



6th Session, 37th Parliament

OFFICIAL REPORT OF
DEBATES OF THE
LEGISLATIVE ASSEMBLY
(HANSARD)

Tuesday, February 22, 2005
Morning Sitting
Volume 27, Number 14

THE HONOURABLE CLAUDE RICHMOND, SPEAKER

ISSN 0709-1281

PROVINCE OF BRITISH COLUMBIA
(Entered Confederation July 20, 1871)

LIEUTENANT-GOVERNOR
Her Honour the Honourable Iona V. Campagnolo, CM, OBC

6TH SESSION, 37TH PARLIAMENT

SPEAKER OF THE LEGISLATIVE ASSEMBLY
Honourable Claude Richmond

EXECUTIVE COUNCIL

Premier and President of the Executive Council	Hon. Gordon Campbell
Minister of State for Intergovernmental Relations	Hon. Sindi Hawkins
Deputy Premier and Minister of Health Services	Hon. Shirley Bond
Minister of State for Mental Health and Addiction Services	Hon. Brenda Locke
Minister of Advanced Education.....	Hon. Ida Chong
Minister of Agriculture, Food and Fisheries.....	Hon. John van Dongen
Attorney General and Minister Responsible for Treaty Negotiations.....	Hon. Geoff Plant, QC
Minister of Children and Family Development.....	Hon. Stan Hagen
Minister of State for Early Childhood Development.....	Hon. Linda Reid
Minister of Community, Aboriginal and Women's Services	Hon. Murray Coell
Minister of State for Immigration and Multicultural Services.....	Hon. Patrick Wong
Minister of State for Women's and Seniors' Services.....	Hon. Wendy McMahon
Minister of Education	Hon. Tom Christensen
Minister of Energy and Mines.....	Hon. Richard Neufeld
Minister of State for Mining.....	Hon. Pat Bell
Minister of Finance.....	Hon. Colin Hansen
Minister of Forests.....	Hon. Michael de Jong
Minister of State for Forestry Operations.....	Hon. Roger Harris
Minister of Human Resources.....	Hon. Susan Brice
Minister of Management Services	Hon. Joyce Murray
Minister of Provincial Revenue.....	Hon. Rick Thorpe
Minister of Public Safety and Solicitor General.....	Hon. Rich Coleman
Minister of Skills Development and Labour.....	Hon. Graham P. Bruce
Minister of Small Business and Economic Development	Hon. John Les
Minister of Sustainable Resource Management	Hon. George Abbott
Minister of State for Resort Development.....	Hon. Patty Sahota
Minister of Transportation.....	Hon. Kevin Falcon
Minister of Water, Land and Air Protection	Hon. Bill Barisoff

LEGISLATIVE ASSEMBLY

Deputy Speaker	Dr. John Weisbeck
Leader of the Opposition	Joy K. MacPhail
Deputy Chair, Committee of the Whole.....	Harold Long
Clerk of the Legislative Assembly.....	E. George MacMinn, QC
Clerk Assistant.....	Robert Vaive
Clerk Assistant and Law Clerk	Ian D. Izard, QC
Clerk Assistant and Clerk of Committees	Craig H. James
Clerk Assistant and Committee Clerk	Kate Ryan-Lloyd
Sergeant-at-Arms.....	A.A. Humphreys
Director, Hansard Services	Anthony Dambrauskas
Legislative Librarian	Jane Taylor
Legislative Comptroller.....	Peter Bray

Published by British Columbia Hansard Services, and printed under the authority of the Speaker by the Queen's Printer, Victoria. Rates: single issue, \$2.85; per calendar year, mailed daily, \$298. GST extra. Agent: Crown Publications Inc., 521 Fort St., Victoria, B.C. V8W 1E7. Telephone: (250) 386-4636. Fax: 386-0221.

www.leg.bc.ca

Hansard Services publishes transcripts both in print and on the Internet. Chamber debates are broadcast on television and webcast on the Internet.

ALPHABETICAL LIST OF MEMBERS

Abbott, Hon. George (L)	Shuswap
Anderson, Rev. Val (L)	Vancouver-Langara
Barisoff, Hon. Bill (L)	Penticton-Okanagan Valley
Bell, Hon. Pat (L)	Prince George North
Belsey, Bill (L)	North Coast
Bennett, Bill (L)	East Kootenay
Bhullar, Tony (L)	Surrey-Newton
Bloy, Harry (L)	Burquitlam
Bond, Hon. Shirley (L)	Prince George-Mount Robson
Brar, Jagrup (NDP)	Surrey-Panorama Ridge
Bray, Jeff (L)	Victoria-Beacon Hill
Brenzinger, Elayne (DR)	Surrey-Whalley
Brice, Hon. Susan (L)	Saanich South
Bruce, Hon. Graham P. (L)	Cowichan-Ladysmith
Campbell, Hon. Gordon (L)	Vancouver-Point Grey
Chong, Hon. Ida (L)	Oak Bay-Gordon Head
Christensen, Hon. Tom (L)	Okanagan-Vernon
Chutter, Dave (L)	Yale-Lillooet
Clark, Christy (L)	Port Moody-Westwood
Cobb, Walt (L)	Cariboo South
Coell, Hon. Murray (L)	Saanich North and the Islands
Coleman, Hon. Rich (L)	Fort Langley-Aldergrove
de Jong, Hon. Michael (L)	Abbotsford-Mount Lehman
Falcon, Hon. Kevin (L)	Surrey-Cloverdale
Hagen, Hon. Stan (L)	Comox Valley
Halsey-Brandt, Greg (L)	Richmond Centre
Hamilton, Arnie (L)	Esquimalt-Metchosin
Hansen, Hon. Colin (L)	Vancouver-Quilchena
Harris, Hon. Roger (L)	Skeena
Hawes, Randy (L)	Maple Ridge-Mission
Hawkins, Hon. Sindi (L)	Kelowna-Mission
Hayer, Dave S. (L)	Surrey-Tynehead
Hogg, Gordon (L)	Surrey-White Rock
Hunter, Mike (L)	Nanaimo
Jarvis, Daniel (L)	North Vancouver-Seymour
Johnston, Ken (L)	Vancouver-Fraserview
Kerr, Brian J. (L)	Malahat-Juan de Fuca
Krueger, Kevin (L)	Kamloops-North Thompson
Kwan, Jenny Wai Ching (NDP)	Vancouver-Mount Pleasant
Lee, Richard T. (L)	Burnaby North
Lekstrom, Blair (L)	Peace River South
Les, Hon. John (L)	Chilliwack-Sumas
Locke, Hon. Brenda (L)	Surrey-Green Timbers
Long, Harold (L)	Powell River-Sunshine Coast
MacKay, Dennis (L)	Bulkley Valley-Stikine
McMahon, Hon. Wendy (L)	Columbia River-Revelstoke
MacPhail, Joy K. (NDP)	Vancouver-Hastings
Manhas, Kam (L)	Port Coquitlam-Burke Mountain
Masi, Reni (L)	Delta North
Mayencourt, Lorne (L)	Vancouver-Burrard
Murray, Hon. Joyce (L)	New Westminster
Nebbeling, Ted (L)	West Vancouver-Garibaldi
Nettleton, Paul (Ind)	Prince George-Omineca
Neufeld, Hon. Richard (L)	Peace River North
Nijjar, Rob (L)	Vancouver-Kingsway
Nuraney, John (L)	Burnaby-Willingdon
Orr, Sheila (L)	Victoria-Hillside
Penner, Barry (L)	Chilliwack-Kent
Plant, Hon. Geoff, QC (L)	Richmond-Steveston
Reid, Judith (L)	Nanaimo-Parksville
Reid, Hon. Linda (L)	Richmond East
Richmond, Hon. Claude (L)	Kamloops
Roddick, Valerie (L)	Delta South
Sahota, Hon. Patty (L)	Burnaby-Edmonds
Stephens, Lynn (L)	Langley
Stewart, Ken (L)	Maple Ridge-Pitt Meadows
Stewart, Richard (L)	Coquitlam-Maillardville
Suffredine, Blair F. (L)	Nelson-Creston
Sultan, Ralph (L)	West Vancouver-Capilano
Thorpe, Hon. Rick (L)	Okanagan-Westside
Trumper, Gillian (L)	Alberni-Qualicum
van Dongen, Hon. John (L)	Abbotsford-Clayburn
Visser, Rod (L)	North Island
Weisbeck, Dr. John (L)	Kelowna-Lake Country
Whittrid, Katherine (L)	North Vancouver-Lonsdale
Wilson, Dr. John (L)	Cariboo North
Wong, Hon. Patrick (L)	Vancouver-Kensington

LIST OF MEMBERS BY RIDING

Abbotsford-Clayburn	Hon. John van Dongen
Abbotsford-Mount Lehman	Hon. Michael de Jong
Alberni-Qualicum	Gillian Trumper
Bulkley Valley-Stikine	Dennis MacKay
Burnaby North	Richard T. Lee
Burnaby-Edmonds	Hon. Patty Sahota
Burnaby-Willingdon	John Nuraney
Burquitlam	Harry Bloy
Cariboo North	Dr. John Wilson
Cariboo South	Walt Cobb
Chilliwack-Kent	Barry Penner
Chilliwack-Sumas	Hon. John Les
Columbia River-Revelstoke	Hon. Wendy McMahon
Comox Valley	Hon. Stan Hagen
Coquitlam-Maillardville	Richard Stewart
Cowichan-Ladysmith	Hon. Graham P. Bruce
Delta North	Reni Masi
Delta South	Valerie Roddick
East Kootenay	Bill Bennett
Esquimalt-Metchosin	Arnie Hamilton
Fort Langley-Aldergrove	Hon. Rich Coleman
Kamloops	Hon. Claude Richmond
Kamloops-North Thompson	Kevin Krueger
Kelowna-Lake Country	Dr. John Weisbeck
Kelowna-Mission	Hon. Sindi Hawkins
Langley	Lynn Stephens
Malahat-Juan de Fuca	Brian J. Kerr
Maple Ridge-Mission	Randy Hawes
Maple Ridge-Pitt Meadows	Ken Stewart
Nanaimo	Mike Hunter
Nanaimo-Parksville	Judith Reid
Nelson-Creston	Blair F. Suffredine
New Westminster	Hon. Joyce Murray
North Coast	Bill Belsey
North Island	Rod Visser
North Vancouver-Lonsdale	Katherine Whittred
North Vancouver-Seymour	Daniel Jarvis
Oak Bay-Gordon Head	Hon. Ida Chong
Okanagan-Vernon	Hon. Tom Christensen
Okanagan-Westside	Hon. Rick Thorpe
Peace River North	Hon. Richard Neufeld
Peace River South	Blair Lekstrom
Penticton-Okanagan Valley	Hon. Bill Barisoff
Port Coquitlam-Burke Mountain	Kam Manhas
Port Moody-Westwood	Christy Clark
Powell River-Sunshine Coast	Harold Long
Prince George North	Hon. Pat Bell
Prince George-Mount Robson	Hon. Shirley Bond
Prince George-Omineca	Paul Nettleton
Richmond Centre	Greg Halsey-Brandt
Richmond East	Hon. Linda Reid
Richmond-Steveston	Hon. Geoff Plant, QC
Saanich North and the Islands	Hon. Murray Coell
Saanich South	Hon. Susan Brice
Shuswap	Hon. George Abbott
Skeena	Hon. Roger Harris
Surrey-Cloverdale	Hon. Kevin Falcon
Surrey-Green Timbers	Hon. Brenda Locke
Surrey-Newton	Tony Bhullar
Surrey-Panorama Ridge	Jagrup Brar
Surrey-Tynehead	Dave S. Hayer
Surrey-Whalley	Elayne Brenzinger
Surrey-White Rock	Gordon Hogg
Vancouver-Burrard	Lorne Mayencourt
Vancouver-Fairview	Vacant
Vancouver-Fraserview	Ken Johnston
Vancouver-Hastings	Joy K. MacPhail
Vancouver-Kensington	Hon. Patrick Wong
Vancouver-Kingsway	Rob Nijjar
Vancouver-Langara	Rev. Val Anderson
Vancouver-Mount Pleasant	Jenny Wai Ching Kwan
Vancouver-Point Grey	Hon. Gordon Campbell
Vancouver-Quilchena	Hon. Colin Hansen
Victoria-Beacon Hill	Jeff Bray
Victoria-Hillside	Sheila Orr
West Kootenay-Boundary	Vacant
West Vancouver-Capilano	Ralph Sultan
West Vancouver-Garibaldi	Ted Nebbeling
Yale-Lillooet	Dave Chutter

CONTENTS

Tuesday, February 22, 2005
Morning Sitting

Routine Proceedings

	Page
Tabling Documents.....	12027
<i>The Insurance Corporation of British Columbia's Minimal, No-Damage, Low-Velocity Impact Program, ombudsman special report No. 26</i>	
<i>Follow-Up of a Review of Government Oversight of Multi-Employer Public Sector Pension Plans in British Columbia, auditor general report No. 11, 2004-2005</i>	
<i>Service Plan 2005-06-2007-08, office of the auditor general</i>	
Committee of Supply.....	12027
Supplementary Estimates (No. 4): Ministry of Energy and Mines	
J. MacPhail	
Hon. R. Neufeld	
R. Sultan	
Introduction and First Reading of Bills.....	12031
Supply Act, 2004-2005 (Supplementary Estimates No. 4) (Bill 11)	
Hon. C. Hansen	
Second Reading of Bills.....	12032
Supply Act, 2004-2005 (Supplementary Estimates No. 4) (Bill 11)	
Hon. C. Hansen	
Committee of the Whole House.....	12032
Supply Act, 2004-2005 (Supplementary Estimates No. 4) (Bill 11)	
Report and Third Reading of Bills.....	12032
Supply Act, 2004-2005 (Supplementary Estimates No. 4) (Bill 11)	
Committee of Supply.....	12032
Supplementary Estimates (No. 5): Ministry of Transportation	
J. MacPhail	
Hon. K. Falcon	

TUESDAY, FEBRUARY 22, 2005

The House met at 10:03 a.m.

Prayers.

Tabling Documents

Mr. Speaker: Hon. members, I have the honour to present the following documents: the ombudsman of British Columbia special report No. 26, *The Insurance Corporation of British Columbia's Minimal, No-Damage, Low-Velocity Impact Program*; office of the auditor general report No. 11, 2004-2005, *Follow-Up of a Review of Government Oversight of Multi-Employer Public Sector Pension Plans in British Columbia*; and the office of the auditor general *Service Plan 2005-06-2007-08*.

Orders of the Day

Supplementary Estimates

Hon. C. Hansen presented a message from Her Honour the Lieutenant-Governor: supplementary estimates (No. 4) for the fiscal year ending March 31, 2005.

[1005]

Hon. C. Hansen moved that the said message and the estimates accompanying the same be referred to Committee of Supply.

Motion approved.

Committee of Supply

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

The committee met at 10:08 a.m.

SUPPLEMENTARY ESTIMATES: MINISTRY OF ENERGY AND MINES

On vote 20(S): ministry operations, \$25,000,000.

J. MacPhail: This is the estimate — I'm just reading the explanatory note — that says: "...as a result of the need to collect, interpret and publish geosciences data to promote investment in resource exploration and development." The government is putting \$25 million into geosciences data collection, interpretation and publication.

In December of 2001 the B.C. and Yukon Chamber of Mines sent this letter to the minister, and we got it from their website. Here's what the letter pleaded: "We are very concerned about rumours circulating throughout your ministry and comments made in last week's open cabinet meeting regarding B.C.'s geological mapping. The GSB should not be regarded as a frill or an optional activity to be undertaken only during

good times. Quite the reverse; it should be a core service like education or health care, because it's as fundamental to B.C. mining as tree planting is to forestry."

That was in December of 2001. Then, according to the *Geo Times*, a publication of the American Geological Institute, the initial rounds of cuts brought in by this Liberal government saw eight of the 45 geologist positions at the B.C. Survey declared redundant. In the fiscal year '01-02, resource development in the Ministry of Energy and Mines had a budget of \$36.158 million. That was reduced to \$24.514 million in '02-03 and to \$14.3 million in '03-04 under this government. According to the ministry service plan, the geological survey accounted for only \$2 million of the \$14.3 million resource development budget in '03-04. The core review called for staff cuts of 38 percent and a budget cut of 40 percent to the ministry.

[1010]

When the minister was questioned during budget debate in '02 about how that would affect geoscience done by the minister, he replied: "We will attempt to do as much as we can within the ministry with the staff we've got. We are looking at geoscience in a partnership process between ministry and industry and how we can carry on with the geoscience program."

The government.... It's just a little bit before an election. They've got a lot of money that they want to spread around as election goodies, and this is what it is. This is what they're doing. They cut the hell out of it in their first three and a half years of government, and now they want to put in a whole whack of money as an election goody.

In the prebudget consultation tour, of which I was part along with my colleagues on the legislative Finance Committee, the industry came forward and suggested that there was a desperate need, but that \$10 million would do it for geosciences. Person after person from the mining industry came forward and asked for \$10 million to be restored for geosciences. Why is the minister putting in \$25 million?

Hon. R. Neufeld: What we're doing is putting in \$25 million, which will be administered by a board of directors, to actually advance geoscience across the province. We find ourselves in a position today to be able to do that for the long term, to give some assurance to industry and also to British Columbians that the government values the geoscience data that can be gathered. This is a long-term plan, not something done yearly.

I just want to reply to the member's statement that we really cut geoscience funding. We did cut it, but the administration before us had cut it dramatically, also, for their own purposes.

Interjection.

The Chair: Order, please. Member, let's hear the minister.

Hon. R. Neufeld: I know you don't like to hear the truth. But my God, just sit quietly. You made your

statement, and I'll respond to it. I responded to it that your.... Through the Chair....

Interjection.

The Chair: Member, member.

Hon. R. Neufeld: Through the Chair to the member — and I have said it: that we had cut the survey branch and that we now find ourselves in a position where we can actually have something that will work well into the future in funding for geoscience. We think this is actually very innovative and a great way to move forward.

J. MacPhail: I understand that this government's new standard is that we didn't.... All those promises we made in the last election about being competent and efficient and good, we didn't mean. What we really meant.... We're going to take a standard that we berated and decried and undermined all throughout the nineties, and that's going to be our new standard.

So this government's new standard is, I guess, what they call the decade of decline. They like to have it both ways. They call the 1990s the decade of decline, and then they say: "That's what we're trying to emulate. That's our new standard."

That's what the minister just said. In fact, this minister cut far more and far more deeply than ever before in the geosciences area. This minister did more than was ever contemplated by any previous government to the extent that that's why the B.C. and Yukon Chamber of Mines wrote the letter they did in December of '01.

I just love it. It's no wonder this government wants to hightail it out of this chamber, run away scared to death. Faced with their own record, all of their arguments about how good and how efficient they are and how previous governments were so bad dissipate into thin air — complete thin air.

[1015]

Well, Mr. Chair, I'll tell you. This is nothing but a last-ditch effort for this government to undo the damage they did in their first three and a half years. They're trying to buy votes, and I'm sure the mining industry is ever grateful. They've been asking for it for three years — to have the funding cuts restored in the area of geosciences. Their pleas fell on deaf ears. Now the government comes up with a whole whack of money at the last moment. Well, no wonder the public is cynical.

Hon. M. Coell: I seek leave to make an introduction.

Leave granted.

Introductions by Members

Hon. M. Coell: I have a number of guests in the gallery today who I'd like to introduce to the House. I have 20 grade 3 students and 13 grade 4 students from

Keating Elementary School, with their teacher, Josie Bethune.

Also visiting today, we have 19 members of the Sidney Probus Club. Would the House please make them all welcome.

Debate Continued

J. MacPhail: In the news release.... Of course, this was announced as an election goody to a conference that the Premier attended on January 26, 2005. I'm scanning the news release here, and it says that "of the \$25 million, \$20 million would go to geoscience for mineral exploration and \$5 million would be used in partnership with the oil and gas industry to create opportunities for both industries in central B.C. It is anticipated that a new, independent, industry-based organization will be created with this funding." Today the minister reveals another little step — that it will be a board of directors and long term.

Could the public perhaps have a few more details about what they mean by giving \$25 million of taxpayer money to an industry-based independent organization?

Hon. R. Neufeld: Well, the member should be happy that we're looking towards actually funding a partnership with industry and the federal government in geoscience development across the province, both for mining and minerals and for oil and gas. This is expected to be long term. There will be activity where the organization will seek funding from the federal government — matching dollars, which is normally done — and they will work with the industry so that the industry in the better times will actually contribute to geoscience funding in British Columbia.

I think that's innovative and a good way to look forward for quite a number of years to make sure we have the proper geoscience funding we need to move British Columbia forward in the mining and oil and gas industries.

J. MacPhail: Does the \$25 million flow regardless of federal contribution?

Hon. R. Neufeld: The \$25 million will flow, yes. The organization will actually.... It's to their advantage to make sure that they get matching dollars from the federal government and that they get as much as they can from industry to actually help fund this geoscience centre.

J. MacPhail: So as I understand it, the \$25 million goes to a private, industry-based organization. There's no guarantee of federal money. How much is the industry required to put in?

Hon. R. Neufeld: The federal government, I assume, will match dollar for dollar. Whether that happens all the time or not remains to be seen, depending on what the federal government does with its funding

or the criteria they put on their funding. We are, in fact, hoping and expecting that the federal government will partner.

As far as industry goes, it's much the same. It depends on which projects are going forward, where, what the criteria are and what's happening in the province as far as what industry will put in. In the Rocks to Riches program we had a number of years ago, industry did fund a certain amount of that, and so did the federal government, so I would assume it would go along the same track.

J. MacPhail: I'm sorry. When was that program in place?

Interjection.

J. MacPhail: When was the Rocks to Riches program in place?

Hon. R. Neufeld: In 2003-04.

J. MacPhail: So this is going to be an organization that is.... What? Is it subject to FOI?

[1020]

Hon. R. Neufeld: It's a non-profit society that will have to report annually and will report annually but, to my knowledge, is not a requirement of FOI....

J. MacPhail: Oh, that's great — another 25 million bucks of tax dollars that are going to be held in secret. It's taxpayer money. It's another organization this government sets up, takes out of the public service that is directly accountable to the taxpayer and subject to the rules of freedom of information.... This government sets up a secret organization — a secret organization that's dominated by industry. Who's going to be on the board of directors, and how will they be selected?

Hon. R. Neufeld: This is not a secret organization. This will be an organization that will report yearly. There will be a board of directors with a wide range of experience in all issues as they relate to the industries of both mining and oil and gas. They will put together a board that will be very responsible in the administration of the initial seed money from the province.

Also, their record will be measured by the science they produce on a yearly basis, which they will report out, which will actually go to industry and the province, and which will be public knowledge for everyone. We will certainly be able to evaluate how well they're doing on that basis.

J. MacPhail: I totally support geoscience in this province. I totally support the concept of reinvesting after the massive cuts that this government made. I listened carefully when the geologist community made presentation after presentation to us on the Finance Committee over the last two or three years as this government was cutting funding for geosciences — abso-

lutely cutting it. We all support it. It's wonderful. I'm sure my colleagues are going to get up and say how wonderful it is.

But as always with this government, they make the taxpayer pay too big a price for this government's spending — \$25 million. The taxpayer won't have a clue whether the money is being spent properly. There will be no access to freedom of information. This government is holding this money in secret. It will be industry-dominated.

Who knows? How are these people who will manage \$25 million of our tax money going to be chosen? I'm sure there are lots of organizations that would like to just be handed \$25 million and never have to answer again to the taxpayer, ever. That's typical of this government — to take a good idea, twist it and show favouritism, so the only people who could be harmed by it are the taxpayers themselves.

Hon. R. Neufeld: I can assure the member that the folks who follow this industry very closely — taxpayers — will be in British Columbia and will understand clearly. There may be some in this House who may not wish to understand or may not even want to try to understand how good a program this is, moving into the future to actually guarantee good geoscience for the province. If they wish to do that, they're entirely welcome to do it. But the folks who understand what geoscience is and what happens in British Columbia and the public as a whole will be able to actually figure this one out fairly easily.

I want to maybe just put on the record that when we talk about massive.... I mean, it's always interesting to use those words "massive cuts to geoscience." From 1990 to 1997 geoscience was cut by over \$2 million, from about \$7 million to \$5 million. The massive cut after that was about another \$2 million. When we want to talk about massive, we should understand....

Interjection.

[1025]

The Chair: Member, order, please. You have your opportunity to ask questions. Let's hear the minister.

Hon. R. Neufeld: ...what massive is. I just actually want to put that on the record.

Again, Mr. Chair, this is a great program. This is continuity. This is over time that we're actually spending on geoscience. We'll actually be dictated not by the revenues of government but by a seed money fund that will actually move forward, which is a betterment for all British Columbians, not just industry — each and every one of us here. That money will be used for geoscience to discover new mines in British Columbia and to discover new oil and gas deposits in the province. All of that goes to fund all those programs that each and every one of us in this House — at least, I think each and every one of us — wants to see continue to happen. Those are health care, education and the social services that people require in this province.

R. Sultan: I wanted to add some remarks on the importance of geoscience to the mining industry in this province and to point out that industry experts suggest that it takes geoscience expenditures of around \$100 million a year to sustain the mining industry in British Columbia at its present level.

Unfortunately, under the previous government — the decade of decline, as the Leader of the Opposition reminds us of the convenient and really quite accurate label — total B.C. exploration expenditures went down to only \$25 million, one quarter of the spending required to sustain the industry by reasonable estimates.

Now, under this new government and under the leadership of this minister and the new environment for the mining industry that has been created, it's gone up sixfold from the floor. I think that's a tremendous recovery and of course considerably beyond the sustainability target of \$100 million.

I also wanted to emphasize that in addition to the exploration spending, geoscience research is tremendously important, and that's really what we're talking about today. We're not talking about exploration spending by mining companies. We're talking about basic geoscience investment. In years past a single geological survey in the East Kootenays cost \$630,000, I have been told, and it triggered private companies spending more than \$6 million over the next several years.

Data from Australia and Ontario show that their geoscience surveys have immediately levered \$3 of private spending for every \$1 of public money invested. Ontario has different estimates. They suggest a median of \$45 in private sector exploration and investment levered for each \$1 of government investment. Since a new mine creates as much as \$250 of wealth for each public dollar invested, along with many high-paying private sector jobs, the province benefits enormously from its investment in geoscience.

The head count of our very distinguished geological survey branch was at one time 92 persons. Unfortunately, with the combined reductions that the Leader of the Opposition and the minister referred to, the head count dropped down to 22. I think that is a significant reduction by any standard. These scientists take years to train and would take over a decade to replace. When that experience walks out the door, it's very hard to replace. Therefore, the supplementary estimates of the minister are very timely. It restores lifeblood, which is needed, welcomed and appropriate. Geoscience expenditure is about as fundamental to the mining industry as roadmaps are to the transportation business. Without it, people get lost and don't know where to go.

[1030]

I would like to seize this opportunity to recognize some key individuals in the geological survey branch who have stuck it out through the thin times and have rendered extraordinary service to the citizens of British Columbia. Let me just rattle off some names that are well known in the geological community — outstanding civil servants who have served the public well. Tom Schroeter, 30 years with the geological sur-

vey branch; Mike Cathro, who welcomed us on the mining task force tour and showed us the ropes; then Dave Grieve; Bob Lane; and Paul Wodjak, who I believe operates out of the Smithers office.

I must say that prior to the infusion of new support, some of these offices like Smithers were down to a pretty bare-bones operation, without anybody to even answer the phone. Thank goodness, we seem to be moving beyond that. Let me mention in more detail some of the other dedicated members of the geological survey branch who have rendered extraordinary service.

Laura deGroot works on the min-file database inventory. We have an extraordinarily highly computerized geoscience database in this province of great ease and service to the mining industry. Dave Lefebure is the director and chief geologist of the geological survey branch, with more than 20 years' experience in mineral deposit studies, regional geoscience surveys and mineral exploration right across Canada.

Another name just chosen at random off the website is Mitch Mihalynuk. He completed projects at Windy Craggy, a famous name; the Llewellyn gold belt; at Tulsequah camp, Atlin and the Dease Lake gold camps in northern B.C., with emphasis on structural and stratigraphic controls to mineralization. He's currently working on the Atlin initiative.

Joanne Nelson has mapped important camps in central and northern B.C., including the Silvertip and Cassiar camps, Takla Group rocks at Mount Milligan and in the Nations Lake area. Most recently, she co-lead the Ancient Pacific Margin Natmap Project.

These are just some of the individuals who toil away on geoscience in the public service for the benefit of British Columbians and who I think deserve recognition, but there are many others. What are they actually doing?

Choosing at random, let me just mention a few of the projects our geological survey branch has been engaged in: the *Geological Fieldwork 2004: A Summary of Activities and Current Research* paper 2005, a 370-page technical publication that provides reports on ongoing geoscience surveys throughout the province; the new digital geology of British Columbia file, a database in GIS format and the first such compilation of all of the province's geology produced since 1977.

How about the geology of the Toodoggone area? Why would I mention that area? It's because I like the name. It's too doggone far away from anywhere else. I guess that's how the name stuck. It always intrigued me to see it on a map.

Finally — well, not quite finally — we have the Eskay Iskut area geological mapping. This is particularly interesting to the member for Bulkley Valley-Stikine. This is a new geological map in northwestern B.C. covering the northern half of the area between Red Chris and Eskay Creek with 25 known mineral occurrences within 1,900 square kilometres along the west side of Highway 37.

These include: porphyry copper-gold-molybdenum deposits — 16 of them; stratabound showings — four

of them; precious metal veins — two of them; one bulk-tonnage epithermal; one skarn prospect; one past-producing placer gold mine; and major projects such as Spectrum and Mary porphyry deposits and Hank epithermal deposits. It's this type of new geological mapping that's providing new insight into the geology and huge mineral potential of the Eskay Iskut area.

Finally, I couldn't let pass the geo-file 2003-06, Kena Gold mountain zone, early middle Jurassic porphyry gold-copper mineralization, done by Logan, LaFlamme and Dandy — who are, again, dedicated civil servants in the geological survey branch. What struck my eye is the Kena Gold project, a private-public partnership developed between the Ministry of Energy and Mines and Sultan Minerals Inc.

I want to emphasize to the House that, unfortunately, I don't know anybody at Sultan Minerals. I'm not related to them, and I don't own any shares in that — I'm sure — interesting enterprise.

[1035]

I could go on for a long time, because the accomplishments and the work program of the geological survey branch deserve commendation. These people have stuck it out through the hard times. The Premier announced \$25 million of new funding for geoscience via the B.C. and Yukon Chamber of Mines, and it has been welcomed. It is needed.

I have a question for the minister: will the valuable and dedicated employees of the geological survey branch be recognized with tangible expressions of appreciation for their dedication to the future of the B.C. mining industry, and will their resiliency in persevering through the hard times be rewarded?

Hon. R. Neufeld: The issues the member brought forward are top of the minds of most British Columbians, especially those that are very interested — as the member is — in the mining industry in the province.

The member who just spoke was a contributor in a huge way to the development of a mining plan in the province, something that had never been there before. It now takes us into the golden decade with mining with a plan for how we can move forward. Along with it is \$25 million, which we're going to put into a sustainable fund to continue to get the information the member just spoke about.

It was interesting to listen to some of the numbers the member brought forward and some of the things that have been said in this House by others. I believe, if I remember correctly, that he talked about approximately 90 people working in geoscience and the Ministry of Energy and Mines. I believe that when I took over the portfolio, there were 25 left. That's an elimination of 65.

We still have 21 people in the geological survey branch, who will stay there and continue to do the good work that they have done in the past for us. We recognize on a daily basis those folks for their dedication. They are renowned through and across Canada and North America for their experience and the

knowledge that they bring forward to the benefit of all British Columbians.

We also use co-op students to a huge degree, which I think is great, within the ministry in the geological survey branch. Those numbers tend to make me think of the massive cuts that came in the nineties — from 90 to 25. We've gone down to 21, and we're committing to keep the 21 at least for as long as I can commit for the coming fiscal.

Vote 20(S) approved.

Hon. R. Neufeld: I move that the committee rise and report resolution.

Motion approved.

The committee rose at 10:38 a.m.

The House resumed; Mr. Speaker in the chair.

Committee of Supply reported resolution.

[1040]

Mr. Speaker: When shall the report be considered?

Hon. C. Hansen: Now, Mr. Speaker.

I move that the report of resolution from the Committee of Supply on February 22, 2005, be now received, taken as read and agreed to.

Motion approved.

Hon. C. Hansen: I move that there be granted from and out of the consolidated revenue fund the sum of \$25 million. This sum is in addition to that authorized to be paid under section 1 of the Supply Act, 2004-2005, and is granted to Her Majesty to defray the charges and expenses of the public service of the province for the fiscal year ending March 31, 2005.

Motion approved.

Introduction and First Reading of Bills

SUPPLY ACT, 2004-2005 (SUPPLEMENTARY ESTIMATES No. 4)

Hon. C. Hansen presented a message from Her Honour the Lieutenant Governor: a bill intituled Supply Act, 2004-2005 (Supplementary Estimates No. 4).

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

Motion approved.

Hon. C. Hansen: The use of supplementary estimates is consistent with the spirit of the Budget Transparency and Accountability Act. This supply bill is

introduced to provide for the operations of government programs for the 2004-2005 fiscal year as outlined in the supplementary estimates No. 4, tabled earlier. The bill will provide the additional funds required to defray the charges and expenses of the public service for the province for the fiscal year ending March 31, 2005.

In accordance with established practice, the government seeks to move this bill through all stages this day.

Mr. Speaker: In keeping with the practice of this House, the bill will be permitted to advance through all stages in one sitting.

Bill 11 introduced, read a first time and ordered to proceed to second reading forthwith.

Second Reading of Bills

SUPPLY ACT, 2004-2005
(SUPPLEMENTARY ESTIMATES No. 4)

Hon. C. Hansen: I move that Bill 11 be now read a second time.

Motion approved.

Hon. C. Hansen: I move that the bill be now referred to a Committee of the Whole House for consideration forthwith.

Bill 11, Supply Act, 2004-2005 (Supplementary Estimates No. 4), read a second time and referred to a Committee of the Whole House for consideration forthwith.

Committee of the Whole House

SUPPLY ACT, 2004-2005
(SUPPLEMENTARY ESTIMATES No. 4)

The House in Committee of the Whole on Bill 11; J. Weisbeck in the chair.

The committee met at 10:43 a.m.

Sections 1 and 2 approved.

Schedule approved.

Preamble approved.

Title approved.

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

Motion approved.

The committee rose at 10:44 a.m.

The House resumed; Mr. Speaker in the chair.

Report and Third Reading of Bills

Bill 11, Supply Act, 2004-2005 (Supplementary Estimates No. 4) reported complete without amendment, read a third time and passed.

[1045]

Supplementary Estimates

Hon. C. Hansen presented a message from His Honour the Administrator: supplementary estimates (No. 5) for the fiscal year ending March 31, 2005.

Hon. C. Hansen moved that the said message and the estimates accompanying the same be referred to Committee of Supply.

Motion approved.

Committee of Supply

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

The committee met at 10:47 a.m.

SUPPLEMENTARY ESTIMATES:
MINISTRY OF TRANSPORTATION

On vote 37(S): ministry operations, \$550,000,000.

J. MacPhail: The supplementary estimates we're dealing with right now are worth \$550 million. It's a one-time grant to the B.C. Transportation Financing Authority. The government says it's in support of capital investments under the ten-year transportation investment plan. Where did this money come from?

Hon. K. Falcon: The dollars came from the surplus in the '04-05 fiscal year.

J. MacPhail: Why has this funding been made available right now? It's a ten-year plan. What has changed?

Hon. K. Falcon: This, of course, is a supplemental estimate of the transportation investment plan. The goal is to reduce the debt of the BCTFA so that we can carry out the program of the British Columbia government with respect to opening up the province.

The dollars will go toward a number of categories that are indicated under the transportation investment plan. Those include rehabilitation; interior and rural side roads; airports and ports; border crossing infrastructure; the Okanagan valley corridor and Okanagan Lake Bridge; the Highway 1 Kicking Horse Canyon project; gateway initiatives, which we can talk about in more detail, if the member likes; the Sea to Sky High-

way; oil and gas roads; other highway corridors and projects; and the Richmond-Airport-Vancouver rapid transit project.

J. MacPhail: I take it that the government is prepaying the debt in the B.C. Transportation Financing Authority. It would have been interesting for the minister to have been in the 1990s, when the then Liberal opposition just set their hair on fire about the B.C. Transportation Financing Authority in general — well, those that had hair.

Now look at what they're doing, just pre-election: prepaying down the debt. Does this have any effect on the summary account's bottom line?

[1050]

Hon. K. Falcon: No.

J. MacPhail: Exactly. It doesn't have any effect whatsoever. It didn't in the nineties when the government set its hair on fire, and it doesn't now. My, how the worm turns just prior to an election.

I went to the website of the transportation investment plan, and I want to ask about some specific projects on that. The minister mentioned all of them so far, so I want specifics about what's being prepaid on these projects out of this \$550 million.

Mr. Chair, may I add that in November 2004, there was transferred from the B.C. Rail sale...? I love how it's described in the budget. Even in the budget they can't say anything other than "proceeds," and you've got to have a sale in order to have proceeds. Here's how it reads in the government's own budget: "Last year's transportation...."

Interjection.

J. MacPhail: I welcome the participation of other members other than to stand up and say, "Tell me how good you are, government," like the last member did.

Let me just say that last year's transportation investment plan had already assumed the recent \$200 million of B.C. Rail proceeds. Now, the lease was worth \$50 million, so the member for Burquitlam has to do some pretty fancy math to say that's just a lease. The lease in B.C. Rail was worth \$50 million. We know that on record. They've transferred \$200 million of proceeds. That's a sale, Mr. Chair. That's a sale. So we're dealing with an extra \$770 million here.

Here's what I would like to ask. Here's what I'd like to ask on specific projects. There's an estimated \$1.7 billion listed on the ten-year transportation investment plan for the Richmond-Airport-Vancouver rapid transit project. Can the minister tell me over the three years, '05-06...?

Oh, I'm sorry. Perhaps the minister could specify, first, what three years are being prepaid.

Hon. K. Falcon: I'm not sure I fully understood the nature of the question, but I do want to emphasize that

we're not prepaying anything. What we are doing is paying down the TFA account to allow room for us to make the investments in the projects I indicated earlier.

J. MacPhail: Yes, and I'm asking: in what years is he doing that?

Hon. K. Falcon: It provides room for those expenditures in the years '05-06, '06-07 and '07-08.

J. MacPhail: Has there been anything reduced for '04-05 and, if so, what? And on what projects?

Hon. K. Falcon: The member will note that in '04-05, there's an amount of \$53 million for the RAV project. Those are dollars that will certainly be expended by the end of this fiscal.

[1055]

J. MacPhail: The minister just said this supplementary estimate was to pay debt that was supposed to be for '05-06, '06-07 and '07-08. I'm just trying to get it clear what's being paid down here. So '04-05 wasn't mentioned.

I'll just quote from the budget book — that's the fiscal plan for the next three years — on this section dealing with this money: "In order to transfer part of the government's surplus to the B.C. Transportation Financing Authority in '04-05, the Ministry of Transportation will be requesting a supplementary estimate to provide a one-time capital assistance grant of \$550 million to be used by the BCTFA to reduce its capital debt requirements in 2004-05 and 2005-06."

[1100]

That flies in the face of what the minister just told me. Perhaps he could clarify. I'm reading from page 59 of the *Budget and Fiscal Plan*.

[H. Long in the chair.]

Hon. K. Falcon: We would have been borrowing \$550 million this year and next year to meet our capital requirements, but this payment allows us to pay that down and create the room in future years to make the expenditures we need to make under the plan.

J. MacPhail: So there is a plan — right? I mean, I know there's a plan. I've seen it. Each year there are numbers of expenditures covered off in the plan. The budget book, I assume, is correct when it says they're reducing its capital debt requirements for this fiscal year, '04-05, and next fiscal year, '05-06.

Perhaps the minister could just verbalize for me a new chart of what the debt requirements will be at the end of '04-05 compared to what they were going to be and what they're going to be for '05-06 compared to what they were going to be. If he wants to do '06-07 and '07-08, that will come as a surprise to me. I didn't know that was going to happen. It doesn't say it in the budget book, but I would be happy to receive that information too.

Hon. K. Falcon: If I understood the question correctly.... I should preface my comment with that. The forecast debt in the TFA before the \$550 million pay-down was going to be, in round figures here, \$2.95 billion. Post the \$550 million paydown, the number is — again, using round numbers here — \$2.4 billion.

[1105]

J. MacPhail: Yes. Thank you. That's a very good start. I appreciate that. That's the summary. But please, what I'm asking for is the year-to-year change. I'm trying to figure out how the plan has changed.

My questions, which will flow from this, are: when are you going to spend it? What are you spending it on? When are you spending it? To get to the \$2.4 billion at the end of this, over what year do the changes take place?

Hon. K. Falcon: I appreciate the member clarifying the question. I apologize for not being as direct, but I wasn't understanding quite where she was going.

The key changes in the plan, for the member's benefit, are the addition of some funding for the RAV project for the period. This is where the member's correct. That '04-05 period does have a funding allocation included in it, right through to '07-08. That will mean the province will be contributing approximately \$250 million over that period to the RAV project.

It also includes some funds that are earmarked for planning, land acquisition and some potential construction work on the gateway project. We've increased that funding. We had some dollars in the previous plan not directly associated with the gateway program. It would have been part of other highways and corridors spending, but we have increased that funding by approximately \$200 million.

The plan also now includes \$50 million for investment in the heartlands oil and gas road rehabilitation strategy, which will be used to upgrade roads and lengthen the winter drilling season — something the folks in the industry up in the northeast have been explaining to us. The balance will be allocated throughout the other categories I had listed off at the beginning of our questioning.

J. MacPhail: If the minister could refer to a chart.... Given that information he has given me, then.... I am working from a chart on page 58 of the *Budget and Fiscal Plan 2005/06–2007/08*. Page 58 is called the "Transportation Investment Plan." It outlines specific projects year by year from '04-05, the update, through to '07-08. Does that transportation investment plan already contemplate the \$550 million extra we're debating now or not?

Hon. K. Falcon: Yes, the plan does contemplate that \$550 million figure.

J. MacPhail: Page 58 incorporates the \$550 million spending already. Okay. That's what's meant by the '04-05 update column, I guess — if we could just clarify

that. I'm sorry. I just want to be clear, because people don't have this book. It's unfortunate. I love this book.

That column, the '04-05 update, has a total provincial investment figure of \$504 million at the bottom of it. I'm just wanting to make sure that column and then the subsequent columns to the right of that already include the \$550 million of spending we're talking about right now.

Hon. K. Falcon: Yes, it does.

[1110]

J. MacPhail: Thank you. Okay. That makes my job easier, because what I'm going to ask the minister to do, please, if he could, is take that column and just tell me.... I realize this may be a bit tedious, but it will become clearer in a few moments why. He can just take those columns for '04-05, '05-06, '06-07 and '07-08, and tell me what the numbers were prior to the addition of the \$550 million.

That answers all of my questions about allocation of money. We can start with rehab and move right down to RAV.

Maybe I could offer the minister some assistance here. I think I'll have questions that will carry forward through the lunch-hour. Perhaps it would be easier for the minister to.... It's fine for him to do it now, but perhaps it would be easier if he wants to do it over the lunch-hour, and then we can discuss it after the break. I understand it's a fairly complex question. I would be happy to explore other areas in the meantime, or maybe he's already done.

[1115]

Hon. K. Falcon: I appreciate that, member. I'm just trying to break it down into accurate numbers, but I can do that in about the next 30 seconds. We're very close.

Just to add onto the earlier comment, when I listed the major changes which incorporate most of the \$550 million and break those down for the benefit of the member, there are effectively no changes in the out years for the categories until you reach "Gateway Initiatives," where we added an additional \$200 million.

Then you go down to "Oil and Gas Roads," where we have added about \$50 million over that '04-05 to '07-08 period. Then you go down to "Other Highway Corridors and Projects," where we have added approximately \$50 million in the \$84 million that's shown for fiscal '07-08. Then the balance is approximately \$250 million, which over that period will be in the RAV project.

J. MacPhail: Let's take them one by one, if I may. Let's go to — I'm going to do it in reverse order — the RAV project. If you look at that on page 58, Mr. Chair, you actually have to add the three-year total with the '04-05 update to get a sense of how much is being spent in total.

I added that up, and it is \$253 million in total under the new plan. That is with the addition of this \$550

million. How much did the minister have budgeted before? He said he added \$250 million for the RAV project. This isn't a new plan, so how much was in there before — minus \$3 million?

Hon. K. Falcon: We had about \$3 million before for planning, because this, as the member knows through the process, was not a committed project, and we had not had Treasury Board approval up to that point.

J. MacPhail: If the minister has added \$250 million to the plan for the Richmond-Airport-Vancouver line, what will be the total provincial share for the RAV project now until its completion and operation? What's the total provincial contribution?

Hon. K. Falcon: The total provincial contribution will be \$435 million.

J. MacPhail: What is that increase over last year's budget, last year's plan?

[1120]

Hon. K. Falcon: Previously, as I indicated, we had provided \$3 million for the planning associated with the project because we did not have an approved project, nor had we gone and received Treasury Board approval. When we got the approved project and went to Treasury Board for approval, and as a result of the negotiations that occurred with the GVTA, we made the decision to start flowing some of those payments through earlier. Those are reflected through the four years shown in the plan.

J. MacPhail: I'm not sure why the minister is avoiding answering my question. It is a pretty simple question. In estimates of last year what was the budget allocated for the entire project for RAV compared to this year, which is the \$435 million he has just told me?

Hon. K. Falcon: As I said to the member, last year in estimates what we showed was \$3 million in the plan for planning purposes. Well, the member is shaking her head apparently with some frustration. But she asked me a very specific question: what was in the...?

Interjection.

Hon. K. Falcon: Again, to the member — and if the member would pay attention, I will remind her that what I said was that last year in estimates, because we did not have an approved project, nor had we gone to Treasury Board to seek dollars for an approved project.... In the estimates last year, all that we were showing was the \$3 million that was there for planning purposes.

J. MacPhail: Well, we're going to be at this a long time. For some reason the minister wants to play games. Is he embarrassed that he had to add more money to the RAV project? Is he embarrassed?

It was a public meeting in October where he added a whole whack of more money. That's all I'm asking about. What they had committed to the project prior to the fall and what they've committed now — that's all I'm asking, Mr. Chair. Or didn't they have any plans? What was the full provincial commitment for the entire project as of last year's estimates, the '04-05 estimates, compared to the \$435 million that is the provincial share today?

[1125]

Hon. K. Falcon: Again, I will say to the member — and I will try and clarify this.... I'm sorry she finds it so frustrating. But last year in the estimates, as the member knows, we had \$3 million shown as planning dollars for the RAV project. Over the course of that RAV project, because we are a funding partner, we have been negotiating what the provincial share would actually be. Those discussions have occurred over that period of time. It is now being shown in the budgets, because we have concluded those negotiations. We now know what those payments will be and when they will occur, and that's what is reflected in the transportation plan.

J. MacPhail: I can't believe how embarrassing this is. Somehow we now know that the minister is embarrassed to admit their changed commitment to the Richmond-Airport-Vancouver line. He's embarrassed. He's absolutely embarrassed. I don't blame him for being embarrassed, because the Premier was there — \$300 million and not a dime more. Then they blinked, and they blinked again. They added more money, and they added more money for the pet project. Now the minister is so embarrassed that he won't even pony up to how much he had to add to get the project approved — absolutely embarrassing.

No wonder this government doesn't want to submit itself to actually having a budget debate about the '05-06 budget. Look at the embarrassment that this minister is suffering over announcements he's already made that he had to pony up tens of millions of dollars more to get the RAV project approved, after his Premier said, "Not a dime more," and then: "Oh well, here's some more money. Well, not a dime more after that. Oh, here's some more money, and by the way, the project has to be scaled down substantially. We're not sure about the ridership numbers, but here's some more money." All at the expense of the interior, the heartlands that this government doesn't like to talk about....

This minister is too embarrassed to own up on the record to the tens of millions of dollars of extra money he's pouring into the Richmond-Airport-Vancouver line from what he said last year. Anyway, I'm happy to have his embarrassment as the last word on the record on this project.

[1130]

Let's see whether we can get some answers around some stuff that he said there was no new money going into. Let's go there. Airports and ports — no new

money in this \$550 million. That's what the minister told us. Of the \$12 million that's going to be spent next year, in '05-06, how much of that is going to the Prince Rupert Port Authority?

Hon. K. Falcon: Just prior to answering that question, I can't help but respond to the comments of the member having to do with the RAV project. Let me just say that there is not one shred of embarrassment on this side of the House. In fact, there is an enormous amount of pride....

Interjection.

Hon. K. Falcon: Well, just a minute. You had your chance to do your histrionics. I have an opportunity at response. The fact of the matter is that actually, hearing this member lecture me about plans and putting out money, when I think of the fast ferries fiasco, is a little tough to take.

That \$435 million is something I am very proud of. It will remove 100,000 people out of their cars every day and put them into public transportation. It will have an enormous impact on the environment in a very positive way. It is a generational project that will benefit our children and grandchildren long after we're gone. It will provide huge, enormous amounts of money for lower mainland transportation long after it has been paid for. That is a legacy project I'm extremely proud of.

With respect to the member's comment on the port of Prince Rupert, within that three-year plan is \$17.2 million, which will represent the provincial commitment to improving the port and bringing about containerization. Those funds, depending on how they flow over that three-year period, will be largely governed by the agreement we conclude with the port of Prince Rupert. We're in the midst of negotiating that. The conclusion of those negotiations will determine how we flow those dollars.

J. MacPhail: Mr. Chair, all I wanted was for the minister to update British Columbians on how much, since the last time we debated the estimates, he has added to the RAV project. On June 11 the government says that \$300 million is what they've committed, and that's it — June 11, 2004.

The minister wouldn't answer the question that since that.... That was what they committed in June, and now they've committed \$435 million — an extra 135 million bucks. I think the minister has a lot of gall not answering that question. Clearly, he is embarrassed to death about it. He is so embarrassed that he yanks out of his pocket the fast ferries. We all know, on this side of the House, just how much trouble the government is always in when they yank out the fast ferries. We relish it. We welcome it. So the minister did it because he refused to answer the question that he added \$135 million....

Interjection.

J. MacPhail: It's \$135 million since June of last year to the Richmond-Airport-Vancouver project. The minister says I'm wrong, but of course he won't get up and tell me why I'm wrong.

Here it is — the information from their own website. Now he also refuses to answer the question about the Prince Rupert Port Authority. He says it has got something to do with federal cost-sharing. Perhaps he could be a little more expansive on that, because every time this government caucus opens their mouths, they tout the success their government will bring about because of the Prince Rupert Port Authority.

[1135]

The last time I was up there, the port authority was a couple of hundred million dollars short of funding for its completion. I see that the province is committing, for all airports and ports, \$12 million in this upcoming year. So all I asked the minister was — without any talk about the federal government.... Let's not worry about the federal government. There's a number of \$12 million here in the provincial government's own budget. How much of that is for the Prince Rupert Port Authority?

Hon. K. Falcon: As I answered in the last question — I want to emphasize this — we have committed \$17.2 million out of the funds over the next three fiscals. You'll see them all laid out there: the \$12 million, the \$10 million and the \$10 million. That's \$32 million in total. That's \$17.2 million for the port of Prince Rupert.

But again, we'll be flowing those funds once we've concluded an agreement with the port. Part of the reason why that is not concluded today is that there are negotiations with different levels of government that are all trying to work towards the common goal of ensuring that the port of Prince Rupert realizes its extraordinary potential to be a major gateway into North America in terms of the movement of goods in containers from China and India in particular.

J. MacPhail: So until the year '07-08 there's \$17.2 million for the Prince Rupert Port Authority. How much does the project require in total financing, regardless of sources, to completion?

Hon. K. Falcon: That is part of the negotiations that are underway. What's happening right now is that there are, I dare say, competing visions for the scale and scope of that. That's everything from a super-port.... There are many who believe, including groups like the Canadian Manufacturers Association, that this is an extraordinary opportunity for the province.

As a result of that, there are negotiations with the federal government to try and determine the level of financial participation by the feds. You know that under the Canada Marine Act, they have restrictions in terms of their ability to invest directly into ports. But there are other ways you can achieve that without direct investment, and those are being explored.

There is, of course, Maher Terminals, the U.S. operator that is looking at making a very significant

multi-hundred-million-dollar investment in that port. But again, part of that is dependant on what the ultimate plan will look like.

There's also, of course, CN. CN is very interested in this port. I think they're interested even beyond the \$50 million they've already committed to the port.

Those negotiations are all underway, and I can tell the member that I am optimistic that in the coming months we will have more to say on that. I think that at the end of the day, however that all resolves itself, it will be an extraordinary opportunity for the north-western portion of this province and for Prince Rupert in particular.

J. MacPhail: So far we have \$17 million committed to the project until the year '08. That's it. That's all we've got committed, including from the federal government — zero from the federal government so far. And the private sector has speculated on what they may invest, but it's contingent on a whole whack of what-ifs. So it's \$17 million, which isn't even 20 percent of the costs needed for the most scaled-down version of the port's plans.

It's a worthy project. There's no question about it. But that corner of the province has been so decimated by the lack of action by this government in so many areas that this is the only hope they have. Now, what we really see....

Interjection.

The Chair: Order, member. Order.

J. MacPhail: What we really see is that this government is again holding out tidbits of hope with no substance behind them whatsoever — none.

[1140]

I was on a tour with the Finance Committee members where they were saying: "Oh, isn't it wonderful how great Prince Rupert is because of the hope it has." What they were speaking of was the hope of future financing, the what-ifs of future financing. The what-ifs of future financing for that port still exist right up to and including the year 2008. Perhaps the B.C. Liberal government could actually come clean with the people of old Prince Rupert about what is there and what isn't there. We certainly know what is there. It's \$17.2 million until the year 2008.

I'm saving the gateway initiatives till after lunch, because there are lots of promises that have been made around the gateway initiatives.

I want to turn to the Sea to Sky Highway. The Sea to Sky Highway has \$317 million committed to it till the year 2008. There's been no additional money, as I see it, put into the Sea to Sky Highway. However, there has been an accounting change.

Let me read that accounting change into the record. It's very interesting. I need a fulsome explanation of it. I'm reading from page 59 of the budget book. It says: "In addition, the portion of the costs of the Sea to Sky Highway financed by the private sector is being in-

cluded in the debt of the B.C. Transportation Financing Authority under accounting policy requirements. These changes require additional provincial funding to support the transportation investment plan."

My first question is referring to the chart on page 58, under the transportation investment plan chart on the Sea to Sky Highway line. Can the minister tell me how this has changed from previous reporting that didn't include the partner shares? I want the numbers for each year, please.

[1145]

Hon. K. Falcon: The key difference from last year to this year is that we didn't really know what the accounting treatment was going to be, particularly for the private sector-financed portion of the Sea to Sky Highway. The challenge was that we still don't have, actually, a final ruling from the auditor general on the accounting treatment. The issue is how that private sector financing portion, that \$185 million, will be treated.

We are operating on the assumption — and this assumption hasn't proven out yet — that the private sector debt will need to be shown as part of overall government debt, so the private sector portion will be included in the assets and liabilities of the project and of the government as a whole.

J. MacPhail: Why?

[1150]

Hon. K. Falcon: The accounting treatment — as we understand it, as this evolves and as discussions evolve with the accountants, those wonderful folks over in the auditor general's department.... They are talking about the private sector-financed portion as being a capital lease. That seems to be the latest evolution of the discussions we've had.

We're faced with the challenge that we don't have a final ruling. So in an abundance of caution, what we are doing is including it in the event that that eventual-ity is realized. We'll operate on that assumption until we get that final ruling and know exactly what we're dealing with.

J. MacPhail: What's the total cost of the Sea to Sky Highway project? How much of it is being taken on as debt by the taxpayer, including this \$185 million that was just added as taxpayer debt?

Hon. K. Falcon: We are in the process, as we speak, of negotiating a concession agreement. The member will probably understand why I'm going to be careful about what I say in terms of throwing numbers around and breaking them down too much, because we're in the midst of those negotiations. What I can say to the member with certainty is that the total budget has not changed. The \$600 million is unchanged. That will be the budget. That will be the budget that we meet as a government in terms of the total cost of the project.

J. MacPhail: When is the project considered to be completed? We have \$380 million of taxpayer-supported debt on the books now. Out of \$600 million, \$380 million of that is taxpayer-supported debt?

Hon. K. Falcon: The \$380 million is the expenditures which occur from the fiscals '04-05 to '07-08. Obviously, it's \$380 million less the \$185 million portion that is financed by the private sector but that, under the accounting treatment, as I mentioned to the member, we think will be included as part of the total government debt. We expect and know that that project will be completed in time for the 2010 Olympics.

J. MacPhail: I'll have more questions on this.

Noting the hour, I move that we rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:55 a.m.

The House resumed; Mr. Speaker in the chair.

The committee, having reported progress, was granted leave to sit again.

Hon. G. Abbott moved adjournment of the House.

Motion approved.

Mr. Speaker: The House is adjourned until 2 o'clock this afternoon.

The House adjourned at 11:59 a.m.