Well, millions of dollars were spent in a way that I would say did not benefit children and families in the Ministry of Children and Family Development at all.

Now, let me get back to the question to the Premier about an investigation under the Society Act. As has been highlighted, the only way to get to the bottom of the Doug Walls-CareNet bankruptcy scandal is by ordering an investigation under the Society Act. The only way to find out what benefits Doug Walls derived from the interplay between CareNet and WestPro.... And that is the only way for the non-profits to find out where the million-plus dollars went that they sunk into the Doug Walls scheme that had failed. I would say that it's in the best interests of the public to try and get to the bottom of this. Would the Premier agree?

**Hon. G. Campbell:** Mr. Chair, when you look at the terms of reference and you go through the report, you will find that the information is available to the member if she cares to read the report again. On pages 78 and 79 she will be able to see where all the dollars went and what they went to. The data was there. It was fully obtained. It's spelled out — the money that went out, the money that went in, where the dollars went to. That's exactly why we initiated this independent outside investigation, and that information is available to people through this report.

**The Chair:** Hon. member, take your seat for a second. Take your seat, please. This debate has become tedious and repetitious, and I would really suggest that the member start looking at some new material. I mean, we've heard the same debate now for a number of hours, and I would suggest it's time to think about getting some new questioning for the Premier.

**J. Kwan:** Let me put this on the record for the Premier from the report, starting with page 3.

"Phase 1 of the CareNet investigation determined that CareNet has filed for bankruptcy and its records are in the hands of a trustee. Phase 1 also determined that government does not have a contract with CareNet that includes the legal right to conduct an audit. Without legal authority, the trustee will not allow government access to CareNet's records. One option being pursued is to determine whether government can gain access to CareNet's records through the Society Act. If the Minister of Finance determines that it is in the public interest to conduct an investigation of CareNet under the Society Act, the independent auditor will conduct that investigation.

"The investigation's objectives will include: determining whether the funds received from the CareNet member agencies are adequately accounted for; payments to WestPro Solutions Inc. (later known as CareNet Systems Inc.) and amortization of prepaid expenses were properly authorized and were supported with evidence that the contract deliverables were provided; payments to CareNet's creditors were transparent and equitable, specifically whether preference was given to amounts owed to WestPro Solutions Inc.; and the individual's roles in CareNet and WestPro Solutions Inc. constitute a conflict of interest and whether the individual derived a personal benefit from those roles."

I would say, based on the text that I just put on record, that it would be in the interest of the public for this government, for the Premier, to order the Minister of Finance to undertake an investigation under the Society Act to precisely find out and answer the questions that have been raised by the auditor in his report relating to this segment of the Doug Walls scandal.

Interjection.

**J. Kwan:** I'm asking for the Premier's opinion on that.

[1755]

**Hon. G. Campbell:** The Premier's opinion is that if the member would look at the report, the details that the member has just referred to are on page 79 to 85 of the report. We invested substantial dollars in an independent investigation to be sure that that information was available. I refer the member to pages 79 to 85.

**J. Kwan:** The Premier can pick out the pages that he wants to refer to and say: "Hey, we've dealt with all the issues." But here in the report it actually says that the independent auditor is raising some very important questions to which one could only get the answers through an investigation ordered by the Minister of Finance or by this government under the Society Act. The government could choose to do that to get to the bottom of things, or the government could choose not to do that. Based on the Premier's answer, I suspect he's choosing not to do that, and I would argue that that is not in the best interest of British Columbians.

The Ministry of Children and Family Development is in chaos, thanks to the B.C. Liberal government's mismanagement and special deals for a friend, a relative to the Premier....

**The Chair:** Member, let's get back to the vote.

**J. Kwan:** I'm just going to conclude here.

In opposition the now Premier pledged to direct more resources to children and families, yet his government has tried to cut this ministry more deeply than almost any other. He committed to give front-line workers more resources, and yet this government's budgets have been slashed, and front-line workers across the province have been fired.

The third and now infamous election commitment was to end the bureaucratic restructuring of the children's ministry, but this government has plunged this ministry into chaos like no government ever has before. So \$2.3 million, as identified in the report, is a cost to the province as a result of the Doug Walls scandal, and arguably little is shown for that taxpayer expenditure.

The Premier should do the right thing and order an inquiry under the Society Act so that the societies who lost money through this process could find out what happened to their money and get some questions answered.

**The Chair:** Noting the time?

**J. Kwan:** Noting the time, I move that we recess until 6:45.

**The Chair:** The House stands recessed until 6:45.

The committee recessed from 5:58 p.m. to 6:50 p.m.

[H. Long in the chair.]

On vote 8 (*continued*).

**J. MacPhail:** Mr. Chair, I'm going to canvass very briefly multiculturalism; then we're going to move into the B.C. Rail deal and the corollary issue of the legislative raids. Then I'm going to move to private-public partnerships after that, just for the information of the Premier.

Why didn't the Premier replace the minister of state for multiculturalism when he announced he was going to running federally?

**Hon. G. Campbell:** I thought it was appropriate, number one, for the member, when he decided that he was going to be seeking a nomination for federal office, to be removed from the executive council. I have been considering potential alternatives to that minister of state and will make the decision at an appropriate time.

**J. MacPhail:** First of all, it was the first time that this government has acknowledged the important place of multiculturalism in the province at all, when in January — or maybe it was the beginning of February — the Premier acknowledged any sort of responsibility of this government to promote multiculturalism by

appointing the minister of state for multiculturalism. Prior to that it had been part of an overwhelming portfolio of the Minister of Community, Aboriginal and Women's Services.

The Premier did appoint the minister of state for multiculturalism, and then within weeks that member decided that he was going to run federally. He left cabinet, and there's been absolutely no action whatsoever, except for the multiculturalism budget under this government to be slashed by 25 percent — slashed from last year to this year by 25 percent. The multiculturalism budget under this government since it took office has been slashed by over 50 percent.

What are the factors that the Premier is considering that aren't available to him now?

**Hon. G. Campbell:** I'm sure the member had a chance to review this with the Minister of Community, Aboriginal and Women's Services. But let me say, first of all, that in terms of multiculturalism, it's always been a very active file with this government. It's always been something that's been important to me personally, both as a civic elected official and as a provincial elected official. We have a number of outreach programs to our South Asian community, to our Chinese community, to our Filipino community, to our Korean community. One of our goals and objectives is to make sure all British Columbians take full advantage of the services that are available to them and that all British Columbians have opportunities to participate fully in the cultural, educational and economic opportunities that are before us.

It was important when we established the minister of state for multiculturalism that we bring some focus to that. The minister responsible for community, aboriginal and women's services as well as his Minister of State for Women's and Seniors' Services have been filling that vacancy for the time being. The programs have continued. As Premier, I have been reviewing the options as we move forward and talking with various members of the government about their interests and their willingness to take on that task. I will fill that position when I think it's appropriate to do it.

The fact that the position is not there has not undermined multiculturalism. As we have reached out across the communities of British Columbia, we have seen an increasing participation in public life. I can tell the member opposite that in terms of our bid for the 2010 Winter Olympics, our multicultural community — the diversity of our bid — was, I think, one of the highlights of our bid. I suppose you can take any individual issue and say it was this or that which made our bid successful, when you win by three votes. But I think, clearly, the fact that people could come to British Columbia, to Canada, and regardless of where they were from in the world, they could feel at home here made a huge difference in the evaluation committee's proposal.

I think we are very fortunate in this province to have a great, diverse community with enormous con-

nections. As the member opposite probably knows, I had the opportunity to visit in Guangzhou, Shanghai and Beijing last fall. I visited Chandigarh, Amritsar and Mumbai last year as well, continuing to build on the strength and the roots of our multicultural communities in British Columbia, and we will continue to do that. But the minister of state will be appointed in due course.

[1855]

**J. MacPhail:** I think every government since the late seventies has travelled to various parts of this world to promote British Columbia. What was changed under this Liberal government is the absolute lack of any recognition that there should be particular funding to promote multiculturalism or to acknowledge the important role of people from diverse backgrounds at the cabinet table.

The Premier says the program is continual. That's simply not true, Mr. Chair. When this government took over, the funding for the stand-alone Minister of Multiculturalism — which then was downgraded to nothing but a department under the Minister of Community, Aboriginal and Women's Services — was \$27 million, I think, which this government took over. It's now standing at \$7 million.

In the meantime, programs in our health care system for unilingual volunteers from a multicultural background are ended. Volunteers in the health care system now have to speak English at hospitals such as St. Vincent's and Mount St. Joe. That's the case. There are foundations of those hospitals that are multiculturally based and are very concerned. SUCCESS, the multicultural foundation, is terribly distressed that their elder-care home can't go ahead in Richmond because of lack of funding by this government. In fact, we hear from all around the province that the multicultural communities are terribly distressed at their lack of recognition by this government, both at the decision-making level and at the promotion level of programs that would instill a greater understanding amongst diverse backgrounds.

Of course, this wouldn't be a question that I would ask the Minister of Community, Aboriginal and Women's Services, because it's the Premier who appoints cabinet members. I certainly hope that the Premier is going to reinstate the position of minister responsible for multiculturalism. I would hope that the minister would actually make it a full-fledged ministerial position, not a minister of state — and do that expeditiously. There are situations in our province that require immediate attention around ensuring that diversity is celebrated in our province and promoted.

Mr. Chair, I'm going to move on to the B.C. Rail sale and the legislative raids. I'm going to start with the legislative raids and move to how that relates to the B.C. Rail deal. I might also note, for the information of the Premier and his staff, that these matters have been referred to these estimates by both the Minister of Finance and the Minister of Transportation — that this

would be the appropriate place to raise the questions that I have raised. I did question it of the ministers at the time. Delegating up is an unusual and courageous act of ministers, but nevertheless they did fully accept that they were delegating up.

For the benefit of the House, here's what we know from the March 2 release of a summary of the search warrants into the December raids on the Legislature. In the course of a proceeds-of-crime and corruption investigation involving the Minister of Finance's top political aide, David Basi, the RCMP uncovered a conspiracy involving Mr. Basi; the ministerial assistant to the Minister of Transportation, Bob Virk; and lobbyist Erik Bornman. However, according to the most recent news reports, Erik Bornman has been informed by the police that he is no longer under police investigation.

This is what we know from the warrants. It's only a summary of the warrants that have been released. That conspiracy offered personal benefit in return for inside access to information related to the privatization of B.C. Rail. Soon after the raids were executed, the Solicitor General assured the public that the integrity of the B.C. Rail deal was in no way compromised. Could the Premier tell us what information that assurance was based on?

[1900]

**Hon. G. Campbell:** Actually, the Minister of Transportation did canvass this in quite a significant amount of detail with the member opposite, but let me say that the police were clear from the outset that there were no elected officials involved with regard to this investigation. It is clear from the fairness report that this has been an utterly fair process. It does not touch on the issue of the B.C. Rail investment partnership. We're moving forward with that.

**J. MacPhail:** Actually, the police haven't given that assurance, Mr. Chair. Let's be very clear. Their investigation is ongoing. At the time that the government itself cancelled part of the B.C. Rail deal, the spur line out to Roberts Bank, the government said that the RCMP had no information to date about the B.C. Rail deal — the main-line sale. The RCMP have never made a statement to that effect. Let's be clear about that.

I'm not even talking about that right now. I'm asking about how the Solicitor General, very early on in the aftermath of the legislative raids, said that he was assured that the raids had nothing to do with the B.C. Rail deal. Of course, we later learned that part of the B.C. Rail deal had to be cancelled. The sale of the B.C. Rail spur line to Roberts Bank had to be cancelled.

When did the Premier know that the raids on the Legislature were connected to the B.C. Rail deal?

**Hon. G. Campbell:** In all of the comments that have been made in the past by the ministers or the Solicitor General, it is clear there is no connection with the B.C. Rail investment partnership whatsoever. The comments that had been made have consistently been reviewed with the RCMP.

I think it's important to note that, yes, there was an issue with regard to the port subdivision. The advisory committee was put in touch with the minister. The minister asked for a full review. There was a recommendation to the ministry as they went through in the minister's estimates, and the minister, as soon as he was confident about what the recommendation was and what the situation was, made a statement to the public and to the opposition. That was fully canvassed in the Transportation ministry estimates, which took place over 16½ hours.

**J. MacPhail:** I never asked the Minister of Transportation when the Premier knew anything. I know enough not to do that. I'm asking about the Premier's role in all of this. I'm not quite sure why, again, the Premier doesn't want to engage in this discussion.

When did the Premier know that the raids on the Legislature were connected to the B.C. Rail deal?

**Hon. G. Campbell:** I don't believe they were connected to the B.C. Rail deal, as the member opposite suggests.

**J. MacPhail:** The summary itself of the warrants said.... Let me read this. March 2. This is Justice Patrick Dohm. I think he is Associate Chief Justice. Patrick Dohm releases a summary of the search warrants, March 2. It says: "Whether official 1 and official 2 were offered and/or accepted personal benefits...in connection with government business, including B.C. Rail," and whether those officials "passed unauthorized confidential information to persons interested in government business for the purpose of obtaining a benefit..." I'm not making this up. That was March 2. That's the summary of the warrants released.

[1905]

The whole world knew as of March 2 that there were questions around whether officials were offered and/or accepted personal benefits in connection with government business, including B.C. Rail. Did the Premier hear that information for the first time on March 2?

**Hon. G. Campbell:** As I said to all of the media and the public at the outset of this, I would like to have all of the information that was available to the police as quickly as possible. When the warrants were made public, frankly, I would have hoped that there was more information made available, but it is clear from the warrants that this does not have to do with the government. It does not have to do with the government decisions. It does have to do with, potentially, what has been investigated as the personal activities of individuals.

I can tell you now that the search warrant summary is out — that it was more revealing than anything I knew before. Even in listening to the member opposite read the search warrant — I don't have it in front of me here — I can tell you that I don't believe that connects anything to the decision with regard to B.C. Rail.

**J. MacPhail:** How can the Premier have it both ways? How can he say that he doesn't know anything, and yet a statement which is only a summary says that official 1 and official 2, who were government officials — one working in the Minister of Finance's office and another working in the Minister of Transportation's office...? Official 2, working in the Minister of Transportation's office, had access to all of the confidential information around the deal and around the legislation. We got that information out of the Minister of Transportation's estimates.

Bob Virk was at all the meetings around the steering committee — well, I shouldn't exaggerate; a lot of the meetings — where the negotiations were done about the B.C. Rail sale. He had the information about the legislation before it was introduced in this House, and now he's involved in whether official 1 and official 2 were offered and/or accepted personal benefits in connection with government business, including B.C. Rail.

Maybe it was business where B.C. Rail didn't have to do with the sale. Maybe it had to do with their ongoing operations as a Crown corporation, but I don't know that, and neither does the Premier. He can't have it both ways, assuming he knows nothing and then asserting that he knows something.

Did the Solicitor General, in his phone calls to the Premier while he was on vacation in December '03 to January '04, inform the Premier of what was or was not part of the raid on the Legislature?

**Hon. G. Campbell:** The Solicitor General called me in December and informed me that those activities had taken place and that warrants had been issued for the search. The information that the member has in the warrants is, frankly, more complete than any information I had in December.

**J. MacPhail:** When did the Premier talk to his chief of staff on vacation about this matter?

**Hon. G. Campbell:** I don't recall if it was December 27 or 28. I think it was a Saturday or Sunday. It was one of those days — probably the 28th. I think it was a Sunday.

**J. MacPhail:** Why was the chief of staff part of this circle of information?

**Hon. G. Campbell:** Offices of ministerial assistants were being searched through the warrant. The ministerial assistants report to the chief of staff. He is the appropriate official that should be dealt with in that case. The chief of staff was asked by the Solicitor General and got information from the Solicitor General with approval — and I underline that — of the RCMP. We had to have communication with the two individuals that were involved. That communication was made.

[1910]

**J. MacPhail:** Does the Premier know whether or not the chief of staff was contacted by the RCMP directly?

**Hon. G. Campbell:** I believe the chief of staff was contacted by the Solicitor General. The Solicitor General contacted the chief of staff with the advice and the approval of the RCMP, and the full knowledge of the RCMP.

**J. MacPhail:** Was it because the chief of staff was the employer of the two individuals involved that solely...? That was the sole reason he was contacted?

**Hon. G. Campbell:** The chief of staff is the official to whom those two positions report. He is the official who would be requested to act, should action be required. At the invitation of the Solicitor General, with the approval of the RCMP, the chief of staff was informed of what was taking place.

**J. MacPhail:** We'll get to that in a minute.

Most government elected officials have had to admit that Martyn Brown, the chief of staff, had enough information to act on the employment of the two individuals named in the search warrant — Dave Basi and Bob Virk. We'll get to that in a moment.

When the Premier talked to his chief of staff, Martyn Brown, while the Premier was on vacation, was it solely the employment relationship of Bob Virk and Dave Basi that was discussed?

**Hon. G. Campbell:** Mr. Brown outlined for me the situation that was at hand. He explained there were two offices that were being searched in terms of the RCMP warrants. He discussed with me the actions that he felt should be taken, and I agreed with him. I felt they were appropriate actions, given the circumstances.

**J. MacPhail:** Then I guess the Minister of Transportation is right. I should be asking questions about why one was fired and one was suspended, so I will be pursuing those questions with the Premier.

But I just want to ask the Premier whether my information is correct also. There are two bodies of search warrants. I'm sorry. I don't know the legal terms. But there are two bodies of search warrants. We've had summaries of the search warrants that deal with the conspiracy and proceeds-of-crime allegations. The other search warrants had to do with drugs and drug dealing, and we still haven't had those search warrants released either in full or by summary. Am I correct?

**Hon. G. Campbell:** The search warrants that have been released are public. I'm sure the member opposite has them. I have no more than what has already been released publicly.

The position of the government has been that the sooner all of the information can be made available to the public, the better off everybody would be. But we want to be sure that in doing that, in making that information available, we don't undermine a two-year investigation that's been taking place. I think that's what has been critical throughout this exercise, so our

goal would be to have as much information out in the public as soon as possible. If the investigation leads to charges being made, I hope the charges will be made. I hope the charges will be prosecuted, and if there are people that are found to be guilty, then they will be punished. If they're not, then they will not be.

[1915]

Clearly, from our perspective — and, I think, from the public's perspective — the sooner this information is all available, the sooner the results of the investigation are there and in the public realm, the better off we're all going to be. But the last thing the public would want is to see a 24-month investigation undermined by the politics of the situation. Our hope is for expeditious and speedy completion of the investigations. The search warrant information that's available has been made available publicly, has been covered quite clearly by the media and is available to everyone.

**J. MacPhail:** No one is going to compromise a police investigation, so I'm not quite sure why the Premier says anything about the politics of it. No one is going to compromise a police investigation.

There was a seventh warrant that wasn't part of the original summary of warrants dealing with the e-correspondence — a raid on the computer files of government that were seized and have yet to be summarized and released. Am I correct in that? There were discussions going on between the government and the police and the courts about cabinet confidentiality in the release of the e-correspondence — the computer files that were seized as well. Am I correct that the summary of that warrant has not been released yet?

**Hon. G. Campbell:** I don't believe it has, Mr. Chair. I don't know the answer, other than I don't believe it has.

**J. MacPhail:** The government is involved in the discussions about cabinet confidentiality, etc. It's not a question that is unfair to ask the Premier. It is through his government and, I think, cabinet operations that the discussions are ongoing about what can be released or not. Can the Premier update us on those discussions?

**Hon. G. Campbell:** I understand there is a package of information which is effectively being reviewed by the deputy cabinet secretary, the special prosecutor and the judge. The judge is now reviewing that information and deciding what the judge believes should be released. To my knowledge, nothing yet has been released.

**J. MacPhail:** Yes. It is on that basis that the RCMP can't and won't make any conclusion that government business, including the B.C. Rail main-line sale, is not involved. They can't reach that conclusion until that warrant is fully executed and the summary released.

Now, let me just read the warrant again — the summary of the search warrants, the first batch of search warrants that have been released. That doesn't

include the seventh warrant dealing with the computer files in government. It says:

"...whether official 1 and official 2 were offered and/or accepted personal benefits...in connection with government business, including B.C. Rail...and whether these officials...passed unauthorized confidential information to persons interested in government business for the purpose of obtaining a benefit."

I think it came as quite a shock to people when the Premier responded to that court summary by saying: "It is clear from the court summary that this is a personal issue; it is not an issue with government; it is not an issue with any elected official in government." Upon what basis did the Premier make that statement?

**Hon. G. Campbell:** First, Mr. Chair, I think you just have to read the warrants. They speak for themselves. Second, I think it's important to note that... I'm trying to find the date that this statement was made.

**J. MacPhail:** March 2.

[1920]

**Hon. G. Campbell:** It was a little later than March 2. In the middle of March — I don't see the exact date — it was pointed out by the Minister of Transportation that: "We have no information to suggest that the successful proponent, CN, has come into possession of any information that would undermine the outcome of the B.C. Rail-CN partnership." That statement was approved by the RCMP.

I think it's important to note that, in fact, there has been no suggestion that there was anything to taint the B.C. Rail investment partnership. I think it's also important to note that the fairness commissioner reviewed all of the documentation with regard to the investment partnership and in fact described the arrangement and the agreement that had been come to as utterly fair. British Columbia taxpayers had got fair value. As well, it had been a fair and open process. The two competitors in that have also agreed that, in fact, there was no reason to suggest anything went wrong.

I am confident in it. I think it's clear from the warrants. The warrants, as the member opposite read out earlier, have to do with official 1 and official 2 and if, in fact, there were any personal benefits. That has nothing to do whatsoever with the B.C. Rail investment partnership.

**J. MacPhail:** My question wasn't involving the B.C. Rail partnership deal. We have already stated that the government itself claims there is no information as of March 10 to say that the B.C. Rail deal — the main-line sale — was involved. Yet the seventh warrant, which involves all of the computer files of government, hasn't even been completely searched yet.

Maybe at that point that's the case, but on March 2 the Premier is claiming that passing unauthorized confidential information to persons interested in government business for the purpose of obtaining a benefit

doesn't have anything to do with government. Well, isn't that nice?

Government officials — the Minister of Finance office's main man and the MA for the Minister of Transportation, who sat at confidential meetings of the steering committee responsible for the sale of the main line of B.C. Rail, and the same man shepherding the drafting and approval of the legislation through government that sells B.C. Rail... Those are the two officials, and somehow it's personal? It's not about government? The warrant itself says it's about government business, and the Premier says this is a personal issue?

Just the day after the Premier made that statement, here's what the Minister of Transportation said. He tells the media on March 3, upon being questioned about the differential treatment between Dave Basi, the Minister of Finance's MA, and Bob Virk, the Minister of Transportation's ministerial assistant, that it was because: "In the one case, they — the Premier's office — felt that there were serious enough allegations being presented by the RCMP to terminate, and the other was much less clear."

Let's be complete here. The next day the same minister stood up and said he was wrong, and he withdrew his comments. When I questioned the minister in estimates about that, his advice about that came from the Minister of Finance, who said: "We don't discuss personnel matters."

What did the Premier's office determine? What did Martyn Brown determine? Over what period of time? What did Martyn Brown determine about the future of Dave Basi and Bob Virk, and over what period of time?

**Hon. G. Campbell:** My chief of staff had reviewed the circumstances and the information with the Solicitor General and felt it was appropriate to terminate Mr. Basi and to suspend Mr. Virk on the same morning. He talked with me on December 28. I agreed with his actions. I think he took the right actions, the appropriate actions, given the information that was available and given the tasks that the two ministerial assistants whose offices were searched actually had as their responsibilities.

[1925]

**J. MacPhail:** Just to be clear, the people involved in the discussion about determining the futures of Mr. Basi and Mr. Virk were the Solicitor General, Martyn Brown and the Premier. Was anyone else involved?

**Hon. G. Campbell:** First, the Solicitor General was not involved. It was a decision that the Solicitor General, as I mentioned... I believe Sunday was the 28th, and Mr. Brown met with the Solicitor General with the approval of the RCMP. Mr. Brown listened to what the Solicitor General had to say. He phoned me and made recommendations as to how we should act with regard to the two ministerial assistants whose offices had been searched. We felt that we acted appropriately at the time given the information that was available, and I

still feel we acted appropriately given the information that was available.

**J. MacPhail:** Okay, so Martyn Brown makes the decision based on information he's received either from the Solicitor General or the RCMP.... I'm sorry. The Premier has already clarified that the RCMP informed the Solicitor General, and then the Solicitor General talked to Martyn Brown with the approval of the RCMP. Then Martyn Brown talks to the Premier, Dave Basi is fired, and Bob Virk is suspended with pay. Why?

**Hon. G. Campbell:** This has been canvassed quite significantly over a number of months. It was clear that Mr. Basi had a different role in government as ministerial assistant to a House Leader. He worked across ministries in government. He worked with the opposition as well. We felt, in view of the information that was available at the time, that we took the appropriate action in dealing with both of them fairly.

**J. MacPhail:** I have to laugh when the government always says: "Oh, it's because he dealt with the opposition." I didn't receive a phone call from anybody saying: "Is it gonna be difficult — you working with Dave Basi, opposition?" In fact, I had to laugh that that was the reason the government used, saying that Mr. Basi's role was such that he had to be fired. In fact, it's ridiculous to somehow suggest that Mr. Basi had to be fired because he, at 1:30, tells us what we're going to debate in the House at 2 p.m. each day. It's ridiculous, and it doesn't stand up to scrutiny. Is the Premier saying that was the reason Martyn Brown gave for firing Mr. Basi and keeping Mr. Virk suspended with pay?

**Hon. G. Campbell:** What I'm saying is that Mr. Basi and Mr. Virk had different jobs. We felt we acted appropriately given the information that was available. I still feel we acted appropriately given the information that was available. I recognize the Leader of the Opposition may have decided something different. That's what we decided.

**J. MacPhail:** Here's what we know from the facts around this. Both officials are subject to search warrants. They're not separate. Both Mr. Basi and Mr. Virk are being checked out for whether either of them were offered and/or accepted personal benefits in connection with government business, including B.C. Rail, and whether these officials — both of them — passed unauthorized confidential information to persons interested in government business for the purpose of obtaining a benefit.

What I know personally, from my own experience around the B.C. Rail deal, is that it was Bob Virk who was part of the steering committee meetings around the sale of B.C. Rail. He was in the confidential meetings. He was the one that had access to Treasury Board submissions. He was the one that had access to the legislation far before anyone else did.

[1930]

Mr. Virk sat in on a briefing with the opposition, not Dave Basi. It was Mr. Virk who sat in on that briefing. So what was it that justifies Mr. Virk still continuing to be paid and Mr. Basi being fired? Mr. Chair, these questions have been referred to the Premier by his cabinet.

**Hon. G. Campbell:** As I said, I appreciate that the Leader of the Opposition may have decided differently than we did. We felt that with the tasks that the two individuals had, we acted appropriately given the information we had available.

**J. MacPhail:** What is the status of Mr. Virk?

**Hon. G. Campbell:** Mr. Virk is suspended and on paid leave.

**J. MacPhail:** I questioned the personnel decision around that with the Minister of Transportation, and he referred the matter to the Premier. What is the suspension with pay? Can the Premier point to the personnel policy that says that when you are involved in a Legislature raid and you're actually one of the officials being investigated for transmitting information for personal benefit, you get to stay on payroll? Let's be clear. Let's see: January, February, March, April, May. We're at about 25,000 bucks that the taxpayer has paid to Mr. Virk while he's under investigation sitting at home. What's the personnel matter relating to that?

**Hon. G. Campbell:** First of all, this activity with regard to Mr. Virk and the length of time that Mr. Virk has been there has been something we have been dealing with the Public Service Agency on. It is a standard practice, in fact, if people are under investigation. There have been no charges laid here, remember. We felt it was important to protect the integrity of the government that we act with regard to Mr. Virk and give him a paid leave. We also thought, in terms of fairness, that the actions we took were appropriate. We are not in touch with Mr. Virk at this point with the current situation. Any contact with Mr. Virk is through the Public Service Agency, but this is not an unusual practice.

**J. MacPhail:** Hello. The Legislature has never been raided before, Mr. Chair. It is an unusual practice. It's the first time the Legislature has ever been raided and boxes taken out of ministers' offices. It's the first time ever that a government has had to shut down government activity because of warrants issued relating to government business. It's the first time that someone has been fired because of search warrants on a Minister of Finance's office — two types of search warrants, one dealing with drugs and one dealing with influence peddling. It's the first time we've ever had a ministerial assistant who had access to confidential information about a government sale, about legislation, who is sitting at home suspended with pay.

I don't know where the Premier gets off saying that it's not unusual. It's unusual as heck and unique — first time ever that it's happened.

[1935]

So if it's Martyn Brown who made the decision about the future of these two men — the very different future of these two men.... One might say that the actions of this government have harmed Mr. Basi greatly without any explanation of why the two men were treated differently, except for this. What the Minister of Transportation did say on April 21 was that Bob Virk is innocent of everything in the eyes of everyone. He did make that distinction. Of course, when I questioned the Minister of Transportation about that, he said: "Well, everybody is innocent until proven guilty." But I guess that's not the case for Mr. Basi. Mr. Basi wasn't given that right. The Premier's chief of staff could have easily suspended Mr. Basi with pay and had him sit at home. That way his role with the opposition wouldn't have been tainted. He could have easily been suspended with pay as well. But no, that didn't occur.

So if it's Martyn Brown, the head political guy, looking after the political staff, what has the Public Service Agency got to do with it? It deals with the public service.

**Hon. G. Campbell:** Mr. Brown did make the recommendation for the decision to me, and I accepted that decision. Once that decision was made, it was important that it be carried out appropriately. That was done in consultation with the Public Service Agency, as you would expect. At this point it is not appropriate for Mr. Brown to be in touch with Mr. Virk or anyone else. Any activities with regard to that are done through the Public Service Agency.

Let me reiterate. I am not saying that the event that took place in the Legislature is not unique. What is not unique is to provide people who are being investigated with the opportunity to be suspended with pay. That's the route we've taken with Mr. Virk. I think it is a fair route in terms of Mr. Virk, and I think we took a fair route with regard to Mr. Basi. We did not comment on Mr. Basi's particular situation except to say he had a different position. We felt it was appropriate for him to be terminated in view of the information that was available, and that's what we did.

**J. MacPhail:** The Minister of Transportation told me in estimates that it would be Martyn Brown who would have a plan to deal with the Minister of Transportation being forced to carry Mr. Virk's salary for the fiscal year '04-05. That's what he said to me in estimates. The Minister of Transportation's office budget hasn't changed. He's got a replacement person for Bob Virk, and he told me it would be Martyn Brown who would have a plan to deal with that.

[1940]

Let me just ask: what is the plan? What are the Public Service Agency rules? Can the Premier tell me that? What's the Public Service Agency's policy or procedure that's being enforced right now?

**Hon. G. Campbell:** I think I can answer the question this way. Mr. Virk is on paid leave. He is suspended from his activities in the Legislature. His salary will be taken out of the Transportation ministry's budget, as the minister said at the time of his estimates. That's the route we are following at this point. If there are going to be future decisions with regard to that, they will be made in due course.

**J. MacPhail:** No, no. I'm asking what the Public Service Agency policy is. Is it that you're innocent until proven guilty, and therefore you get to stay on payroll until charges are laid or you're declared no longer under suspicion? What is it? The Premier says this is routine. What's routine?

**Hon. G. Campbell:** The decision on whether to terminate or suspend rests, obviously, with the chief of staff and, through him, with me. When that decision is made, it's made on the basis of the information available and the circumstances that are there. We've made that decision.

Mr. Virk is currently suspended. He is not at work. He is receiving pay. That is the circumstance which will remain until circumstances change. This is the policy that we've got. If there is a time when this comes up with other members of the public service, for different reasons — hopefully for different reasons, hopefully never, but if it did come up — obviously those circumstances would be reviewed at the time, and decisions would be made.

**J. MacPhail:** I'm sure the reason why the Premier isn't telling me what Public Service Agency policy is there is because there isn't one. Believe you me, Mr. Chair, the Public Service Agency is responsible for tens of thousands of public servants and has a policy about everything.

If Mr. Virk is charged, who pays his legal fees?

**Hon. G. Campbell:** I'm interested that the member opposite is so interested in the Public Service Agency. She could have reviewed a lot of their policies under the Management Services estimates, and I understand she wasn't able to attend any of those estimates.

Let me say this in terms of how we deal with our employees. It is speculative to say Mr. Virk will be charged or won't be charged. It would depend on what kind of charge was made or wasn't made, and those are issues that clearly have to be reviewed at the time they come forward. I think it's inappropriate for us to speculate on what may or may not happen.

**The Chair:** May I remind the member that hypothetical cases are not questionable.

**J. MacPhail:** Thank you, Mr. Chair. That's a very good point.

Mr. Basi, in his severance arrangements — was this issue addressed about charges and lawyers' fees? That's not hypothetical.

[1945]

**Hon. G. Campbell:** The way the government operates, the Attorney General is responsible for the indemnity policy with regard to the legal indemnities, but Mr. Basi received 8½ months' severance, as part of his severance in December. As I mentioned, there was no suggestion one way or another as to whether Mr. Basi was.... We couldn't suggest what the circumstances were with him, but we felt it was appropriate, in view of the information we had available, to terminate him. He had 8½ months' severance. It would be typical in that situation. That is a full and complete package.

**J. MacPhail:** Did the severance arrangement deal with the issue of indemnification if charges are laid related to Mr. Basi's government activity?

**Hon. G. Campbell:** The severance arrangements with Mr. Basi are, in fact, confidential, but he was given 8½ months' severance. Any indemnities would be subject to review by the Attorney General, but they would also at this point be confidential.

**J. MacPhail:** I don't know why they're confidential. Why is the expenditure of taxpayer dollars a confidential matter — or the promise of the expenditure of taxpayer dollars? We've discussed the indemnification policy around court actions in this House many times. In fact, the government, when they were in opposition, raised this over and over again. I know, Mr. Chair, because I had to answer the questions when I was in government.

What is the indemnification policy for political staff who may be charged in relation to their government duties? For those that may not be familiar with it, indemnification, as I understand it, means who is indemnified for covering the legal expenses if one is charged in relation to their government duties.

[1950]

**Hon. G. Campbell:** I wanted to be sure that this was correct. Indemnities are available for elected officials and for staff, if in fact something takes place that is part of being in the course of their duties. If it is something that is outside of the course of their duties, there is no indemnity that's in place.

**J. MacPhail:** Is there anything in the legal arrangements of the severance of Mr. Basi, David Basi, that would prevent him from asking the government to pay legal fees if he is charged pursuant to his government activity as ministerial assistant to the Minister of Finance?

**Hon. G. Campbell:** Again, we're getting close to a hypothetical question here. Mr. Basi has not been charged, and neither has Mr. Virk been charged. In terms of people that are involved in the public service, if there is a legal action taken as a result of them exercising their public duties, then there would be some

indemnification. If they are charged outside of their duties, there would be no indemnification. That's the simplest answer, Mr. Chair.

**J. MacPhail:** Isn't that interesting? Taxpayers may be on the hook for legal fees for both Mr. Virk and Mr. Basi, because of course the warrants that we know about so far are to do with them in their official capacity relating to government business. The Premier can't in any way tell me that his government, in severing Mr. Basi, dealt with that issue so that the taxpayer wouldn't be on the hook. That's just another great piece of news for the taxpayer around the whole B.C. Rail fiasco.

Let's turn to the B.C. Rail deal — not the part that was stopped because of the raids on the Legislature, not the failed sale of the spur line out to Roberts Bank that cost the taxpayers a million bucks with nothing to show for it, but the B.C. Rail deal of the main line.

This is what I have gleaned from the estimates debates I've had with various ministers around the B.C. Rail deal — that \$1 billion, the deal the Premier said that the taxpayer got a billion bucks for. Here's what comes out of that billion bucks, as I understand it, and I am happy to be corrected. As a taxpayer I hope the Premier can correct me. Now, \$255 million of that will be available to CN to write down its business taxes, meaning that CN can use that credit to not pay taxes to the federal government — \$255 million of federal taxes that they're off the hook for, which could go to health care for British Columbians. Then there is another \$20 million that CN ain't paying in property transfer tax, because the government is paying it on behalf of CN. Isn't that interesting?

When I bought my house, I had to pay the property transfer tax. Every person raise their hand who bought a house and had the seller pay their property transfer tax — not. Anybody out there that had a seller sucker enough to pay the property transfer tax on their behalf, like this government did for CN? No.

[1955]

Now, I'd say that's a business subsidy. It's an individual payment or tax expenditure to one company. So there's \$20 million. There's about \$14 million — the cost of lawyers and real estate advisers and spin doctors and accountants — for the actual sale. There's \$53 million in what's called "debt defeasance," meaning because CN isn't just assuming the debt of B.C. Rail, which was not taxpayer-supported by the way.... The taxpayer didn't have to do anything with that debt. It was the shippers that serviced that through their freight rates. The taxpayer now loses \$53 million because the government can't transfer the debt to CN. It has to pay it off early. It's called "early redemption penalties." That's another way of saying debt defeasance costs.

Now, the shippers don't get a break. CN will assume that debt and then transfer the costs of that debt servicing back to the shippers, so they don't get a break. The taxpayer loses 53 million bucks. Then there's \$200 million that the government is going to use from that sale, into their regular roadbuilding — nothing to

do with the communities along the B.C. Rail line. It should be expenditures that this government should be making out of their increased gas taxes that they hiked up — but no, no. That's going to come out of the B.C. Rail sale.

That's almost 650 million bucks there that's of zero benefit. Maybe my math is wrong on that. While I'm saying that, I can do a calculation. I can actually add it up. Am I wrong in the analysis of the deal anywhere, and if so, where?

**Hon. G. Campbell:** I think it's fair to say that the member opposite's analysis of the B.C. Rail investment partnership is certainly one I don't agree with. First of all, the reason there are tax losses there — and the only reason — is because B.C. Rail was running in the red for a number of years. As the member opposite will know, although she says it was all taxpayer-supported debt, there was a regular write-down. In fact, her government wrote down hundreds of millions of dollars for B.C. Rail because it wasn't able to operate in a way that was economically viable or that could secure the long-term rail operations for the northern part of our province.

I think one of the critical things, as we look at the whole package for B.C. Rail, is that it's not just a billion dollars of private sector investment. It's the retirement of \$500 million of debt and a \$30 million-a-year saving. It's the private sector coming and investing in literally hundreds of new cars, which will meet the needs of the north. It is providing opportunities for northern communities in the northwest, in the north central around Prince George, in the Peace River area and in the Chilcotin-Lillooet area. All of those things are part of this overall agreement.

Now, when you look at property transfer tax payments.... I've just acquired a new place to live with my wife, and I paid property transfer tax. Most of us do that. The total transfer taxes are in the range of \$10 million to \$12 million, and most of those property taxes are payable by B.C. Rail for consolidating ownership under the B.C. Railway Company. Registering the lease of the title on that is going to cost an additional number of dollars. I think that's because — the member doesn't understand this yet, but I'm sure she will, and certainly British Columbians will — we maintain ownership of the railbed and the right-of-way and the rail lines, as we said we would. We have a private sector operator who will know how to run a railway.

[J. Weisbeck in the chair.]

With that ability to run the railway, there are going to be hundreds of new jobs. There are going to be new opportunities across our province — north and south, east and west in our province. It's going to generate substantial additional benefits.

On top of the transaction costs that we have — all of which, by the way, Mr. Chair.... Just so we're clear, all of those transaction costs were identified in the budget this year. I believe it's on page 60 of the budget.

All of those transaction costs were clear. I know the member opposite had hours and hours of opportunity to discuss this in quite some detail with the Minister of Transportation, so I'm going to deal with it in general.

[2000]

The CN benefits are above the \$1 billion transaction and include a 7 percent rate reduction. They include a new Prince George head office. They include 600 new cars. Those are all good reasons for us to complete this investment partnership and for us to move forward.

I think it is an exceptional opportunity for British Columbia. I can tell the member opposite that if you go to the Peace River and talk to Peace River farmers about the opportunities that that northern corridor presents to them, they're excited about it. I can tell you that when you talk to communities about the potential for a new passenger service that can connect communities up and down the line both north and south, and potentially east and west, they're excited about it. When you talk to the people of Prince Rupert about the opportunities that it presents to the port, they're excited about it. It's not just a good financial arrangement for the province, as has been said by validator after validator; it's also a good arrangement for our shippers. It's also an excellent arrangement for our communities. In Prince George itself, it's going to become the new head office for those operations in the north. It's going to become a new gateway to the north for the entire northern part of our province. I think there is a great deal of excitement in Prince George with regard to that.

The \$135 million northern development initiative is aimed specifically at doing something that communities in the northern regions of our province have been calling for, for generations. That is for people in the north to be able to take action that meets their needs in a way that is unfettered by interference from Victoria. That's exactly what we've done.

I think the B.C. Rail investment partnership is an exceptional opportunity for British Columbia. It's an exceptional opportunity for our northern communities. It's an exceptional opportunity for our shippers. Frankly, I would hope that we will shortly have the results of the competition bureau's review so that we can get on with it, and British Columbians can get on with assuming and receiving all of the benefits that that investment partnership will deliver.

**J. MacPhail:** I guess the entire number of British Columbians who believe what the Premier said are sitting right in this chamber, which is very interesting — very interesting.

The Premier says that the property transfer tax costs \$10 million to \$12 million. On a \$1 billion sale, could he break that down, please? Can he tell me how the property transfer tax is calculated?

**Hon. G. Campbell:** The \$10 million to \$12 million is basically broken down into two components. It's approximately \$5 million to \$6 million for the consolidation of all the properties to be provided to the B.C. Railway Company by B.C. Rail. The B.C. Railway

Company will — as you know, Mr. Chair, and as the member opposite knows — own the right-of-way.

It's \$5 million to \$6 million for the registering of the lease and the title of the lease on the right-of-way. That's, in fact, a critical component of the public knowing that this is indeed an investment partnership where the ownership of the right-of-way, the rail and the rail-bed remains with the public, and the operation of the railway is carried out by the lessee.

[2005]

**J. MacPhail:** I'm sorry. I didn't understand any of that. It may be just that I'm thick. If there's no change in who owns the railway bed and right-of-way, what's to be registered, and why?

**Hon. G. Campbell:** The consolidation of the properties along the right-of-way is done so that we bring together all of the B.C. Rail subsidiaries and all of the properties. That's put into one publicly owned corporation, the B.C. Railway Company. It's that consolidation that is critical, and that's what generates the cost.

**J. MacPhail:** This doesn't ring true to me — that somehow this is just about keeping B.C. Railway Company in public hands. That was already there. What cost \$5 million to \$6 million to register leases on title that was necessary as a result of this deal? I don't understand.

**Hon. G. Campbell:** Property transfer tax is paid on any leases that are over 30 years. That lease will be registered on the newly consolidated property.

I'm sorry if the member doesn't understand this, but the property was in various property parcels owned by B.C. Rail, subsidiaries of B.C. Rail. That is now all consolidated into one property under the auspices of the B.C. Railway Company. That will cost approximately \$5 million or \$6 million. The lease must be registered because it's over 30 years. That will cost, it's estimated, \$5 million or \$6 million.

**J. MacPhail:** Well, call me stupid; I don't understand a word of what the Premier has just said. I have no idea why five million to six million bucks had to be charged to register leases, register the title of land that B.C. Rail already owned, unless it was to prepare for the transfer of that title to CN. Is that the case?

**Hon. G. Campbell:** The short answer to the member's question is no, that is not the case. We consolidated it all so that we could have it in public ownership, as we said we would — the right-of-way, the rail-bed and the rails. It is now consolidated. Since we are entering into a long-term lease, over 30 years, we will now register the lease on that consolidated property.

**J. MacPhail:** Well, we know that after five years CN can purchase the Crown land on discontinued lines for a buck. For a buck they can do that. So it seems to me that the government has done all the nice little legal

work, paid for it for itself to make sure the titles are all nice and clear — for the land that CN can purchase for a buck after five years.

Mr. Chair, I'm going to have to do more work on this — on what the Premier is saying around the registering of the title on the lease. I'm going to need some expert help on this. We'll deal with that tomorrow.

[2010]

Let's just look at the property transfer tax. The Premier says it's \$5 million to \$6 million on property transfer tax. That's right. It was the opposition that pointed out in question period that property transfer tax was being paid by B.C. Rail, not CN, even though that was required under the law — the Property Transfer Tax Act. It's the purchaser of a long-term lease that has to pay the property transfer tax.

This lease is at least 30 years long, and it's \$5 million to \$6 million. What's the value of the lease upon which \$5 million to \$6 million was paid?

**Hon. G. Campbell:** The property purchase tax value is based on the value of the property, as is normally the case. Again, let me remind the member that she did have 16 hours to review this with the Ministry of Transportation. My officials clearly don't have all of the details of that information. She also had an opportunity to review this with the Minister of Finance. These closing costs were detailed and disclosed in the budget this year. I think I have outlined for her both the costs and the overall policy that's reflecting them.

**J. MacPhail:** Luckily, at my age I can still remember what I discussed with various ministers. The Minister of Finance referred me to the Minister of Transportation, because Chris Trumpy, the negotiator for the government, reported to the Minister of Transportation. The Minister of Finance didn't answer any questions around this deal.

Then when I asked the Minister of Transportation about the value of the prepaid lease, he wouldn't answer me. Please go check the record. No matter which way I approached the question, he wouldn't answer the question about the prepaid lease.

Now, we know that the property transfer tax, which isn't paid on the property.... Or if it is, it means that CN bought B.C. Rail, and I know the government doesn't like to admit to that. The property transfer tax is paid on the lease. What was the value of the lease that led to a calculation of \$5 million to \$6 million of property transfer tax? Please break it down for me.

Not one single minister has answered these questions for me, and I'm happy to have *Hansard* stand as proof of that.

**Hon. G. Campbell:** As I mentioned earlier to the member, the property transfer tax is based on the value of the property or the value of the lease. It is written into the act. I would be glad to have our officials review that matter in detail with the member opposite so she understands how the values were derived.

[2015]

**J. MacPhail:** That's why I'm here. That's exactly why I'm here. I allege that the property transfer tax, given what the Premier claims is the value of the deal, would be between \$20 million and \$24 million. The government, B.C. Rail, paid that on behalf of that poor, desperate CN. It's called a tax subsidy, Mr. Chair. A tax expenditure for one company and one company alone is the definition of a subsidy.

I can hardly wait for this government, as the Premier has promised, to campaign in an election on that. I expect the fact that the Premier won't tell me the value of the prepaid lease that leads to only \$5 million to \$6 million of property transfer tax is because the price that CN paid for the prepaid lease is pitifully low.

In December or the end of November — I can't remember — of 2003, the then-Minister of Transportation revealed that the value of the prepaid lease for 90 years was around \$150 million. Wow. One and a half million bucks per year CN was going to pay to lease the rail line. Then the new Minister of Transportation wouldn't admit to that. In fact, I had to prove to him that the former Minister of Transportation had actually revealed that figure. Then he went on at great length to deny me the current information around what the prepaid lease was. Now the Premier is denying me the information on how they calculated the property transfer tax subsidy that they're giving to CN.

Well, let's be clear. This government really negotiated CN to the ceiling. The Minister of Transportation and the Premier have said: "Well, in the toing and froing of negotiations, we got CN to reduce freight rates by 7 percent." But, Mr. Chair, those 7 percent rate reductions.... We have no idea how long that's going to last. It's 7 percent on one-third of the freight costs that shippers pay to B.C. Rail, and the value of that reduction is around \$7 million — a \$7 million reduction in rates to the shippers on a \$300 million annual freight cost to shippers.

So \$7 million. Let's say the Premier's tax subsidy analysis is correct for CN — that it only cost the government \$10 million to \$12 million that CN should have paid. Well, CN is still five million bucks up — aren't they? — even after they paid for that freight rate reduction of seven million bucks. The government then handed them back a gift of twelve million bucks, and I expect it's double that. And the government says they got a good deal? Wow. I want to negotiate with this government. I want to get in there and wrestle them to the ceiling.

Now, this deal was supposed to have got through by March 31, 2004, but we know the competition bureau is taking the absolute maximum amount of time that the government predicted it would. It's been six months since the deal was announced. No competition bureau report yet. We're two months.... No, I'm sorry, Mr. Chair. B.C. Rail's fiscal year is a calendar year, as I recall. I could be wrong on that. The Premier could feel free to correct me. I think their fiscal year is a calendar year, so we're well into the '04 business year of B.C. Rail. Who gets the profit for this fiscal year?

[2020]

**Hon. G. Campbell:** First, I think the member opposite knows that there obviously are statements of adjustments when you finish and complete an arrangement like this. The competition bureau will complete their review, and then hopefully we'll be able to get on with this.

I think it's interesting to hear the member opposite decry the potential for the B.C. Rail investment partnership. In fact, if the member opposite spent time going across the north and talking to northern communities, if she spent time going through the interior.... I just came back last week from a meeting with the North Central Municipal Association, all of the communities north of 100 Mile House.

I can tell you this right now, Mr. Chair, and the member opposite. They are excited about the potential for this B.C. Rail investment partnership, and they're excited for good reason. They're excited for the same reason that Chief Harley Chingee is excited about the B.C. Rail partnership. Let me just point out to you, Mr. Chair, that he said he applauded the business decision of the B.C. government to convert an ailing Crown asset into a tool for economic growth and prosperity. Clearly, that's what is taking place here. The member opposite can say: "Oh no, Chief Chingee is just trying to butter the government up."

You know, Mr. Chair, even the former Premier of the New Democratic Party has said that this is a great opportunity for the north, that this is providing synergies that we've never had in northern development. Maybe the member opposite doesn't know this, but the northwest of the province has had a pretty tough time over the last decade. I think the former Premier, Mr. Miller, knows that in fact the CN Rail investment partnership is going to create huge opportunities for the town of Prince Rupert, certainly, but also for the town of Prince George, for the town of Smithers, for communities in the Peace. All of those benefits are coming out of the B.C. Rail investment partnership.

Let's just go through this, because I think it is important to remember this. The B.C. Rail write-offs have come to almost \$1 billion over the last 15 years. That is a huge cost to taxpayers. We had northern communities come to us and say: "You know, you've got to do something to get this rail back on its feet." We had shippers saying to us: "You have to do something to get this rail back on its feet." We can't continue to write down losses year after year after year for B.C. Rail.

What we did was say: "Let's maintain the public ownership of the right-of-way and the railbed and the rail. Let's get someone who knows how to run a railway, who can generate the synergies you need to come and look at the potential for adding to the economy of British Columbia — adding in a billion dollars of private sector investment; writing off \$500 million in debt and saving the taxpayers of this province \$30 million a year; maintaining that infrastructure and indeed improving it with 600 new cars and lower rates and lower costs for shippers, providing them with a competitive advantage."

Looking at what's taking place in the Prince George corridor and looking at the new Chicago express, I can tell you, Mr. Chair, that with the access we're going to have to the forest industry of the north central part of our province, there are going to be reduced costs for that industry in getting their product to their customers. That creates a competitive advantage.

If you look to the west, Mr. Chair, you see the vastly growing Asian markets in India and in China, and you see the opportunities that are created in the port of Prince Rupert. That's going to create not just hundreds of new jobs but ongoing synergies as those jobs build and develop. We talked yesterday about the advance of cruise ship opportunities in Prince Rupert as well. That port is opening up, and it's going to blossom.

You know, it's not just the government that sees this as a major advantage. It's not just communities along the line that see it as an advantage. If you go and read the reviews from Merrill Lynch, they will tell you that the potential cost synergies create significant growth opportunities. They remain confident in CN Rail's ability to improve B.C. Rail's operation as a market-competitive entity. Prudential Financial: the integration process will yield substantial opportunities for service improvements. Deutsche Bank Securities: an abundance of synergy and growth opportunities.

That abundance of synergy and growth opportunities is taking place right here in British Columbia. I know the member opposite spent a decade watching as our economy actually had a little bit of trouble attracting investment. I certainly watched as northern communities suffered under the previous government's policies.

Morgan Stanley: as a sign of that potential, they see huge opportunities. CN has already announced it's going to ship iron ore from upper Michigan iron range through Prince Rupert. That's one of the things they're looking at doing and expanding that opportunity. J. P. Morgan talks about the competitive position of the rail vis-à-vis trucking. This new synergy will create those opportunities and create those jobs.

[2025]

Interjection.

**Hon. G. Campbell:** No, everyone gets this arrangement.

Interjection.

**The Chair:** Member, listen to the answer, please. You'll have your chance to speak.

**Hon. G. Campbell:** Some \$135 million is going to the northern development initiative. I know the member opposite says: "Oh, just \$135 million. Who cares?" The fact of the matter is that the communities care. It's \$15 million for northern investments across the north; \$15 million for the Peace River to decide what they are going to do to improve their economy and their social

infrastructure; \$15 million for the northwest of the province, which the previous government turned their back on in terms of economic growth and economic opportunity.

We're opening it up, and as we open that up, we're opening up great new opportunities for all of British Columbia. Prince George, with the new head office.... How many times, I wonder, in the member opposite's career as an elected provincial official did she go to Prince George and they asked for the head office of B.C. Rail to be located in Prince George? That is what's actually going to take place here. It's going to be in Prince George. There's going to be a new \$4 million expansion to the Prince George Airport. There's going to be the new million-dollar state-of-the-art wheel shop in Prince George. That's jobs. That's opportunity for British Columbians and for the north of British Columbia.

Talk to the people in Squamish about the benefits that the B.C. Rail investment partnership will create. There are 71 acres of B.C. Rail land available, currently leased under Nexen, that will now be available for them to have a whole new plan for their future that they're excited about and they're building right now in the Squamish valley.

The B.C. Rail investment partnership is great for first nations — \$15 million to the B.C. Rail first nations benefits trust. Over a dozen first nations are already saying they want to be part of this. They're excited by it and what it can do for them in educational opportunities and economic development.

You know, Mr. Chair, this is going to be a great project for British Columbians. It will generate a billion dollars in benefits. On top of that billion dollars of benefits is a substantial upgrade of the line, substantial upgrade of the equipment, huge opportunities for shippers. This is the kind of agreement that we needed to have in the province long ago. We needed it because the north needed it. We needed it because the interior needed it. When they cried out for help before, they were greeted with a deaf ear. I do think the B.C. Rail investment partnership is ready for the people of the north.

We are waiting anxiously for the competition bureau to complete its review. It can never do it quickly enough. There is no question that this is a bold initiative that will create a better future for the people and the families that live in the north and the interior of our province.

**J. MacPhail:** Well, I know that the investment houses think this is a great deal for CN. The quotes that the Premier had from Merrill Lynch and that are their analysis of how well CN did in shareholder reports. It's an analysis to the shareholders of CN. Of course they got a great deal — at the expense of the taxpayer.

It's interesting. The Premier says this is great news for the north. I might remind the Premier that the unemployment rate in the northwest has gone up under his government — has gone up. That will all be put to test within months, as the Premier says he wants to campaign in an election on this deal.

I might also remind the Premier that there are 25 first nations bands along the B.C. Rail line. It used to be that there were 21 bands who had signed on to the great trust, and now it's down to about a dozen. There will be hundreds of first nations people on the lawns of the Legislature tomorrow, and we can ask them directly. They're the bands from along the B.C. Rail line, and we can ask them directly what they think about the B.C. Rail deal and how it affects their rights and title.

Of course, the Premier isn't telling us anything that he didn't know during the last election, when he promised that he wouldn't sell B.C. Rail. I guess that's why people think that he broke a promise. I guess that's why Ben Meisner.... Now, I think it's safe to say that Ben Meisner isn't a New Democrat. I certainly recall from my years in government that Ben Meisner, the Prince George talk show radio host and Prince George *Citizen* columnist, isn't a New Democrat. Here's what he said within the last month about the B.C. Rail deal — April 21. He's talking about the B.C. Rail deal. He says: "It's about to backfire, however. No other single issue has hurt the Liberals more in this part of the province than the B.C. Rail deal."

[2030]

God, I never thought in my life I'd quote Ben Meisner. But, Ben, I did it.

In all of this the Premier says to me: "I'm sure the member knows that in these kinds of deals, there are adjustments as the deal closes." Well, no, Mr. Chair. I don't know, because the deal has been completely secret, and what has leaked out has gone exactly counter to the message of this government.

Perhaps the Premier could be specific. The Minister of Transportation said that the minute the transaction agreement and the revitalization agreement are approved by the competition bureau, they will be released publicly and will be implemented. What happens to the '04 profits of B.C. Rail at that point? Who gets them?

**Hon. G. Campbell:** I understand that all profits up to the completion of the agreement will flow to B.C. Rail, and in turn those profits will flow to the government.

**J. MacPhail:** Can the Premier say what the profits are to date of this terrible company, B.C. Rail? What are the profits to date for '04 fiscal?

**Hon. G. Campbell:** I don't know the answer to that, Mr. Chair. But I can tell you that the member opposite had 16 hours and 43 minutes to deal with that with the Minister of Transportation and approximately six hours to deal with the Minister of Finance on it. I don't have that information available.

**J. MacPhail:** Oh, I know I work very hard in this Legislature, and I think the voters are recognizing how hard New Democrats work on their behalf. Every day they're acknowledging that.

Let me just read from another commentator in the last four weeks, Don Cayo. He is talking about P3s, and we're going to move to public-private partnerships.... I hope we'll get to it before we have to rise tonight. But here is what he said. He is talking about Partnerships B.C. and their lack of success.

Interjection.

**J. MacPhail:** Don Cayo from the *Vancouver Sun*. He comments in the business section. He used to be the editorial page editor of the *Vancouver Sun*, and now he is a business commentator for the *Vancouver Sun*. He is talking about Partnerships B.C. and the private-public partnerships. This is what he says. He is talking about Larry Blain, the CEO of Partnerships B.C. He says: "Significantly, Blain also promises the imminent release of new guidelines that will spell out when and how details of all future public-private partnerships will be made public. This is an overdue policy statement that could have, should have saved the Campbell government" — I'm sorry, Mr. Chair; I'm just quoting — "a lot of the self-inflicted grief it is now going through with the B.C. Rail fiasco." This is dated April 21, 2004. He also goes on, though, to say: "To be fair to Blain and his agency, I point out that they did not quarterback the B.C. Rail deal. The 'credit' for that one must go directly to Premier Gordon Campbell and crew."

Of course, Mr. Chair, I also will tell you.... My apologies. I was quoting from the article. I must say that the Minister of Finance refused to answer any questions about B.C. Rail, and the Minister of Transportation refused to answer the questions that I am now asking. It was the Premier, as I recall, who made that big glitzy announcement, so it is appropriate for my questions to be here.

[2035]

I have heard that the profits for '04 for B.C. Rail, that terrible company, exceed \$25 million already in the first-quarter fiscal. Yet it turns out the government is giving all of that away. Isn't that interesting? Gee, I wonder how well the people along the northern B.C. Rail line will feel about the fact that a well-run, competitive Crown-owned railway that turned \$95 million of profit to them last year and is already on the road to exceed that this year is all going to go to CN Rail now.

Does the minister agree with the Minister of Transportation that "the moment the competition bureau is finished with its analysis," the rail deal will go ahead? Is that what the transaction agreement says?

**Hon. G. Campbell:** I can tell the member opposite this. We will complete the transaction as quickly as possible following the review of the competition bureau. I do think it is important to note that the rail company has done relatively well this year. I think it's clearly a reflection of the turning around in the economy. I think it's a clear reflection of the changes in mineral markets that are taking place, of the shipping of fibre south of the border as a result of some of the issues we've dealt with in regard to softwood lumber.

But you know, Mr. Chair, there is really no question that B.C. Rail in its current state is not sustainable. Taxpayers, in fact, wrote down more money for B.C. Rail over the last 15 years than they did for the fast ferry project — \$860 million, as the member opposite already identified. There is over \$200 million of potential tax losses there. That's not because the company was profitable. It was because it was losing the dollars.

There is no question that since the government took office, we have asked for the B.C. Rail board to try and get it more economically viable, and I think it is encouraging that they have managed to secure a partnership agreement where the fairness commissioner said this was an utterly fair process. He said that in terms of value, we got good value for the people of British Columbia. When you see the benefits that are going to take place.... You know, the member opposite clearly isn't talking with the mayors in northern communities.

Colin Kinsley urged the provincial government to find innovative solutions with regard to B.C. Rail. Their recommendation would be for the province to retain ownership of the railbeds and rail tracks and their partner to offer freight rail and passenger services. That's what we had the opportunity to do under the B.C. Rail investment partnership. Donna Barnett from 100 Mile House: the provincial government needs to take bold steps now, which they have introduced. That's a very important point for the people in the north-south corridor.

I think sometimes that because the member opposite maybe isn't getting around as much as she used to — or maybe she didn't get around much before — she doesn't understand how important this project is to the entire northern part of the province. If you look at the information that has been provided by the mayor of Prince Rupert about the opportunities that are presented there, the pending partnership between CN Rail and B.C. Rail means significant benefits for Prince Rupert and indeed for communities of northern B.C.:

"Our region has ridden the rails of false hope many times in the past, but it is now time to move ahead. Now we are on the threshold of truly revitalizing the economy of Prince Rupert and communities across the northern region of British Columbia. CN Rail promises to make a significant commitment to our community's future, and they are backing that up with hard cash."

These are exciting times for northern communities. You know, it is critical. I understand that it's great to have the debate, and I understand that the member opposite doesn't agree with the B.C. Rail investment partnership. But I can tell you that in terms of northern communities, in terms of the economy of British Columbia, in terms of the opportunities it creates, in terms of the jobs that it will generate, I think there is no question that the B.C. Rail investment partnership is not just good for the people of the province today, but it will be good for the people of the province in the future.

[2040]

**J. MacPhail:** When will the Prince Rupert Port Authority be done then? The great hope — when will that be completed?

**Hon. G. Campbell:** We'd expect the container terminal announcements to be within the next two to three months. There's been a great deal of work done with regard to that.

Obviously, with the completion of the B.C. Rail investment partnership, there will be an additional \$30 million to aid in that activity — with the potential for future passenger service. That obviously doesn't happen in a week and a half. You have to plan a season ahead, but there are opportunities for that by 2005-06.

There is a building sense of opportunity in the northwest, and I understand that the member opposite and her party don't care much about the economic future of the northwest. They're opposed to aquaculture. They're opposed to offshore oil and gas. They're opposed to the B.C. Rail investment partnership. It's hard to find out what they're in favour of for the northwest of this province.

We're in favour of an economic future that builds on the strengths, the imagination and the entrepreneurship of the people of the northwest. That's how we're going to drive this economy forward. It's how we're going to drive their economy and their communities forward.

**J. MacPhail:** I'm actually looking for specifics, not rhetoric. Has the Premier got a commitment from the federal government to invest the \$54 million they're counting on in the Prince Rupert Port Authority, then? Nothing can happen without that federal money. Has he got a commitment on that basis?

Are you going to applaud that answer too?

**The Chair:** Member, that's inappropriate behaviour.

**Hon. G. Campbell:** Needless to say, the port authority in Prince Rupert is driving this project. We are working with them. As I mentioned, we will be making an announcement in two to three months.

Interjection.

**Hon. G. Campbell:** You know, the member opposite can joke and laugh and make her faces at Prince Rupert. I can tell you that it's a great town with a great future, and it's going to have a great future with the B.C. Rail investment partnership.

**J. MacPhail:** What I do know about Prince Rupert is that unemployment has skyrocketed since June 2001 and that one out of three houses is for sale in Prince Rupert since 2001. That's what I know.

Talk about false hope. The Premier says, "Oh, the port of Prince Rupert," and the minute I ask him for some detail — which is that they're giving \$17 million

and that the federal government has to contribute \$54 million — all of a sudden: "Oh, that's the port of Prince Rupert's responsibility." There is absolutely no commitment from the federal government on that whatsoever — none. Nothing can happen. The Premier promising any hope at all for the port of Prince Rupert on that basis is completely meaningless.

Interjection.

**J. MacPhail:** The member for Vancouver-Quilchena says that Skeena Cellulose was false hope. You tell that to the 9,000 people who were employed when Skeena Cellulose was operating. Maybe the reason why the unemployment rate has skyrocketed in the northwest is because this government gave away the cutting rights associated with Skeena Cellulose to a failed entrepreneur, and he shipped off raw logs without creating any value-added whatsoever — under their government. That's the record of this government in the northwest. But we'll have plenty of opportunity within months to put that to the test.

Let's be clear. The port of Prince Rupert cannot go ahead without federal investment of \$54 million. CN isn't putting one dime into the port of Prince Rupert — not one. Talk about false hope, Mr. Chair.

[2045]

I don't in any way blame Herb Pond, the mayor of Prince Rupert. He has every right to demand as much hope from this government as he possibly can. But let's be clear. Prince Rupert in 2004 is far worse off than it was in 2001 — far worse off — and I dare any local representative to stand up and challenge me on those statistics.

Interjections.

**J. MacPhail:** Absolutely.

Interjections.

**The Chair:** Order, please. Let's have order on both sides of the House. Order, please.

Leader of the Opposition, you have the floor.

**J. MacPhail:** I love it how this government says that the NDP is out of touch with the province. I will tell you something, Mr. Chair. The last time I was in the northwest, I got a tour of the Skeena Cellulose operation. When would that be — about four months ago? Yeah. They were holding out great hope that Skeena Cellulose would start up again, only to have their hopes dashed.

Maybe the member for Vancouver-Quilchena would like to take back his cheap shots — his absolute cheap shots. It turns out that that was false hope about Skeena Cellulose starting up. That was what Prince Rupert wanted and what Terrace wanted — to start up again. All their hopes were dashed, and they're left with nothing.

In fact, I think they also showed us when we toured that the aquaculture activity had shut down under this government — not the previous government. Under this government the aquaculture industry in the northwest came to a grinding halt. Oh, but that would make me out of touch, because that information is — what? — only three or four months old. Yeah. Maybe the government would like to stand up and say how that's going to get going again for the northwest.

Let's be clear that when this government sells all of the great benefits of the B.C. Rail deal, we have absolutely no idea whether they've got the facts or not, because it's secret. It's absolutely secret. They just continue to say: "Oh, this is all great news."

Let me ask the Premier this: what happens to the aboriginal rights and title of the 25 bands that make claim to land along the B.C. Rail line?

**Hon. G. Campbell:** Let me just say that it's always interesting to hear from the member opposite about what we have done in three years. She seems to forget what she and her government did in ten. What her government did in ten, actually, was started the demise of the forest industry in the northwestern part of the province. Her government would go on trade missions, and they'd forget to even put Prince Rupert in the brochures, Mr. Chair.

Let's look at just what's happened in terms of the northern economy. We've seen an increase in the forestry investment in the northern economy in the last year. We've seen a \$200 million OSB plant for Slocan in Fort St. John. We've seen the Hixon sawmill expansion for Dunkley. We've watched as Lignum has expanded some of its opportunities in British Columbia.

Interjection.

**Hon. G. Campbell:** I know that the member opposite would rather heckle than listen to this, but I tell you that the people who got the jobs as a result of this are pretty darn pleased. They're pleased that at last they've got jobs that their families can count on and that are going to be there for the long term. In British Columbia at last we again have a province that encourages investment and stability and recognizes the importance of our resource industries, and that's important.

We've got the member opposite and her party saying that they don't really like mining much. Go talk to them in the northwest about how they like mining. They love mining. They love the fact that we're trying to return the mining industry to this province — the industry that the previous government wiped one out of two jobs out of. Not a tear was shed by the member opposite — not a whimper from the NDP about what they did in the northwest when they did that and about the families they affected in community after community across the whole province.

[2050]

What are we doing? We're opening up exploration in the northwest; we're opening up transportation cor-

ridors in the northwest; we're opening up a port in the northwest. We're looking at Prince George. We're opening it up as a major gateway to our forest industry and our resource industries. We're providing, for the first time, real access for our Peace River farmers to Asian markets. We're providing real access for Canadian agriculture out to the Asian markets, and we're providing that a day and a half sooner than we could have otherwise. That's part of what the B.C. Rail investment partnership does.

We're providing new passenger opportunities that will be run effectively and efficiently and will generate hundreds of new jobs. I think it's important to note that as we look at the northwest of this province, they are the ones that are the most excited about the potential for offshore oil and gas.

What does the other party say? They say no to offshore oil and gas. No, not now, not ever. Forget the science. Forget that we can do it in British Columbia. Forget that there are hundreds of millions of dollars that can go to support health care and education. Forget the opportunities that are presented. Let's turn our back on the northwest, they say.

Interjection.

**The Chair:** Member, please come to order. Listen to the answer.

**Hon. G. Campbell:** We are not going to turn our back on the north or the northwest or the Kootenays or the Cariboo-Chilcotin or Lillooet. We are going work with those communities.

While the member opposite can belittle the work that the city of Prince Rupert has done — or any number of other cities she doesn't happen to just agree with — I tell you this. They have a very bright future in Prince Rupert. It's a future built on tourism and mining and forestry and aquaculture and energy production. That's with this government. I can't tell them what kind of future they'd have with another government, but I can tell you this. This government is going to continue to work with the town of Prince Rupert.

We're going to continue to work with the likes of the former Premier, Dan Miller, and the current mayor, Herb Pond. We're going to continue to work with first nations communities up and down that line. We're going to provide them with \$15 million of benefits — educational benefits, economic opportunity benefits.

You know what we're going to see happening in British Columbia? We're going to see a revival of the north. We're going to see a renaissance of opportunity, and we're going to see this province moving to its rightful position, where families know they've got a long-term, secure future they can count on based on the resources of this province and the entrepreneurship and expertise of the people who live in our communities.

**J. MacPhail:** Of course, the Premier didn't answer my question about what happens to the 25 bands, to their aboriginal rights and title, with the conclusion of the transaction agreement — those 25 bands along the B.C. Rail line who make claim to aboriginal rights and title — because you wouldn't be able to answer that question in a way that would bring stability and certainty to business investment. The biggest single impediment to business investment in this province is lack of settlement of aboriginal rights and title. Anywhere you go, that's what they say.

In fact, the most recent survey about investment in the north from business people said that it was lack of stability and confidence and certainty of settlement of aboriginal rights and title. Of course, this government didn't even bother to consult with first nations, in their duty to accommodate, around the B.C. Rail sale that will show Crown land sold to CN after five years for one buck. Oh, that's just great. That will bring a lot of certainty to business in this province.

The Premier likes to give his set speech, which frankly no one's buying, about the benefits of this. He doesn't like to answer the hard questions about aboriginal rights and title. Well, he's going to be asked to do that in a very forceful way by first nations bands, many of whom are bailing from the first nations trust of this deal, Mr. Chair.

I feel very badly. I wanted to get to the highlights of the Parks review of the Abbotsford hospital and cancer centre request. I was motivated to do that when the Premier was touting what a wonderful man Ron Parks was and how his report stood on its own and the public should just accept Ron Parks's work without any interference from government. I'm so upset that I'll have to wait till tomorrow to review Ron Parks's report on the Abbotsford hospital and cancer centre, but once again, I do look forward to another day.

Noting the hour, Mr. Chair, I move that the committee rise and report progress and certainly ask leave to sit again.

Motion approved.

The committee rose at 8:55 p.m.

The House resumed; Mr. Speaker in the chair.

Committee of Supply B, having reported progress, was granted leave to sit again.

Hon. R. Harris moved adjournment of the House.

Motion approved.

**Mr. Speaker:** The House is adjourned until 10 a.m. tomorrow.

The House adjourned at 8:57 p.m.