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

Thursday, October 29, 2009

Morning Sitting

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THE HONOURABLE BILL BARISOFF, SPEAKER

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

FIRST SESSION, 39TH PARLIAMENT

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THURSDAY, OCTOBER 29, 2009

The House met at 10:02 a.m.

[Mr. Speaker in the chair.]

Prayers.

**Introduction and
First Reading of Bills**

BILL 18 — ASSISTANCE TO SHELTER ACT

Hon. R. Coleman presented a message from His Honour the Lieutenant-Governor: a bill intituled Assistance to Shelter Act.

Hon. R. Coleman: I move that Bill 18 be introduced and read a first time now.

Motion approved.

Hon. R. Coleman: I am pleased to introduce the Assistance to Shelter Act.

We are proposing this legislation to ensure the safety of people on the streets of British Columbia. Even one death on the streets due to weather conditions is too many. When an extreme weather alert has been issued, we want people at risk off the streets and into safe accommodation of their own free will.

The legislation enables police officers to take adults at risk of harm due to weather to an emergency shelter where they can make the choice, after speaking to a worker or looking at the shelter and knowing that they could come in for a warm room and a meal, whether they wish to stay for the night.

This will prevent tragedies such as the one we experienced last winter when Tracey, a homeless woman, died trying to keep warm in a makeshift shelter in Vancouver. And Tracey is not the only person in history we have experienced this with. What we are trying to do today is establish a tool so that folks can go and help out folks who need it the most — to make a decision that may save their lives.

Tracey was actually approached by some outreach workers and some police officers who offered her to go to shelter. Those police officers and outreach workers still today live with the fact that they didn't have a tool to at least take Tracey to the door of a place so she could make an informed decision as to whether she wanted to save her life and come in from the cold.

[1005]

As a society, we have the responsibility to prevent harm to our fellow citizens. We cannot stand by and watch as people put their lives at risk. This new legislation will help people access the support system that

we've set up for them. Once in a shelter, an individual may connect with outreach workers and, as I said, they can make their own choices.

As a province, this is the action we're taking as a result of Tracey's death and other situations that have occurred on our streets in the last decade, and as a result of people telling us that something needed to be done, including law enforcement, for a tool.

The Assistance to Shelter Act will be one of the many resources the province is providing to keep British Columbians safe.

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

Bill 18, Assistance to Shelter Act, 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.

BILL M203 — FIRST NATIONS
HERITAGE PROTECTION AND
CONSERVATION ACT, 2009

M. Karagianis presented a bill intituled First Nations Heritage Protection and Conservation Act, 2009.

M. Karagianis: I move that a bill intituled First Nations Heritage Protection and Conservation Act, 2009, be introduced for a first time now.

Motion approved.

M. Karagianis: I am honoured to introduce the First Nations Heritage Protection and Conservation Act. This bill will better protect first nations heritage objects and sacred sites. The bill amends the Heritage Conservation Act to include a process by which first nations can trigger protection orders when heritage and sacred sites and objects or remains are discovered.

I believe that this bill amends the heritage act to better provide a set of guidelines and tools that first nations, local government and the province need in order to implement protection, stewardship and conservation of first nations heritage and culturally significant areas — their artifacts, their sacred history — and, as well, to provide for the creation of a program to accomplish that goal. I would, therefore, ask that all members please read the bill and support it.

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

Bill M203, First Nations Heritage Protection and Conservation Act, 2009, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Orders of the Day

Hon. M. de Jong: Good morning, Mr. Speaker. I call in Committee A, Committee of Supply — for the information of members, the estimates of the Ministry of Tourism, Culture and the Arts; and in this chamber, second reading of Bill 19, the Lobbyists Registration Amendment Act.

Second Reading of Bills

BILL 19 — LOBBYISTS REGISTRATION AMENDMENT ACT, 2009

Hon. M. de Jong: I move that Bill 19 be now read a second time.

This bill amends the Lobbyists Registration Act. It in fact introduces amendments that, in my view, significantly update and strengthen the lobbyist regime in British Columbia and in many ways bring it into alignment with legislation enacted by our neighbours in Alberta.

I might take a moment just to consider a little bit of the history of lobbyist registration legislation in British Columbia. It's a fairly recent history.

Legislation of this sort didn't exist until 2002, when the B.C. lobbyists registry was established in October of that year under legislation that I think it's fair to say drew from similar initiatives in the province of Ontario and federal legislation.

[C. Trevena in the chair.]

I think it's also fair to say that since then many other provinces have enacted similar legislation, and recently there were amendments to the federal legislation that were brought into force in July of 2008.

I wonder if I might also make this point briefly, and that is this. The notion of lobbying and the term "to lobby" isn't and shouldn't be considered a dirty word.

[1010]

The notion of people bringing their views to elected officials and trying to impress upon those elected officials a particular point of view — in fact, trying to influence them as they go about making decisions — is a valid and fundamentally important part of the democratic process.

I'm happy that over the last number of months, at least, the registrar, who also happens to be the Privacy Commissioner, Mr. Loukidelis, has repeatedly made that point: that whilst it is important to have workable, proper regulation in place for those whose profession it is to operate as a lobbyist, it is important to recognize the validity of the exercise of speaking with elected officials and trying to convey a particular point of view to those elected officials.

It's also, in my view, vitally important that the proper balance be struck so that government and those who sit in chambers like this one be open and accessible to people to be able to put their views to the representatives making the decisions that affect them. There will be a difference of views, and ensuring that all of us, as elected people, do not construct barriers to that exchange of information is important.

I think, though, it's also fair to say that what goes hand in hand with that notion of the vibrancy of democracy is the need for an element of transparency so that the public will know who it is that is engaged on a more or less full-time basis in the activities associated with the lobbying of elected officials and that advocacy work, either on their own behalf or on behalf of organizations, agencies or corporations.

This bill, I believe, will increase that transparency. It will broaden the reporting requirements and significantly strengthen the enforcement. It will create for British Columbia, in my view, one of the strongest regimes for lobbyist registration in all of Canada.

It does respond to publicly debated issues and concerns, and its development has benefited greatly.... I want to express my thanks for the valuable input that has been received from the registrar of lobbyists, Mr. Loukidelis, who serves in his other capacity, also as an officer of this Legislature, around privacy protection.

Consistent with Alberta, this bill introduces an enhanced definition of lobbying, including a specific reference to a variety of topics or subjects that might be the subject of advocacy or lobbying activity — things like the privatization of government interests or assets or the contracting-out of the provision of goods or services to government. They are mentioned specifically in this legislation.

In addition, this legislation will, in my view, simplify and increase the transparency of the system by creating two, and only two, streams of lobbyists: a consultant lobbyist or an in-house lobbyist. They will have parallel reporting requirements.

I think that serves to strengthen the reporting requirements. A lobbyist, either a consultant or in-house lobbyist, will need to report information about any sub-contracted consultant lobbyists, and they must disclose whether or not a lobbyist is a former public officeholder.

These amendments will also introduce a test that provides that an individual is an in-house lobbyist when that individual's lobbying or the total lobbying done by their organization amounts to at least 100 hours.

[1015]

There will be, as I think members have seen in the legislation, a corresponding authority to clarify this test through regulation. Again, this is consistent with the approach that has been taken in Alberta with their legislation.

In this legislation there is a new prohibition on holding the dual role of contracting to provide paid advice to

government on the same subject matter as a person, or someone associated with that person, is lobbying. That is spelled out specifically and clearly in the legislation — a prohibition against those dual roles.

I should point out as well that that prohibition, as it is spelled out in the legislation, is to apply regardless of the amount of time that someone dedicates to lobbying. It is triggered not by the time but by the subject matter and the association between the lobbyist and the government.

Under the amendments that are contained within this Bill 19, the registrar will have significantly enhanced powers and duties. The registrar will be able to conduct full investigations, including the power to compel the production of documents and the attendance of people to testify as part of the investigative process that he or she launches in their capacity as registrar.

As well, in circumstances where the registrar finds that an individual has contravened prescribed provisions of the act or its regulations, there will be significant sanction. The registrar will have the ability to levy administrative penalties of up to \$25,000 and, following the completion of an investigation, the registrar will be required to report the results of that investigation to this chamber — the Legislative Assembly.

The bill strengthens enforcement mechanisms even further than that. The maximum offence penalties from \$25,000 to \$100,000 for second or subsequent offences under the act.... In addition, and I think this is also significant, it empowers the registrar to prohibit a person convicted of an offence from lobbying and registering for up to two years if the registrar believes that is necessary and appropriate in the public interest.

Finally, it extends the limitation period for a prosecution under the act from six months to two years.

The amendments as set out in the act, if passed by this chamber, would come into force on April 1, 2010. We will, I'm sure, explore that further in committee, but I do want to alert the House to the fact that that date was arrived at as a result of discussions with the registrar, Mr. Loukidelis, who is anxious that the technical requirements, the websites, the ability for those who are either in-house or consultant lobbyists are all up, operational and running and that the office is equipped from the get-go to accept the registrations that will be required under this act.

This represents significant change, in my view — a new chapter, perhaps, in the realm of lobbyist registration in British Columbia. I believe it is a significant advancement in the creation of mechanisms that guarantee openness and transparency, both on the part of government but also on the part of those who are engaged on a regular basis in trying to influence the actions and the decisions that we make in this chamber, that publicly elected officials make.

I should say one other thing about that, because it has been the subject of at least a modest level of discussion. That is, the specific provision that is included within the act concerning where the obligation lies to ensure that a lobbyist has conformed with the provisions of the act. That obligation falls squarely to those who are engaged in the advocacy work, to the lobbyist, and specifically and explicitly does not accrue to the elected official.

That is by design. It is deliberate. It is obviously very explicit in the act, and it is there for this reason: no act that I'm aware of in Canada imposes a positive obligation on the elected official to verify in advance of discussions with an individual whether the requirements of the Lobbyists Registration Act that exists in that jurisdiction have been complied with. To do so, I believe, would be problematic in the extreme.

There is a technical reason for that, and I'll speak about that for a moment, but there is a more practical consideration as well. The act should not make, in my view, publicly elected officials regulators. It should not bestow an obligation upon, for example, the MLAs that sit in this House the obligation to determine whether or not the technical requirements of the Lobbyists Registration Act have been complied with. We impose that obligation to comply on the lobbyists and the decision about whether or not those obligations have been properly discharged upon the registrar.

So that is, broadly speaking, a technical or legal rationale for the approach that is taken, but I think it goes beyond that.

I think virtually every member of this House will know that when they return home, they are confronted by people who want to talk to them about issues that may be relevant to their community, relevant to their lives. It strikes me that it would be entirely unworkable and inadvisable to create a situation where an MLA had to say to someone: "Sorry. I can't talk to you until I am absolutely satisfied that you are either exempt from or have complied with the provisions of the act."

As I said at the outset, at the heart of our democracy is the ability that citizens have to interact with their elected officials and engage in a meaningful conversation. To erect hurdles or obstacles in the path of that occurring would, in my view, be unwise. That approach and that philosophy is reflected in the act, particularly in respect of the one section dealing with an explicit assertion of where the obligation for compliance rests.

This is a step forward. This is a significant change, a step along the evolutionary path of legislation dealing with the registration of lobbyist activities. I know that members will have some thoughts, and I look forward to hearing those thoughts during the course of second reading debate.

L. Krog: I'm delighted to rise to speak to the Lobbyists Registration Amendment Act this morning, but I'm

reminded of the words of *Oliver Twist*: "Please, sir, I want some more." The truth is that we have come some distance, but we have not gone the full course that was available and certainly an option for this government to take by way of reforming what has been described as a toothless tiger, a waste of time, completely useless — a lobbyist registration system that had become a running political joke in this province.

Now, I do want to agree, however, with what the Attorney General had to say about Mr. Loukidelis and his very useful input to this legislation. I think the government very wisely followed most of the recommendations of Mr. Loukidelis. But he was very clear in his letter of October 6, 2008, to the then Attorney General, the hon. Wally Oppal, when he said: "Require public officials to verify that a lobbyist is registered and to verify the intended outcome of the communication."

Because in the Attorney General's remarks around the issue of making it so difficult that you had to ask everyone who was talking to you whether they were registered and it was a problematic situation, of course this raises the very issue of how one is to detect who is lobbying and what lobbying has gone on that is, in fact, lobbying under the act but can't be detected.

[1025]

Clearly, the police aren't going to stand outside the minister's door and ask everyone who comes out whether, in fact, they've been lobbying the minister or lobbying some official of government. That's not the way it's going to work.

I think Mr. Loukidelis very wisely pointed out that the most efficient and effective way of ensuring that those who are lobbying government, in what should be a completely transparent process, would be known to the public is through a requirement that the person being lobbied verify that they're registered and verify the intended outcome of the communication.

I think that was an important recommendation. I think it was a very valuable recommendation. Notwithstanding it doesn't exist in any other similar statute in the country is no excuse not to bring in such a change.

The whole reason for lobbyist registration is to ensure openness and transparency, to satisfy the public that when there's an outcome from government, they know who asked for it, what their relationship is with government, what their relationship is with the industry or the group or person they're representing. They want to know that because otherwise there's this dreadful suspicion that somehow some people are getting things out of government that just aren't quite right, that aren't quite fair.

You know, when you meet with the Agricultural Council, when you meet with the Principals and Vice-Principals Association, when you meet with the BCTF, when you meet with an industry lobby group, the public understands that all of those groups and groups like

them educate public officials. They provide information. They point out deficiencies in legislation.

They provide assistance that might not otherwise be available, and that's a good thing. The Attorney General, wisely, recognized that this morning.

But when we come to issues where contracts get let, where things that were formerly under government control become privatized.... When that occurs, the public really, really wants to know who asked for it, when did they ask for it, what specifically did they ask for.

That's where the rubber hits the road. I must say I thought it most interesting this morning that the Attorney General pointed out very specifically that the legislation is going to include in the term "lobby": to communicate with an office holder, etc., with respect to "a decision by the Executive Council or a member of the Executive Council to transfer from the Crown for consideration all or part of, or any interest in or asset of, any business, enterprise or institution that provides goods or services to the Crown, a Provincial entity or the public..." etc. Bang on.

But I have to tell you, for most British Columbians, when they look at B.C. Rail, when they look at what's happened with Hydro, when they look at the numerous contracts that have now committed the people of British Columbia — and I'm not going to call it the government; it's the people of British Columbia — their tax dollars, for decades in some cases — billions and billions of dollars.... Much of it appears to have come as a result of lobbying about which the public knows very little, if they know anything at all.

It's kind of like getting the fire department to the fire after it's out. You know, the bank has been robbed, the robbers left town three days ago, and the police show up. The fact is it's a little late. It's a little late.

There are some British Columbians who might sarcastically say that in fact we've privatized pretty much everything we can. We've given it away in the eyes of the public, and now we're bringing in the legislation that would have actually made the process transparent — that would have given the public some opportunity, if you will, to know who was in the minister's office, who was at government's door, who were the insiders who were ensuring that this process of a transfer, if you will, of a transformation of the way government operates in British Columbia, occurred.

People wanted to know that. It was a legitimate concern. We know that several years ago even the Premier acknowledged that this legislation was inadequate. We know that the former Attorney General promised legislative change. We know that Mr. Loukidelis has been requesting this for a number of years.

I mean, the Premier in 2007 made it clear in May. He promised to fix the lobbyist registration law. Now, two and a half years later, we're finally getting around to it.

[1030]

Now, I have heard the comments of the Attorney General in this chamber this morning, and I've listened to his comments made outside of this House. I've got to tell you: I appreciate that government can move slowly on occasion. I understand that. It grinds a little slow on occasion.

But after the incredible public criticism, after the issues around Mr. Dobell, the allegations made about Mr. Kinsella, all of those concerns raised publicly, after all the columnists, after all the news coverage, after all the public outcry, after all the questions by the opposition, did it really take this long to draft the Lobbyists Registration Amendment Act — 16 pages?

Was it really that difficult? From what I've heard from the Attorney General, we just looked, basically, next door to Alberta, kind of rubber-stamped it, brought it home. I mean, through the Leader of the Opposition and others, we have put forward private members' bills around this on several occasions. They were there. They were readily available.

I do not for one moment accept the excuses of the Attorney General around the need for study and careful review and the promises that it was coming, that it was coming, that it was coming. It just doesn't have the ring of sincerity somehow.

I mean, how long does it take to draft legislation? The Attorney General has a ministry full of able, capable people — people well trained in the law, people who have been drafting legislation for years, people who, in a rush, when there's an emergency, can draft legislation in a matter of days. But somehow it took us this long to get this far with this legislation.

The Attorney General referred to the history of this legislation brought in, in 2002. It was a good step forward, part of a growing trend. Well, that was seven years ago. The criticism started quite some time ago. The disaster, and it was a disaster around Ken Dobell, was public years ago. Allegations, concern around this issue, were made public years ago. So why didn't we bring it in?

There is a nagging suspicion, I think, in cynical British Columbians' minds that we had to delay this just long enough to ensure that everything was done, that all of the really interesting things, if you will, around lobbyists and what they got and what they achieved on behalf of their clients were, in fact, achieved. That it's too late. The barn door truly has been shut long after the horse left — long after.

When you consider the importance of this, when you consider the public cynicism around government, when you consider the lack of trust, the suspicion that exists, just think how much better it would have been if this legislation had been introduced two years ago. If the government had responded quickly, if the government, once it was so clear that this, the existing act, was, frankly, a useless piece of legislation in most respects, just think....

Interjection.

L. Krog: One of the members suggests that somebody would have been caught with their hand in the cookie jar. Well, I won't go quite that far, but what I will say is that at least there might have been a successful prosecution under this act.

There might have been a message to lobbyists in British Columbia that we live in a society that values openness and transparency, that we want government to be respected. That we're not prepared to sit back and have activities go on which the public, by and large, without that veil being taken back from it.... Frankly, it doesn't look that good.

You know, when you consider how much has changed in British Columbia in the last eight years.... I know that the members on the opposite side are probably about to jump up and say: "All for the better. All for the better. Things are wonderful." Although they perhaps are so quiet this morning that they're not even going to give me the credit of screaming or yelling at me or heckling me, which is always distressing for a politician.

[1035]

But the fact is that things have been done in British Columbia, particularly around Crown assets, that have offended old-line Socreds, New Democrats, small business people, rural British Columbians, urban British Columbians. Things have occurred that weren't part of the promise.

Hon. Speaker, you remember the 1996 election? The Premier, then Leader of the Opposition, said he was going to privatize B.C. Rail. And son of a gun, guess what. Rural British Columbians in particular, who relied on B.C. Rail, re-elected an NDP government. And in 2001 the Premier promised he wouldn't privatize B.C. Rail.

Now, I'm not suggesting for a moment that lobbying had anything to do with it, of course. I'm not suggesting that for a moment. I'll let the public record speak for itself on this issue. But somehow we ended up with a privatized B.C. Rail.

Now, you know, the Minister of Transportation would probably say that it's not really a privatization. It's just a very long-term lease. Well, it's long enough that I don't think any members of this chamber will see the renewal date pop up very quickly, or in their lifetime. It amounted to a privatization. It was a broken promise — one of the most clearly broken promises of any politician in recent history in British Columbia. The suspicion is that it has led to charges arising out of that involving corruption, a complete lack of transparency, a complete lack of openness.

The Lobbyists Registration Act should have been a lot tougher, a lot sooner. Then British Columbians might have seen this as a genuinely sincere attempt to do the right thing as opposed to what it appears to the opposition to be now, and that is a public relations exercise.

So much of what this might have prevented has already happened. It's too late. B.C. Rail is gone. Hydro — I'm not going to go through the list this morning. It's done. It's over. Long-term contracts are already in place.

Do we know who lobbied for them, what they got paid for it, when it happened, how it happened? No, we don't have any real idea, because the Lobbyists Registration Act gave no powers to the registrar. Mr. Loukidelis could do no more than ask politely: "If you'd mind if I investigated you. Would that be all right? Please, sir, let me investigate you." That's all Mr. Loukidelis could do. And Ken Dobell, to his credit, said yes. Mr. Kinsella, relying on his rights at law — relying on his rights — said: "No. Forget it."

So we were left with the farce of Mr. Loukidelis being forced to ask the government for legislative change. How long has it taken? It's not the life of Methuselah. It's not a lifetime. But in political terms, it's a very long time. As Harold Wilson said, "A week in politics is a long time," and a year is an eternity. We've had close to three eternities to get to this stage today.

We have an act that doesn't fulfil all of Mr. Loukidelis's reasonable requests and suggestions, particularly around the verification process, because.... I come back to my point. How are we going to know who is lobbying? Is the opposition going to have to continue to make FOI requests over and over again for the ministers' calendars to determine who's there? Are industrious reporters going to have to do the same thing? Is there going to have to be a constant public watching of this in order to make sure it achieves what it's supposed to achieve, which is openness and transparency?

Wouldn't it be so much simpler, and wouldn't it be a feather in this government's cap — wouldn't it be a little gold star in their exercise book? — if they just made it the responsibility of public officials covered by the legislation to simply say: "Are you registered? Are you registered, and what do you hope to get from me?" Is that so hard? Is it so difficult for the Attorney General to do that?

[1040]

You know, when I consider the rigmarole you've got to go through to get a driver's licence, for heaven's sakes — and that's asked of ordinary citizens every day in the province — is it that difficult? With the vast staff available to every minister of the Crown and to MLAs, is it so difficult to ask them to simply ask a couple of questions? Maybe a one-page form. It wouldn't be very hard.

You know what? What great evil would occur if that was the case? What great mischief would occur? I suggest absolutely none. What might occur is the restoration of people's confidence that government is, in fact, open — that it's their government; that politicians are doing the right thing; that politicians are committed to honesty and integrity, to being responsive to the public.

But we don't see that. We certainly don't see any possibility of retroactivity in this legislation. We're certainly

not going to see that, and I understand the difficulties around retroactivity in legislation. I understand that. But clearly we're not going to ever find out the truth about what happened in many of the most significant transfers of Crown assets in the history of this province that has occurred under this government's watch, because we lacked legislation to do so.

When I consider what the government could have done in following Mr. Loukidelis's recommendation, was it so difficult for them to do it? Indeed, as the Attorney General emphasized this morning, the legislation, in fact, says: "For greater certainty, nothing in this Act requires a public office holder to verify whether any person who is or may be lobbying the public office holder has acted in accordance with this Act."

Just in case there's any question — "We want to make it perfectly clear that government has no responsibility whatsoever. We don't want anything to do with enforcing this act. We're expecting everyone else to look after that."

Well, it isn't good enough. The Attorney General, I suspect, may know it's not good enough. I mean, he did, in fairness to his remarks earlier, say that it was a significant advancement. Well, in comparison to what existed, anything would be a significant advancement.

This legislation.... The existing statute provided nothing more than a cover — unenforceable, unused, ignored and a waste of time. Now we have legislation that, in fact, takes us forward, that brings in, in fairness, a reasonable penalty scheme. The opposition's bill, in fact, included a request for a \$25,000 fine and — I give the government credit — for a second offence, up to \$100,000. That's a good thing. That's a very good thing.

But if we're going to really make it effective, the other question that arises is: will this government provide the necessary funding to Mr. Loukidelis? Will we see the support that will be required in order to implement and enforce this, to do the kinds of investigations that will not only see compliance, but will encourage genuine compliance so that in the future in British Columbia nobody's going to be lobbying unless they've registered and unless there's disclosure and transparency around it?

When you've got a 50 percent turnout in a provincial election, the message is pretty clear. People are so disgusted by the process and the results it produces that they don't even bother to vote. One of the reasons, I have no doubt, in this last election — given the public outcry and the significant news coverage around this existing act — was that people looked at it and said: "You know what? A plague on all their houses. I'm not going to bother. I'm not going to participate in the democratic process."

So this is a step forward. I'm going to be kind this morning. The opposition is going to support this legislation.

Interjections.

Deputy Speaker: Order, Members. Order.

[1045]

L. Krog: The opposition, hon. Speaker, is going to support this legislation. We'll support it with amendments, because it is a step forward. And as I said....

Interjections.

Deputy Speaker: Member for Nanaimo. Member, would you take your seat a moment.

I request order. Everybody has an opportunity to speak to the bill and to raise the issues that are in the bill.

Member for Nanaimo, continue.

L. Krog: The opposition is going to support it. It's a step forward. We are like beggars in the street. We'll take what we can get.

Someday, hopefully, there will be an opportunity for British Columbians to get a first-class, cutting-edge lobbyists registration system that will be a model to the rest of the country, that will follow all of the recommendations of Mr. Loukidelis, that will put us out in front, just where we were with freedom of information and privacy in the '90s, when again British Columbia was in the forefront, passed the best legislation and hired a superb Information and Privacy Commissioner. That's where the opposition would like to be.

But we're pleased that there are some tentative steps and that we are moving forward. I cede my place on this floor to the many other members I know who want to speak to this bill.

D. Routley: I rise to speak to Bill 19 and the Lobbyists Registration Act. Lobbying, like politics, has become a concept which has descended into contempt along with failures in behaviour and practice. We expect that people will respect the House that we sit in and the process that we defend, the process that was defended by Canadians over time in history.

Yet broken promises and deceit from those who serve our communities, the kinds of deceptions we've seen from this B.C. Liberal government, have led to a contempt and a cynicism which has been a very toxic element to public process, just as the very act of bringing concern and interest to the government's attention — which has become defined as "lobbying" and which is, of course, an essential element of governance — has descended into the same level of contempt because of the misdeeds, the self-interest and the veiled interest that has been operative.

Cynicism is the most toxic element in public process, and cynicism grows in the space between words of promise and unfulfilled deed. This B.C. Liberal government is big on words of promise but large in unfulfilled deed. They boast of promises as though it is deed. The B.C.

Liberals have sold promise as a bumper-sticker commitment to concepts as though a heroic deed achieved.

Look, Madam Speaker, to the environmental awakening of a government that has decimated the forest land base, of a government that seeks to lift the moratorium on offshore oil development. If you want to see elements and the seeds of cynicism, just look to the hypocritical gap between the stated promise and the deed. We see the conversion to a conquest of first nations justice-making. Words have sufficed, headlines rewarded, but deed has fleetingly been avoided.

Lobbyists registration is one more example of B.C. Liberal promise-making met by short attention span and meagre commitment to real change. This bill does bring some penalty to avoiding registration. This bill does require some commitment to register and some penalty for failure, but Mr. Loukidelis made many other recommendations, which were rejected by this government.

This bill was three years in coming — three years of promise; three years of commitment that it was right around the corner, that we'd see it in the next session, in the next, in the next; the former Attorney General promising that the writing was underway, yet three years for a 16-page bill that failed to meet the recommendations of the commissioner.

[1050]

Will they fund this commissioner in these activities? Will they give him the room he will need to operate? That still is a question to be answered. When we look to the probability of a question being answered by a deed, a promise being fulfilled by a deed, we have to look at the pattern. There's another characteristic to the pattern of the B.C. Liberals' failure to mate principle to practice.

It does no farmer good to close the door on the barn after the proverbial horse has bolted. Take the B.C. Liberal Bill 17 health bill, which seeks to guarantee residents of care homes a bill of rights. This bill was debated yesterday, and it would, if the B.C. Liberals had their way, have us all forget the mistreatment of our seniors at their hand, all the while slapping them on the back as protectors through this new bill. Bill 17 would offer a weak gruel of protections backed up by little or no enforcement or penalty.

Does this sound familiar? Does this description of the bill we debated yesterday sound familiar now that we stand here debating Bill 19? It sounds very familiar to me. It certainly mirrors the dilemma Mr. Loukidelis faced when he attempted to bring rein to the lobbying activities of Patrick Kinsella.

More importantly, this displays another pattern or characteristic beyond those two. This B.C. Liberal government savaged seniors' rights. It dislocated seniors, evicted them....

Deputy Speaker: Might I remind the member that we're discussing Bill 19. We had the opportunity to discuss the other bill yesterday.

D. Routley: Yes, Madam Speaker. I'm attempting to bring a parallel and a characteristic of action or failure to act to promised deed, and it is mirrored in the bill that we debated yesterday. That characteristic is mirrored again today in this bill. In order to illustrate that, I need to refer to yesterday's debate. But I will bring that into context.

There was a savage mistreatment. There was a dislocation without consideration, and then this B.C. Liberal government brought forward a bill that would cover their tracks and have them line up to be slapped on the back for credit. That is mirrored today.

After the privatization of Crown assets, after the sale of B.C. Rail, after health care public-private partnership contracts were awarded, after the Olympic projects were completed and the contracts awarded, they bring forward a bill that would have offered the transparency necessary for British Columbians to truly have understood who was at the Premier's door, whose interests were sitting at the cabinet table of the B.C. Liberal government when those important Crown assets and Crown services were auctioned off.

When the common wealth of this province was auctioned off, we had no idea who was standing in line at the Premier's door. Now, after the fact, this government expects this province to slap them on the back and give them credit for bringing control and transparency to lobbying that should have been there. After the horse has fled the barn, they close the door with a sheet of paper. It is a pathetic failing of the interests of British Columbia.

The goals of the B.C. Liberal government have largely been achieved — in terms of privatization of services, sale of Crown assets, the auctioning off of the contracts for the Olympic Games.

H. Lali: The giveaways.

D. Routley: The giveaways to friends and insiders have been done. Only now do they provide us with this transparency that would have been necessary for British Columbians to adequately have forced democracy to work in their favour.

[1055]

After the vote we hear about the deficit. After the vote we hear about the HST. After the auctioning of the wealth of this province, we are provided with the lens that was required to have adequately judged whether it was fair or not. Our Attorney General wants us to pat him on the back for this great achievement.

Bill 19 is too little, too late, and it mirrors all of those examples. So again, after the horse has fled the barn, the B.C. Liberals have closed the door with paper.

So far, my speech has been about a recounting — an accounting, if you will — of what has occurred, a building of a pattern, a characteristic of this government to

offer failure to act on promises made. It's an accounting of past behaviour, of misbehaviour — characteristics of failure and a lack of integrity. This is where cynicism has grown.

This, as the previous speaker said, is where the poor participation rates in our democracy are born: in this cynicism that grows out of misdeed, the cynicism that grows in the spaces between lofty words and promise and their unfulfilled deed.

Now, though, I'll finish with a predictive note.

British Columbians expect their government to mirror their principles and the values they live by. They expect their government to be honest; to not hide truths before elections, only to pop out surprises after the vote; to not auction off their assets, hiding from them the interests at play and then, only after the sale has closed, offer the lens that would have been required to make judgment of whether that was a fair or right process. They expect their government to be forthright about its actions.

So far, when the government has appealed to the principles that British Columbians live by, when the government advertised a conversion to a good-faith relationship with first nations that has been answered largely by the same characteristics of the old relationship — where people in first nations are not being consulted around the auctioning and harvesting of resources within their territories, are not being consulted on decisions made by government, are not being considered — we see the pattern.

They do not expect a government that will convert itself to an environmental awakening — lean on a hybrid car, paint itself green, all the while seeking to lift the offshore moratorium on oil and gas. They expect much more.

So far, when those principles have been appealed to, British Columbians have answered positively. The government did line up to be patted on the back, and they were patted on the back.

But now that deeds have clearly shown a lack of commitment to principle, I predict that British Columbians will not line up to pat this Attorney General on the back for this Lobbyists Registration Amendment Act, so late in coming. They will not forget that their commitment to principles and values lived by ordinary British Columbians and failed in action by this B.C. Liberal government...

Those will not be forgotten, and people will express a much higher expectation the next time they go to the polls and will pass a judgment on this behaviour and this pattern of characteristic — of not meeting promise with deed, of failing to live up to commitment. That is what this government will be remembered for.

We do need to bring order to the activities of lobbyists, and Mr. Loukidelis's recommendations, all of them, do need to be acted upon. But when it's too little, too late, and when it's after the deed is done, more cynicism will grow and, along with it this time, an anger and a realization that for us to put right the principles and values

that govern our province, we need to do away with this charade that sits on the other side of the House.

That is the predictive note that I'll end my speech with.

[1100]

M. Karagianis: I'm happy to take my place in this debate. Very interesting — Bill 19, the lobbyists registry amendment act, because in many ways I would have to say that it's about time that we saw this act tabled here in this House. As has very aptly been debated by my two colleagues previously, it's a little bit too late, all at the same time. I am very concerned about some aspects of this bill, and those are the things that I will speak directly to in my comments.

I listened very intently to the presentation by the Attorney General here of this bill and have considerable concerns with some aspects of this. I will talk about those and certainly will probably take the opportunity to ask more details as we move into committee stage.

Certainly, the need for an amendment to this lobbyists registry has been a topic of great discussion in this House for a number of years now. The previous Attorney General and members of the opposition, including myself, canvassed it at great length in debates in this House. We had heard for years and years that an amendment was being worked on and was eventually going to find its way into the House.

As has been discussed here by my colleagues, so many of the actions that have taken place here with the B.C. Liberal government over the last number of years that would have been captured in this rewritten lobbyists registry act unfortunately now have managed to escape real scrutiny and real accountability for their actions. In looking at the various pieces of this.... At one point in trying to find some way to force accountability onto those who were breaking the law in British Columbia by failing to register as lobbyists, or by government's failure to adequately follow up and enforce accountability, I did explore the federal lobbyists registry act.

When the government says that they finally and inevitably turned to Alberta for a template on which to base their law, I would say that in fact, if we look at the federal lobbyists registry, it has been in place for many years, has huge accountability functions within it, has huge and very powerful investigative functions within it. Certainly, that would have been a very good place to have gone. The government could have gone there many years ago, even before the opposition tabled several attempts to influence government in drafting this amendment to the lobbyists registry act.

When I look at some of the pieces that have been included here.... The power of investigation is finally being included in this act, and I guess, as other speakers have pointed out, many of the most gross violations of the lobbyists registry have, in fact, already taken place.

Those have been the very issues that impelled government to finally amend this bill.

I'm happy to see that there are powers of investigation finally included in this, and powers to compel testimony and order documents to be produced. Those are all very good things that should be included and should have been, in fact, amended into this bill many years ago when the scandals first began to unfold with the way the lobbyists registry was being violated.

The second point that gives me some concern here is that penalties have been increased. Anyone who now violates the rules will be fined up to \$25,000 for the first offence and up to \$100,000 thereafter.

Now, any bill, any law, any piece of legislation is only as good as its enforcement capacity. I would have to ask government to make it clear if there is going to be an enforcement action taking place after this registry is put in place. In fact, the previous registration act, the existing registration act, has some penalties for violations, but they've never been invoked here in this province.

[L. Reid in the chair.]

Are we, in fact, putting in place now a new set of penalties, certainly much more dramatic, much higher, much more costly? If we're not going to invoke those penalties, if we're not actually going to make sure that anyone who violates the lobbyists registry is fined, then this is a meaningless part of the act.

[1105]

One of the things I learned in municipal governance in my nine years in Esquimalt was: don't enact laws that you either have no intention of or no ability to enforce. From the government I'll be looking forward to the explanation on what intention they have to enforce and impose fines, because certainly, they've never done any of that in the current lobbyists registry.

The second part of this that concerns me is that offenders will be banned from lobbying for two years. My question is: is two years an adequate ban for an offence of breaking the law? You know, the laws of British Columbia, and we as lawmakers, have to ensure that the punitive measures that are put in place are real and they're valid, that they actually do discourage bad behaviour. I'm not entirely sure or satisfied that two years' ban is an adequate length of time for a violation of the lobbyists registry.

If, in fact, we're saying that penalties of \$25,000 to \$100,000 would be adequate, then it seems to me that a two-year ban from lobbying government is not adequate. I would be exploring with the government whether or not they will look at more harsh measures than that, maybe a longer period of time of banning.

The third point that I think is most interesting is that lobbyists will no longer be allowed to lobby on behalf of a client on a topic about which he or she is advising the government. Clearly, that was at the heart of the very

protracted opposition forcing government to look into the situation of Ken Dobell, who was operating as both an adviser to government as well as lobbying government on behalf of the city of Vancouver and, therefore, had a superior opportunity to get the ear of government in order to satisfy the client that he was working for.

Again, this speaks very strongly to the reason and rationale for needing to amend the lobbyists registry in the first place. I would really sincerely hope that government is going to be strong on this point.

This leads me, then, to the fourth point. I know the Attorney General spoke very specifically and pointedly to the fact that Bill 19, the lobbyists registry amendment act, does not require public officeholders to find out if they're being lobbied and what they're being lobbied for. It would seem to me that this goes hand in hand with the previous point, which is if we're not going to ask people if they're lobbying or if they're registered with the lobbyists registry act then, in fact, we are foregoing our responsibility to the public.

If we're going to have a lobbyists registry act that demands that lobbyists register, that they are not allowed to be advising government and lobbying government on the same topic at the same time.... I would say that probably those restrictions should be even broader than that. If there is going to be a system to fine people who violate the Lobbyists Registration Act, if they would be banned from lobbying government for violating the lobbyists registry act, then it seems to me that we as elected officials should ensure that there's a responsibility to ask and ensure that those who come to meet with government and lobby ministers or members have registered.

If we're going to put all these actions in place, why would we not ask that simple question? It seems to me to defy logic. I did listen very closely to the Attorney General's explanation of this, but I disagree.

I think that, in fact, it's imperative and incumbent upon members to ask that question and to make sure that we are very clear on who is or is not lobbying us and whether or not they are registered. Certainly, all of the punitive measures for failing to register or for violating the registry are pretty harsh and pretty strong. Why would we, then, not take the opportunity to ask whether lobbyists have registered and what, in fact, their intentions are in meeting with government?

[1110]

Why would we go part of the way into this process to ensure a fully accountable, a transparently accountable lobbyists registry if we're not going to add that last piece of inquiring whether those lobbying us have registered and what they are lobbying us for? It would seem to me, then, that once again the responsibility stays with the lobbyists to make sure they have followed the letter of the law, and there's no accountability. How would we ever begin to trace back and say that someone had violated?

If people meeting with lobbyists are not going to ask the question, then who, therefore, is responsible for enforcing the lobbyists registry act on those individuals? Again, would it fall to the media or to opposition members or to the public in general to be filing freedom-of-information requests to find out who ministers are meeting with and whether or not they have been lobbied?

It seems to me that if the government can't take responsibility for that simple final step of ensuring that people meeting with them have registered and are not violating the laws, then we're incomplete in this new amendment to the lobby registry.

I disagree with the government on this point and would look forward to asking the Attorney General in committee stage why, in fact, we're not going that full distance. What is it that government's expectation is around who is going to then monitor those lobbying government who may not be registered? And how is a government official to know that if they're not going to ask that question?

It seems to me to be counterintuitive that we would make all of these amendments — that we would promise the public that there will be enforcement, that there will be some new and stronger powers given to the registrar around investigative powers and that we would levy significant fines — that we would take all these measures around defining who can and cannot lobby the government and how they are expected to carry out their business, but we don't compel anyone to ask whether or not groups or individuals meeting with government are, in fact, lobbyists.

That seems to me to be a huge gap in the law, and I suspect it would be one that would plague government considerably in the years to come if this is not appropriately addressed at this point. Again, it just opens a huge opportunity for a contentious environment to occur around investigating, trying to discover or asking under freedom of information who is lobbying government.

I would like to see that little loop closed, because if officeholders and government officials are not required to ask that question, then it seems to me that the rest of the act is a little bit empty and hollow and doesn't make any sense.

I will be looking to the government to answer some of those questions during the committee stage, and I know that other members of the House here, my colleagues, will talk about all of the reasons why this is a little too late in the game for many of the largest and most obvious violations of the lobbyists registry to be set free at this point, and no punitive action will ever be levied on those who broke the law in the province.

I'm going to ask for harsher restrictions around the ban for lobbyists. I'm going to ask for proof of some kind of action on the government's part to really levy fines when there are violations, unlike their past performance. I'm going to be asking for them to reconsider the option here that public office holders are not required to ask

that question. Those will be the things that I'd like to see.

I'm sure we will be.... I know I'll be supporting the bill, in any case, because a little is better than nothing at this point. But that will be a point that plagues me a lot — that we are not required to ask, that officeholders are not required to ask. It just leads to all kinds of questions in the future, again, and all kinds of detective work that somebody else has to do because the public official is not required to ask that simple question.

[1115]

S. Hammell: I'll take just a few minutes to add my voice to the discussion around the lobbyists act. I do want to sort of harken back to 2001, when the act actually first came in — under much fanfare, I'm sure, and pats on the back and congratulations that B.C. had its first lobbyists act.

I have to sort of ask myself: "What were they thinking when they brought in an act that had very limited powers of investigation — basically a review, not an investigation of any significant order — with no power to compel testimony and no power to charge any penalties?"

In essence, they had an act that said that you are to register, you are to pay a registration fee, and you are to declare yourself a lobbyist. Once that act had been put in place, there were no teeth inside the act. There was no ability to enforce what I assume was a very honourable and high expectation that people, when they were acting on behalf of others and lobbying government, needed to have that fact be transparent and open and available for other people to see.

Yet to have an act, which with its best intentions was to do something that everybody wanted and that could be supported, with absolutely no teeth to compel a person to do what the principle of the act was asking is absolutely amazing. To have very limited ability to investigate, to have no power to compel any kind of testimony and to be able to apply no penalties is an amazing fact. I mean, you have to ask yourself: "What was the government of the time thinking?"

From that point to now, things have happened to compel the government to come back with an act that had the missing pieces put in. We now, after a scandal with a former employee in the Premier's office — who, one would assume, had some notion of what this act was about — not being aware that he was a lobbyist and then finding out he was and then registering....

I think that the consequence of this behaviour has compelled the government to act. A person was charged with, or it was suggested that they were a lobbyist. When they wrote back, they said: "We have reviewed the act and determined that the registrar has no legislative or other power to accept complaints or to conduct any investigation or reporting on the activities of individuals alleged to have contravened the act." So they had no power, and in fact, it was true. They had absolutely no power.

So after two major scandals plus another instance where a past member of this House had been lobbying, the government has now acted and presented a bill which certainly has some teeth. It certainly has put into the act parts that it needed. We now have an act that has given the power of investigation to the appropriate officials and will have now the power to compel testimony and to order documents to be placed.

[1120]

The registrar will also be expected to report to this Legislature and to prepare an annual report. The metaphor of reporting to this Legislature is the metaphor for transparency. This being the public forum, the people who represent the public, it is most appropriate that the registrar report back to this assembly the activities that have gone on in his jurisdiction.

Penalties have been increased, and it is very good to see a penalty of up to \$25,000 for the first offence and up to \$100,000 for the second. There is also the ability to ban somebody from lobbying for two years. The expanded definition of what a "lobbyist" is, is also one that is a very good addition to the bill.

But we are missing parts that we believe would enhance the bill greatly. We believe that public officials also have a responsibility to play a part in making sure that government is open and transparent. They have a responsibility for being aware of who is acting when they're engaged in conversation, appointments and discussion of government business — for having an understanding of what that person's agenda is and what their end-game is; for being aware of that in setting appointments and having conversations; and for being, also, responsible, if a person is lobbying, that that person needs to be registered — so that the appropriate transparency is available for our community to see and to ensure that their interests are being respected and acknowledged.

Hon. Speaker, we have a bill that certainly has come a long way. It has come from an act where there was literally no ability.... Mr. Loukidelis has actually said that he had no ability to enforce anything and, therefore, stopped taking complaints. After considerable pressure, not only from this House but from members of the public and the media, we now have a bill that certainly has come some way to improving the most glaring omissions in the last bill, but we need now to go a few more steps to ensure that other pieces are in the bill, which we will be suggesting through amendments.

It is my pleasure to stand and take my place in this debate. I'm certainly pleased that we have this new bill. We need to go a little further. I'll take my seat and listen to other people speak.

B. Ralston: I rise to address the bill before the House, which has amendments to the Lobbyists Registration Act.

I think it's important, at the outset at least, to examine briefly why lobbying laws are an important and integral

part of an effectively functioning democracy. I think it's clear that in order for the public to have confidence in the decision-making process, there needs to be some assurance that some people do not have special access to decisions that are made and that any decisions, any influence that's brought to bear by some parties that are perhaps more closely placed to a government, will at least be transparent. That's the basic concern that the public has, and that's what lobbying laws are designed to address. I think it also needs to be said that free and open access to government is an important public value and, indeed, a proper concern of a functioning democracy.

[1125]

Lobbying of public office holders is a legitimate activity. There's no doubt about that. It's desirable, though, that the public know who is lobbying them and, conversely, that public office holders understand who is lobbying them as public office holders. Any system for the registration of lobbyists should not impede free and open access to government.

These are principles that Prime Minister Harper's government in Ottawa took to heart in 2006 and passed a very sweeping series of amendments to the Lobbying Act federally. So this is an evolving area of law in the sense that public sensibility and concern has often overtaken the existing legislation. That's certainly the case in British Columbia over the last several years, where the litany of foot-dragging and delay on modernizing and bringing this lobbyist act up to date can be very sharply contrasted with the steps that were taken by the federal government in updating the lobbyist act there.

I want to briefly touch on some of those changes, because they contrast with some of the changes that we on this side have advocated. The Leader of the Opposition put forward her private member's bill, Bill M202, that's been repeatedly tabled in each session over the last several years. There are some progressive changes there that the federal government has included in its law but that this legislation chooses unfortunately not to include.

The federal law did address and create — they call it the explanatory note — an independent agent of parliament, a commissioner of lobbying, to supervise the operation of the legislation. Now, it is proposed that the Information and Privacy Commissioner, Mr. Loukidelis, will continue to supervise this act.

I think it's important that recognition be given. Since he is an independent officer, his budget comes before the Finance Committee, and in previous years.... I have been a member of the Finance Committee for several sessions. One of the principal points of access to the whole process is the website. I don't want to cast any aspersions on the contractor who put the website together, but apparently the money available was relatively small, and the result is not a very easy site to access.

If one looks at the federal site, it's very extensive, easy to use and an integral part of easy public access, as in so

many other things in contemporary society. A budget for a new website that reflects the new legislative requirements and that is accessible will be an essential part of a budget to bring this about.

In addition, it's clear that if the commissioner is going to supervise the new activity and the new law effectively, there's possibly a requirement for more staff to do that. My experience in the budgets presented by the Information and Privacy Commissioner is that he is very conservative in his budget requests. They're thoughtful and usually are, almost without exception, very well justified.

I don't expect there will be a huge expansion in the budget request, but I think it's important to recognize that if this bill is to be effective at all and to achieve the legislative goals that the Legislature will set for it, it needs to be funded so that there is some measure of ability to enforce the provisions of the act to conduct investigations where they're warranted.

The federal act also requires monthly disclosure by registered lobbyists. That is not the case here. That may be because the volume and the range of lobbying of federal public office holders is more extensive, but certainly that's a more frequent reporting provision, which one might want to have seen considered here.

[1130]

The other provision in the federal legislation is that the commissioner of lobbying has authority to contact.... When there's a filing made by a lobbyist, and I'm reading from an explanatory note: "The commissioner of lobbying may require any present or former" — that's former public office holder — "to verify information derived from one or more monthly returns." There's a provision to approach the person directly. There's a deadline to respond to a verification request, and there are further steps taken if this is not done.

"The Commissioner may report to Parliament on: the failure by a present or former designated public office holder to respond to a verification request, or provision by a present or former designated public office holder of an unsatisfactory response." So there is a mechanism, even in the filing of the reports, for scrutiny of those reports; a mechanism for requesting clarification, updating, correcting omissions; and a mechanism for publicizing those should that not be forthcoming. Those are some of the steps there.

The other specific concerns that I want to address in the brief time that is available to me.... I'll deal with what was section 4 of Bill M202, the Leader of the Opposition's bill, the title of which is "Public office holders obligated to verify registration."

The Attorney General has taken a position that that would be contrary to the open and easy access to government that is an essential attribute of democracy if public office holders were obliged to request of those who might be lobbying them.

I think that in one interview he gave an example of someone approaching him in the supermarket, which would hardly be the typical case for being lobbied, although I suppose one could trace the daily routines of the Attorney General and make a plan to happen to accidentally bump into him in the supermarket to lobby him about some important matter. I think that's probably unlikely.

That example aside, I think the concern and the reason for that provision in the Leader of the Opposition's bill is simply to place some obligation on the person being lobbied to understand who they're dealing with and for what purpose they are being approached. In some of the cases that have been publicized, the response of the public office holder — I think in one case the Premier — was that he was not aware that the person who was approaching him was in fact lobbying him.

I think it's to avoid that kind of embarrassment to the public office holder himself or herself and to the dignity of the office that there is a requirement in the opposition's bill that there be an obligation placed on a designated public office holder to inquire as to what the purpose of the meeting is.

I cannot anticipate that that is particularly onerous, that that would throw immense sand into the gears of democracy or that that would shut down communication. I think all of these fears are exaggerated.

Ordinarily, the process is, and for very good reason, that designated public office holders, members of the opposition — I include myself in this — are approached by organizations who seek to arrange a meeting typically either in the Legislature or in one's constituency office at an appointed time. There's notice, and it's done in advance.

It would seem that as part of the preparation for that meeting, it would not be terribly difficult to make a quick check on an open, public and easily accessible website as to whether or not that person was registered. That's something that could be done by support staff as part of a routine checklist before meeting with anyone. So I don't see this as an onerous obligation.

I'm a bit mystified by the strong resistance that the Attorney General appears to be expressing on this point, so I will listen. I listened to his opening remarks introducing the bill, and I'd be interested in hearing his response on that, because I'm not sure that I understand the reason for the depth of feeling that he appears to have on the subject.

[1135]

If I might, just a couple more comments. One of the aspects of the bill that we introduced was that there was a requirement of fair measure of detail to be provided by the lobbyist about what the intended purpose of the lobbying was. Simply registering to lobby and being provided a line or two as to what the purpose was....

I understand that while there may be a plea that for some of these matters being lobbied about, there may be

some commercial privacy interests that may be affected by the lobbying process. That would appear to conflict with the necessity to have some disclosure about what was being lobbied about.

In my view, the public interest and the disclosure of what the lobbying purpose is should trump any concern about commercial propriety. That's a contrast between this bill and the bill that we introduced.

The next area, which is specifically banned in the federal legislation and is a feature of the bill that the Leader of the Opposition introduced, is the prohibition against contingency fees for lobbying. Contingency fees, for those who aren't familiar with that, is a fee based on an outcome. If one were successful in arranging or landing a contract, then the lobbyist in question would be paid a percentage based on the value of the contract.

Reading briefly from the summary prepared on the federal Lobbying Act, it says:

"Some lobbyists base part or all of the fee that they charge on the degree of success achieved for their work. For example, if the grant, contribution or contract that they are helping to obtain is awarded to their client or if a desired law, regulation or program change is implemented, they are paid in full. If not, they receive a lesser amount or perhaps nothing. This type of arrangement is called a contingency fee, because payment is contingent on the success of the undertaking."

That was not prohibited in the previous Lobbying Act federally. It's now prohibited where it applies to consultant lobbyists.

"Consultant lobbyists are not permitted to receive any payment that is in whole or in part contingent on the outcome of their lobbying. Clients of consultant lobbyists are not permitted to make any such payment to a consulting lobbyist that they have retained."

That was included in the provision in the bill we tabled. There are very good reasons. I would think that they would be obvious. The pressure of a contingency fee may well distort the lengths to which one is prepared to go and may result in the kind of lobbying, the kind of pressure, that the act seeks to avoid and to regulate. Obviously, this view was shared in Ottawa, and that's why that ban or that prohibition was placed in effect in the federal act.

Similarly here, we have expressed the same concern in one of the provisions of the bill that we have put before the House. I'd be interested to hear, if he chooses, the Attorney General's view on why that's not included here.

Finally, the definition of "in-house lobbyist" that's set forth in the bill is an amendment to section 1(1)(a) referring to an in-house lobbyist: "an employee, officer or director of an organization...whose lobbying...amounts to at least 100 hours annually."

The Alberta act, which the minister advises is the basis for the legislation before this House, says in its regulations.... I'm looking at Alberta Regulation 247/2009, Lobbyists Act General Regulation.

[1140]

They say — and I'm reading from section 2: "Time spent lobbying. For the purposes of determining whether lobbying amounts to at least 100 hours annually under section 1(1)(h) of the act, time spent lobbying is indicated by the time spent communicating with a public office holder but does not include time spent preparing for the communication."

I suppose one might ask.... If the focus, the public contact with the officeholder, is a meeting of an hour, yet the person, understandably, might spend days or weeks preparing for that meeting — consulting with people in the industry, consulting with people in the community, drafting legislative changes, consulting very widely — that very well could amount to full-time work.

It's not difficult to imagine. One could have, I suppose, 49 two-hour meetings in a year and still fall below the threshold that's set out in this definition.

In my view, there are some difficulties with that definition that has been set forward, and I invite the minister to consider them, if he would.

Briefly, to conclude, given that there are other speakers and that the matter is something that other members certainly want to address, the legislation advances slightly, so for that reason, we on this side are going to support it. But I hope I've drawn to the attention of the House some of the deficiencies — and there are others that I have not had time to set out — of this particular bill. I'd invite the minister to consider, in the spirit of reform, taking some of the opposition's ideas and incorporating them into the bill.

H. Lali: I take my place on Bill 19, the debate on the Lobbyists Registration Amendment Act, 2009, which the Attorney General presented this morning.

I sit here, and I look at this. We as the opposition had been, I guess, in one sense lobbying the Liberal government for the last I don't know how many years that they needed to bring in the Lobbyists Registration Act and to actually bring some teeth to it, to fix it so that all of the things that have gone on that some of my colleagues have talked about, which I will touch upon, would not take place.

The people of British Columbia needed to know who it was that this government was trying to do business with behind closed doors — ministers or even deputy ministers, folks in the Crown corporations — because the folks in British Columbia had no idea. They had no idea as to what was happening with all the privatization that was taking place and who was actually behind it in terms of lobbying the government.

After all these years, they finally decide they're going to make an amendment to the Lobbyists Registration Act and actually bring in some changes with penalties — making folks register and then providing penalties as well if they break the law.

All this delay. One wonders why this big delay from this government all these years. We had the issue with

Ken Dobell. "I'm not a lobbyist" — his famous words. It's sort of Nixonite. Everybody remembers Richard Nixon when he got up and said: "I'm not a crook." It was one of those Nixon moments that Ken Dobell had — "I'm not a lobbyist" — in that kind of a vein.

Here he is advising the Premier on one hand, and on the other side of his desk, he's lobbying for the city of Vancouver and other entities, making tons of money. There was no accountability, because this government decided that was the way it was going to do business.

We know that for the last eight years this government has done business that way. It's hidden things from the public. It's done things in secret in the basement of the Legislature or in some corporate office. It hasn't come clean, actually, and been honest with the people of British Columbia to tell them exactly what was going on. To not bring in the changes that were necessary for the lobbyists act, one tended to wonder.

[1145]

They're bringing it in now. It's good that they are, but it's almost like.... Some of my colleagues have said that it's closing the barn door after all the cows and the horses and the chickens and the pigs have all kind of left already. Then the Premier and the Attorney General and cabinet decide: "Well, I guess we'd better close the door because there are still some insects and stuff in there that might get out. So let's close the door."

That's how it is. You've had all of this going on. I talked about Ken Dobell. There's Patrick Kinsella. He's made a lot of money from the Liberals. Wasn't he the same guy that was a Socred operative and managed their campaigns and their strategy and communications? I think he did that for the B.C. Liberal Party. Then he became a lobbyist, and he made a lot of money with all these contracts.

Obviously, it's the same guy who decided that, oh, no, he was not going to participate in the investigation that Mr. Loukidelis, the commissioner, was going to be doing. He didn't have to because the act that the Liberals had in was absolutely toothless. He found a little loophole and said: "I don't have to go talk to Mr. Loukidelis. Who's he? He can't make me do it." That's how toothless it was.

The public will never know what really went on with the B.C. Rail sale and all the lobbying that went on. I wonder who lobbied Gary Collins. He was the minister of — what? What was he? Finance. We'll never know, because this bill that's brought in by the Attorney General has no retroactivity. It doesn't come into effect, actually, until April 2010. No retroactivity.

We'll never know what really happened. Who was lobbying Judith Reid, Minister of Transportation at the time? We'll never know who was lobbying Christy Clark. Who was she? The Minister of Children and Families and, I think, the Minister of Education — a real bigwig with the Liberal cabinet as well. We'll never know who was lobbying Geoff Plant, who was the Attorney General.

What do all four of these people have in common? Every one of them, every one of them — with, maybe, perhaps, the exception of Judith Reid — were future leadership hopefuls. They wanted to be Premier of this province — leadership hopefuls to the Liberal Party. They all had fairly good careers. They were going to make a long-term career out of it. They're all gone.

One wonders why they left in such a hurry. They were all under a cloud, under this B.C. Rail Liberal scandal that was taking place. They're all gone. There were no teeth to the lobbyists registration. But they're all gone, and we'll never know because all those secrets and all the lobbying that the folks did with those folks.... We'll never know, because the Liberals have not made this act, this amendment, retroactive.

You know, it just really leaves it in a cloud. You look at all of the privatization of the public resources and entities that were under the purview of the public of British Columbia through Crown corporations and even the ministries. They're all gone. One wonders who did what lobbying to make sure that was going to happen.

Remember in 1996, hon. Speaker? We the opposition actually found out that the Leader of the Opposition at the time, who is the Premier now, wanted to privatize B.C. Rail. There was a hue and cry from the public, especially up in the north, who were absolutely upset with the B.C. Liberals and the Premier, who was the Leader of the Opposition at the time. Folks rebelled and re-elected the NDP government in 1996.

I remember at that time the Premier, then opposition leader, said: "No, no, we're not going to privatize B.C. Rail. No, we're not. Ah, the government is just misleading the public. Glen Clark is just misleading the public or whatever." Or the NDP were. That's what the then Leader of the Opposition said. Then in 2001 he said: "Nope. I'll swear on a stack of Bibles that I'm not going to privatize B.C. Rail."

Well, it was already begun, and one wonders who was lobbying. Somebody sat the Premier down and told him: "You're going to change this, or the funds that will be put into the coffers of the B.C. Liberal Party will be gone."

Deputy Speaker: I would ask the member to bring his remarks to the consideration of Bill 19.

H. Lali: I just need a little bit of clarification. Are we continuing debate after lunch on this bill, or is this over? That's it, or are we going to continue? Yes or no?

[1150]

Hon. M. de Jong: We were hoping to complete it this morning.

H. Lali: This morning. Okay. Well, in that case, I will say my concluding remarks, because I think the debate is going to come to an end here.

[Mr. Speaker in the chair.]

All of this, when you look at it, just really.... The whole thing just smells, too, because the fact is that all of the privatization has taken place, whether it's the MSP premiums administration or the accounting of B.C. Hydro, whether you look at even B.C. Hydro being dismantled and all of these private power projects coming into existence and also when you look at B.C. Ferries, all of these things. All this privatization that has gone on under the Liberals.

It's all done in secret. Who is lobbying? Who is doing all the lobbying? We'll never know, because it's the way the government did things — in deception and secrecy, hidden away from the public somewhere out there. Nobody's going to know. Nobody will ever find out how or what took place or who was doing the lobbying because this government had an act that was toothless. It was unenforceable. It was toothless, and nobody really needed to come down and sign on and say: "I'm a lobbyist."

Even right now one of the major parts that's missing is that when folks are lobbying ministers or deputy ministers, nobody is required to actually ask them if they're registered or not. That should be a part of it.

In any case, like I said earlier, all of the animals, the farm animals, have all left the barn and finally the Premier, the AG and the Liberal cabinet decide: "You know what? I think we'll close the doors because there might be a few insects in there that might just leave." That's how they're looking at this, and it's just the way this government does business.

Seeing the hour, I will take my seat.

J. Kwan: I seek leave to make an introduction.

Leave granted.

Introductions by Members

J. Kwan: Visiting us in the precincts today are 42 students and ten adults from St. Frances Xavier School. They were meant to be here at 11 o'clock, but I don't see them. So it might mean that they're just detained touring the Legislature building, learning about the Legislature building and the work we do as the MLAs and learning about the province's capital. Later on today I know that they're going to be visiting the museum.

These grade 5 students — I know that this is a full day for them. I hope that they enjoy the visit and that they have learned a lot about democracy in British Columbia. Would the House please extend this welcome to them, wherever they are in the building.

Debate Continued

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

Hon. M. de Jong: I'll try to do so in the time we have available. First of all, I want to thank the members who participated in the debate and brought their reaction, their ideas and, indeed in some cases, their criticisms. I have, as always, listened carefully.

I won't try to respond to each one of the detailed suggestions or issues, but I did detect a theme that ran through some or most of the remarks from the hon. critic and the members from Esquimalt, Green Timbers, Whalley, etc. That related largely to the provision which appears in the bill as section 13(c) and is the amendment to section 8 of the bill, and that is the question around verification. I am certain that we'll explore this in more detail in the committee stage of debate, but just a couple of initial thoughts that I will anticipate what my remarks will be at that time.

The argument is that there should be an obligation on the part of the public office holder to seek verification of compliance with the act. At a certain level, that makes a degree of sense. The dilemma is this. And I'm obliged to the member for Surrey-Whalley for pointing out something that I'm not sure came across from all the other members that spoke — perhaps the critic, in fairness — and that is the definition of public office holder.

[1155]

There was a great deal of concern around meetings with the government, but this does include all members of the Legislative Assembly. From a practical point of view, and I'll make this point again during the discussion in the committee, I ask members to think about the circumstances in which they find themselves in meetings. They may set up a meeting with an individual representing an agency, and six people show up.

The hon. critic and several others said: "Well, it's not that hard. Just ask the question." Indeed, that's correct. It's not hard to just ask the question, but what if the answer is no? What does the MLA do at that point?

I guess they have to believe the person who says: "No, I'm not a lobbyist" or "Yes, I have registered." And does the public officer go around the room? The hon. critic said that they should have a form they can fill out.

It seems to me it starts to get pretty difficult for an MLA who has received a request for a meeting and six people show up because they're all supportive of the cause or the organization. The meeting starts, and the MLA says to each one of them: "Are you registered as a lobbyist?" They say: "Well, no, I'm not." I'm not sure where that leaves the MLA in those circumstances, because if there is that verification obligation, presumably something follows from that.

The members who commented on this were correct. It is a very purposeful inclusion, and we can, I'm sure, explore it in more detail — the government and my rationale for including it. But I hope I've provided some insight into some of the difficulties I believe would exist by asking an MLA, a government MLA or an opposi-

tion MLA, having regard for the practical reality of how MLAs do their work, to be engaged as a regulator under the terms of the Lobbyists Registration Act. We'll explore that, I'm sure, in committee.

The member from Esquimalt asked about enforcement. I hope that between now and when we get to that stage of the discussion, she will have an opportunity to review the provisions of the act that make it clear that it is the registrar, not the government, who has responsibility for the investigation and, at the administrative stage at least, the enforcement of what are, admittedly, very beefed up penalties. I hope she'll have that opportunity as well.

The member from Whalley raised some additional questions, as well, that I'm hopeful we'll have an opportunity to discuss — things like contingency fees and that sort of thing, the definition around an in-house lobbyist.

Mr. Speaker, again, I would like to thank the members for their participation in the debate, their contribution to the debate. I look forward to the committee and move second reading.

Motion approved.

Hon. M. de Jong: I move the bill be referred to a Committee of the Whole House for consideration at the next sitting after today.

Bill 19, Lobbyists Registration Amendment Act, 2009, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Committee of Supply (Section A), having reported progress, was granted leave to sit again.

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

Motion approved.

Mr. Speaker: This House stands adjourned until 1:30 this afternoon.

The House adjourned at 11:59 a.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF TOURISM, CULTURE AND THE ARTS

The House in Committee of Supply (Section A); J. McIntyre in the chair.

The committee met at 10:12 a.m.

On Vote 41: ministry operations, \$104,454,000.

Hon. K. Krueger: I'd like to introduce the people who are with me this morning. On my left is Peter Walters. Peter is the assistant deputy minister for the ministry. On my right is Mr. Howard Crosley, the general manager of B.C. Place. To my left behind me is Shauna Brouwer, the ADM for management services. To Ms. Brouwer's right is John Harding, the chief financial officer for PavCo.

Often ministers open with a bit of a statement. This is really the opposition's time and, of course, the ministry's time. I have a lot of highly competent, really useful people with me, including people sitting in the gallery. They're here to help provide the opposition with the information that is requested, so I don't really want to take up any of their time. I want to thank them all for taking the day, or as much of it as we need, to be with us. I think we'll just go straight to the opposition critic's questions.

S. Herbert: Thank you to the minister and all the staff from the Ministry of Tourism, Culture and the Arts who have joined us here today. I'm looking forward to, hopefully, a constructive discussion where we can learn more about the different pieces that make up the Ministry of Tourism, Culture and the Arts.

The minister and I spoke about a bit of an order that we'll go through in terms of how we go through these estimates. I will say there is the possibility that we may go into Monday — we'll see — depending on how quickly we get through these questions. If so, I will let the minister know on Friday if we have any of these areas that we need to recall for further discussion on Monday, if that's appropriate.

I'll go through each of these. I'll try to keep my speechifying at a minimum — I know that the minister has said much the same — so that we can get to the real meat of the questions. I will give a bit of a preamble on each area that we go through, and I'm sure the minister can as well.

I'll start with some general questions on the ministry, some areas of interest, and then I'll get into the more specific pieces of the ministry. The first question is: what program areas will be impacted by the increase in MSP costs?

[1015]

Hon. K. Krueger: The government, as we all know, uses a lot of acronyms, and STOB is one that you hear a lot. It stands for standard object of budgeting, so when I use that, that's what I'm saying. The member can ask me if he forgets, because I constantly forget that.

The 2009-10 benefits budget, which is STOB 52, was based on 24.15 percent of STOB 50, which is our overall expenditure on payroll and benefits. This is an increase from the 2008-09 rate of 23.83 percent. Any subsequent changes to benefit plans will be absorbed within the budget.

S. Herbert: Am I given to understand that there will be no program impacts by increasing the cost of the MSP? There will be no cutting back in any other areas of services, either FTEs or investments?

Hon. K. Krueger: That is correct. We will absorb that cost out of normal administrative apportionments — travel and those sorts of costs.

S. Herbert: Okay. So I'm to understand that there will be cutbacks in terms of travel and those kinds of administration things to deal with the MSP increases.

Have there been any new fees or fee increases on any services this ministry provides?

Hon. K. Krueger: No, there haven't been increases to any fees for services the ministry provides.

S. Herbert: Any new fees?

Hon. K. Krueger: No.

S. Herbert: Has the ministry website been changed in any way to reflect new budget priorities? If so, what were those changes?

Hon. K. Krueger: The answer is no.

S. Herbert: Can the minister provide the opposition with the names of the political appointees employed by the minister and his ministry for this year?

[1020]

Hon. K. Krueger: I think the only people that the member is referring to — if he is not speaking about appointees to boards and so on — that are employed as OIC appointees are those in the ministry office, my office — Barbara MacDonald, Celyne Hodges, Lindsay Coburn, Don Smukowich and Frank Costa, who is presently on paternity leave.

S. Herbert: Congratulations to the new father.

Could the minister provide me with a list of any lobbyists that either he's been meeting with or the ministry has been meeting with?

Hon. K. Krueger: The reason I had to confer with my officials is that I might not always know. Large groups come to see me, and they'll say that they're representing

arts and culture, for example. The only person, since I've been appointed, that has identified himself to me as a paid lobbyist is a gentleman named Mark Marrison, who recently phoned me saying that various members of the arts and culture community had employed him and asked for a meeting. We've had one meeting.

Other than that, I never turn down meetings for people from the public, and they do come in, in large groups sometimes. To my knowledge, none of them are paid lobbyists.

S. Herbert: Just so I understand, it seems to me there may be people the minister meets with who he's not aware if they are paid lobbyists or not, since they may not identify themselves that way. But there is potential they might be lobbying a number of government ministers, which he might not be aware of, because he doesn't have the schedule, of course, for every other minister to see who's lobbying who.

Has the minister ever considered a practice of having his staff or himself inquire whether people are lobbyists when they come meet with him?

Hon. K. Krueger: I think that might offend people. No, I don't think I'd want to make that a practice.

S. Herbert: Yeah, I asked because, of course, that was something that I know Mr. Loukidelis had raised as a concern. Certainly in the public, that has been a concern, because sometimes there may be people, as we've seen in the past, who do not register as lobbyists but who, under the current definitions of the Lobbyists Registration Act, are lobbyists when you look at that. I understand there are going to be changes in that legislation, so we won't talk about that now. I am just curious about that practice.

There have been no people from large resorts or folks who want to develop large resorts that have met with the minister to lobby for changes, am I given to understand?

Hon. K. Krueger: Certainly, I meet with, as I said, people who ask to meet with me. If a group of investors approaches the ministry and wants to talk about the resort proposals that they're bringing on, they're not lobbyists. They're people representing their own interests, and we're delighted to have investors interested in developments.

[1025]

For example, there's a resort proposal called Garibaldi at Squamish, and I have met with the investors and also the Whistler local government and the Squamish local government. There's a whole range of people interested, but they aren't lobbyists when they approach me about their own interests.

The Jumbo resort proposal in the Kootenays — I've met with the first nation. I've met with the people who want to bring on the project. The developer that is employed

by those investors — his name is Oberto Oberti — is their employee. But he's not a lobbyist, and he wouldn't be registered as a lobbyist.

Those are a couple of examples. We want more resorts in British Columbia, and we hope to open five or six a year. We have the potential for a lot. But to my knowledge, I haven't, again, been approached by any lobbyists. Really, I put the word out constantly that I don't want people to feel they have to spend money on lobbyists. I'd like to hear from them on what their interests are and what's frustrating them, and then talk to the other groups who might have opposing points of view.

S. Herbert: I thank the minister for that answer. I'm sure we will take a broader look at the lobbyist question in the House, so I'll leave the question at that. We can always take it up another time.

I'm wondering if there have been any audits done of any area of the ministry or ministry programs or agencies.

Hon. K. Krueger: We have an annual process, the year-end process, where the ministry is audited by the Office of the Auditor General. The ministry is also subject to regular payment audits by the payment review office of the Ministry of Finance. Those are the only audits.

With respect to the member opposite, I have the PavCo executives here because we had them first on our list. I'm not sure how many more general questions there are, but they're very busy folks, so I would like to free them up as soon as we can. That's with the greatest respect. We could probably go all morning on general questions, and I don't think that's a good use of their time.

S. Herbert: Then I'll put this two into one, because I had thought we were going to be covering the film sector first. That had been the instruction that I had put out, so I'm hoping we can do that first. But if the minister does not have the film folks here...

I've just got a couple questions on that area before we move into PavCo. Certainly, I've asked my colleagues, as well, to structure their time so that we can get to PavCo after we finish the film questions. Would that work for the minister?

Hon. K. Krueger: I'm sorry for that misunderstanding. We're just switching places here.

I had to make sure that I had titles correct here to do introductions. To my right is Susan Croome, who is the B.C. film commissioner. Immediately behind Susan is Andrea Henning, the executive director of our arts and culture branch. To Andrea's right is Liz Lilly, the director of business development for the ministry.

[1030]

S. Herbert: Thank you to the staff for being here, and thank you to the PavCo staff for their understanding.

I wanted to cover the film industry first because I think there are some really pressing concerns in the industry. I've worked in the industry in the past. My godmother is continuing to work in the industry in art direction and set direction, and my uncle Rick works in the industry in Alberta. So it's an industry that I've had a long association with. I'm very concerned with the challenges currently facing the industry.

Just to provide some context for the wider public, on June 29 Ontario announces its new much-enhanced tax credits. Quebec also follows suit or leads the way. I'm not entirely sure of the way it goes, but from what the industry tells me, those tax credits nearly double the incentive to do filming in Ontario and Quebec as opposed to B.C. with the labour tax credits we've got here. They've got the all-in tax credits there.

There's a real challenge for the industry right now as the value of shooting in Ontario in terms of just dollars and cents has increased. Although, of course, I would make the argument: "Continue to shoot in B.C. because it's such a beautiful place and has so many diverse places, talented staff, talented folks and great infrastructure to shoot with."

Ontario announced their new tax credits, and it is a big cost. I know the minister has spoken about that. The cost is high, but it's also a clear signal, I think, to the wider industry that they are really big believers in the digital media and the film sector, since they're paying for it to a large extent.

I'm curious what steps have been taken already. We're a number of months out since Ontario and Quebec made their steps. What steps have been taken to mitigate the luring of film productions to Ontario and Quebec?

Hon. K. Krueger: The critic mentioned his godmother. I think I met her recently, or it might have been his mother.

S. Herbert: That was my mother.

Hon. K. Krueger: He says it was his mother — in a group of people that came to lobby me — but I'm sure she's not a lobbyist. There's a personal illustration of why I try to make the distinction.

The member is correct. This is an industry that's a tremendously vibrant one. British Columbia has been a leader in coming up with ways to attract the industry to the province. The member is right that British Columbia's beauty is a big part of that, although a lot of film-making is done indoors now. We also have the advantage of being in the same time zone as Los Angeles and being a place that people really like to come to. A lot of our tourism clientele is from California.

So we have a lot of natural advantages, but there's nothing quite like money to attract people. We've been very creative with that, and jurisdictions have followed our lead all over.

Some are deeply into subsidizing the industry. When a jurisdiction does that, the question becomes a very serious one: whether you ought to be subsidizing an industry or individual productions when there are always pressing needs, which the member and I worry about all the time, for our constituents — particularly health care, education and social services and those sorts of things.

Our industry hit \$1.206 billion — I believe is the number, going by memory — last year, and there are thousands of British Columbians employed by it. They do a lot of creative things. The industry tells me that it used to be the case that producers would arrive with, as they'd put it, a suitcase full of money and leave with a suitcase full of film, and that was it.

Our post-production component of the industry, which the member referred to, is world renowned, and often now the entire movie goes back in the bags because it's all done here.

[1035]

We're the third-largest production centre in North America. Only Los Angeles and New York are larger than us. Los Angeles is still way larger, but we're third in the continent, and we want to keep it that way.

The member is inquiring about what has been done. A lot of discussion has gone on. The MPPIA, which is the association for the industry, called me, really worried when.... Well, I should take a step back. Quebec made the move first. They called and said: "Don't worry about it. We've got the best package there is, and this is no threat to us." I think it was two weeks later that Ontario made its move, and we were quite shocked, because that is not sustainable. They are subsidizing to such an extent that it would add tremendous red ink to the bottom line.

Particularly in a year where, sadly, we are having to deal with a large deficit, a \$2.775 billion deficit, we have not been able to stomach the thought of matching what Ontario did. We don't think they'll be able to do it in the long run. They updated their projected deficit recently at close to \$25 billion in one year. If they have imposed on themselves a couple of hundred million dollars in costs because of the new credit system, perhaps it doesn't seem as significant when you're \$25 billion in deficit.

We're working hard with industry to try and come up with creative ways to protect what we've built here. The industry has put over a billion dollars into infrastructure, and those are important investments and job generators. The critic has worked in the industry, so he knows about the tremendous studios we have — also a lot of home-grown talent. We have excellent post-secondary training opportunities for people in the industry.

People in the industry have done amazing things, which are social services in a way. The old Chinese theatre in Chinatown in Vancouver has been completely remodelled. Sadly, the producer who did that remodelled died of cancer not long ago, but he remodelled the theatre and made it a training centre for young people

who come off the streets. At least one of them is now on a full scholarship in post-secondary education here in B.C. to be a moviemaker.

They teach people that come from the Downtown Eastside — really, really tough backgrounds, tough lives — how to become successes in that industry. So we value the industry every which way.

We're trying to come up with a way that protects those investments that people have made, keeps our homegrown talent here and ensures the maximum possible number of jobs. There was a single movie — it may be finished now — in production this year that hit 1,400 people working on a single movie here. Of course, we've had a lot of very successful television series. The digital and audiovisual component of the industry is just thriving, and we really want to encourage that, so we think about all those things.

I've had a number of industry people — I don't think any of them were Canadians — who have said to me, the old-fashioned thing: "I arrive with a suitcase full of money, and I go back with a suitcase full of film. If you don't match Ontario, you can say goodbye to me." That group of people who have that attitude are nowhere near the priority, in my mind, of the people who have invested here, the people who really want to stay, people who are trained here, people who employ a lot of others.

I've been getting advice from the industry and from anyone who has advice to give. Ultimately, it will be a decision of the Ministry of Finance. By law and convention, they keep their cards very close to their chests. But I welcome the member's suggestions today or anytime, and also his colleague's, because there have to be made-in-British Columbia ways to do this right. We haven't arrived at a decision yet.

[1040]

S. Herbert: The folks that I talk to in the industry are very concerned. I know the minister knows that. They've been waiting and waiting and waiting. They've said: "We've had discussions and put forward solutions. Then we go back and have more discussions and put forward more solutions, and then onwards and onwards." They're very concerned because of how we continue to lose productions, as the minister well knows.

I was interested in the comment about the minister's interest being more in the domestic, the local people who are here, as opposed to the people who come in from outside. The people who have come in from outside have provided a whole bunch of jobs and investments in B.C. — that briefcase full of cash that the minister talks about.

But our local people... I think about Brightlight Pictures, about No Equal Entertainment and a number of others. Brightlight, as an example, has taken a whole bunch of their production to Ontario. Those are the local people who have been in there from day one to build it up.

I'm very concerned that we're still waiting and still losing productions. Maybe the minister can share with me what the total value is — I understand it's an estimate — of film productions we've lost so far.

Hon. K. Krueger: Going back to the member's initial comments, I'm not saying that we don't welcome the business, but I am saying that if we have to prioritize, if we're not going to have the exact same provisions for everybody, it seems to me that those would be British Columbians' priorities.

I'm certainly not saying that we don't value the business from outside our borders, but there again, a lot of the big companies have actually contributed to our industry here in British Columbia, and the investments are very tangible, very real.

I should mention to the member — because he's talked about the urgency, and I feel it very much — that this is one of the first things that I worked on when I was appointed to the ministry. I was appointed in June. I had a whirlwind of briefings the first couple of weeks.

I was in Vancouver, and my wife happened to be with me. I got a call that the industry was desperately concerned. I said to the caller: "Well, I'm in town. I'll come meet with you right now, if you'd like." To my wife — it's her holidays in summer; she's a school teacher — I said: "Why don't you come with me? I'm going to meet some movie people."

We went over to a studio, and in the short time it took to get there — I took the SeaBus, and Susan Croome, the B.C. film commissioner, picked me up with her car and drove me there — about 30 people had come together. I don't think any of them were paid lobbyists, but I met them all for the first time that day, and they were very, very concerned people.

I did ask them for their ideas, and they gave me some. I hadn't planned on meeting with a group of that size, so I didn't even have one of my ministerial assistants with me, as I normally would. I've had hundreds of e-mails since. Lots of people are very concerned, and we're concerned too, very concerned.

Getting down to the member's specific question, the reasons that people choose the jurisdictions that they do are many, and we don't always know why.

[1045]

We don't really know the details, for sure, of any production having gone elsewhere than B.C. for this or other reasons. The industry does write me or phone me whenever they think that a production has gone elsewhere for reasons of more lucrative tax credits. I don't know if they're always right. They've never reported to government in any formal way.

People have e-mailed me about this production or that, which they believe went elsewhere because of better tax credits or more lucrative tax credits. They have provided me lists from time to time. In the most recent list — I

emphasize that it's an industry list; government doesn't know if it's accurate in any way or entirely, or if some of it is accurate; we just can't vouch for that — the industry says that \$140 million in production has gone elsewhere because they can get better tax credits since the Ontario announcement.

S. Herbert: The number that the industry has provided to me — this is a number since June 2009; I was curious if the minister might have had newer numbers — is in the area of about \$180 million. They are estimates, for sure. You can't pin it down entirely, although the conversations I hear that the industry folks here are having with people outside of B.C. very much do make clear that the decision they've made is based on price and what savings they can make.

Oftentimes that figure can actually be, I think, pretty definitive in a number of these cases. I guess the concern for me, from what the minister has shared so far — and I understand that maybe there'll be something in the future — is that the industry is not competitive or that a number of them don't feel they're competitive at this time, with the way the tax structure is created. They want to be competitive.

I guess my concern is that if we continue to wait and just have discussions, we'll have a hollowing-out of the industry, where a lot of the small players that have built up their businesses over time are gone when the industry does rebound, should Ontario, for example, decide to change their tax credit structures.

Urgency. I know the minister says that he's got a feeling of urgency about this as well, but it really is urgent for a lot of these folks whose businesses are going under or are teetering on the edge right now already because of recession and reduced activity, they tell me, but who are concerned even more so that unless we get a solution or a short-term mitigation strategy of some kind, they won't be here should the film industry come back in that sense.

I ask this question, as it does affect the budget of the film commission, and it affects everything that this ministry does. I hope the minister might be able to provide me with a fuller answer on mitigation strategies, if there are any mitigation strategies in the short term, because the industry called for that back in August. It has provided some ideas on how to do that. Maybe the minister can do that for me.

[1050]

Hon. K. Krueger: The reason that took so long is because we have such a good story to tell.

I know that the member is concerned, as is the industry, about what we're going to do differently in order to continue to grow the industry. I should make the point that since we came up with this whole creative scheme in the first place, we've never cut it back. We've always enhanced it to make sure that we stay the leader.

If a jurisdiction reaches the point where it's actually paying in more than it's getting out, when you look at everything that it gets out.... I mean financially. The industry adds a lot to our culture, really, and to who we are as a province. We don't fail to value that.

But when it comes down to whether you should actually lose money in supporting an industry, where you can't find enough financial returns to cover what you're putting in as credits.... Is it right to actually be subsidizing a whole industry? We're having to evaluate very carefully.

A lot of the suggestions the member mentions that industry has made — pretty much all of them; most of them, anyway — involve more money one way or another. We're looking at all of the suggestions that they've made. I've been feeding them into the Ministry of Finance. The Minister of Finance himself has met with industry.

The executive of the MPPIA met with me recently. They said, "We're actually kind of proud of the province, that you haven't jumped," because they know it would be irresponsible to just jump and say: "Yes, we'll match." Obviously, we're not doing that.

[1055]

The member is right. It's been months now. I don't like to think of us losing anything from the industry, but we have to be very careful how far we move and how quickly. We're still very competitive. The facilities are busy. A lot of the companies are still very busy.

The member talked about a hollowing-out of the industry. I surely don't want to see that happen, and I think about this every day. It's one of the many things that are at play during a really tough worldwide economy, where jurisdictions become so desperate that now they own car companies. You know, all sorts of decisions are taken that they may not be able to live with for long.

There's lots of good news. For example, in September Vancouver Film Studios announced plans to build a 36,000-square-foot sound stage at the East Vancouver location, which the member may well have worked at. It may even be in his constituency. It'll be built in the centre of an 11-stage lot, construction starting in July 2010 for an early 2011 opening.

Digital Domain put out a two-page press release recently — October 6, this month — and said that they are going to build a 20,000-square-foot visual effects studio, that they are actively recruiting between 50 and 60 digital artists and that they will hire 100 by the end of 2010. So it isn't all doom and gloom at all.

In fact, that whole side of the industry in B.C. is blossoming, and we want to make sure that we do what we need to, to facilitate that. But I was thinking when the member was asking.... I should just go back and say that the first thing out of most people's mouths in the industry when they talk to me about this is: "You should match Ontario for now. You should just do that, and

then we'll all figure out together how to make this stop." People have been saying that for years.

Everybody talks about the race to the bottom. Many of these jurisdictions are subsurface. They're way below bottom as far as they're not making any money as a jurisdiction from the industry, because they've just gone in too deep.

I was thinking as the member was speaking that I don't think it's right to borrow from my children, and this is in no way demeaning my children or the member's age. I've got seven grandchildren now, and we'd be borrowing from them if we add to a \$2.775 billion deficit by actually subsidizing an industry. So we're not going to, obviously, do the "match for now and figure something out later" thing.

One jurisdiction has been played against another to the extent that jurisdictions are losing money. But mitigation strategies — yeah, we're working on those all the time. We're constantly prospecting for new productions. I get lobbied by regional film commission people, including in my own region. Everybody has a list of productions that have been made in their area, and it's great. We really think it's great.

The people that I represent are proud of the industry in the Thompson valleys, and British Columbia is proud, as are all the regions, I'm sure, of what's been going on. British Columbia was just named one of the top three film commissions in the world by *Variety* magazine. That just happened. So Susan Croome and everyone who works with her are thinking about this all day long, even more than the member and I do, and working on making sure that we're the best film commission in the world — not content to be one of the top three.

We think that we have the best tax credit program in Canada. Ours is sustainable; Ontario's isn't. One day they're going to have to come to terms with the fact that they went too far. For now, as I mentioned, good things are still happening. People are moving here. People are building here. There'll be a lot more productions.

But it's a threat, so we're working very hard on it. We work in concert with the Ministry of Economic Development, the Ministry of Finance and the Vancouver Economic Development Commission.

[1100]

[H. Bloy in the chair.]

Recently a representative of the mayor of the city of Vancouver said to me: "There you get a help too." So we're absorbing all this input, and as I've said, I am glad to have whatever the member can give me. He's obviously talking to different people than me, because I haven't seen the \$180 million list. The last one I saw was \$140 million. Again, that's the industry's list, and government is not saying that it's accurate. There's no way that we could know if it's accurate.

S. Herbert: I just wanted to correct something. I'm sure that maybe the minister was speaking about government coming up with the tax credit program, not the B.C. Liberal Party, since of course, the tax credit program started in the 1990s, when the NDP was in power. I think that's what the minister meant, but I just wanted to make sure that was the case.

Also, the minister mentioned that he's been lobbied by film commissioners. I'm sure he meant that he's met with film commissioners, since he said he'd only been lobbied by one person.

Anyway, I guess my concern — and the minister knows it is strong — is that if it is \$180 million that we've lost so far and we had a billion dollars last year, that's a pretty big blow to the industry. Of course, we'll see what happens over the next year. Certainly, what I'm hearing is that it's not so much what's happening now. There are still good things happening, as the minister has mentioned, and exciting things. The question, I guess, is what happens in the spring and what happens next year.

Does the minister have an estimate for what the industry will hit in terms of its productions this fiscal year and then next fiscal year?

Hon. K. Krueger: Mr. Chair, welcome to the table.

The numbers never firm up until after the end of December. The end of December each year is the cutoff, and then the accounting is done, so that the firm number is known in February. Ms. Croome will have it on her day planner to make sure that I give that number to the critic when it's known.

We've had some very high-budget productions going on this year, and we think some of them will be done before the end of December. We anticipate that the overall number is going to be fairly similar to last year's — somewhere between \$1 billion and \$1.2 billion. I'm kind of tempted to make an optimistic prediction, because morale is a part of the answer to a lot of these problems that face us today, but I'll go with Susan's number because she's the expert.

I should talk about some of the things we're doing already. Budget 2009 removed the expiry dates for labour-based film tax credits and extended eligibility for domestic film tax credits to include Canadian-controlled companies, making it easier for B.C.-based producers to raise capital outside the province.

There are federal tax incentives. Foreign productions are eligible for a 16 percent credit on labour costs, and domestic B.C. productions are eligible for a 25 percent credit on labour costs. These credits are added to the provincial credits.

The Film Incentive B.C. credit provides a basic credit of 35 percent of qualified labour costs. The digital animation and visual effects is what the industry is referring to when they talk about DAVE tax credits, another acronym. The DAVE tax credit has been instrumental

in attracting investment to B.C., including the establishment of an animation production facility by Disney-Pixar in 2009. The Digital Domain announcement I mentioned previously.

[1105]

The province provides a regional tax incentive to stimulate production in areas of the province outside the Lower Mainland. Productions that are shot outside the greater Vancouver area may be eligible for the regional credit, which equals 6 percent of B.C. labour costs for service productions and 12.5 percent of B.C. labour costs for B.C.-owned productions, on top of the basic 35 percent credit.

The distant location tax credit provides an additional 6 percent to those productions where principal photography is done outside the Lower Mainland region, north of Whistler and east of Hope, excluding the capital regional district.

B.C. is recognized internationally for the quality of its digital animation and visual effects work, and the animation industry, as I said, continues to thrive. It had almost an 80 percent increase in domestic animation production year over year. The DAVE tax credit has helped domestic companies capitalize and expand their operations while attracting more foreign production and investment.

B.C. visual effects facilities have provided services to thousands of film and television projects and received dozens of accolades, including Oscar and Emmy nominations, in addition to numerous Genie, Gemini and Leo awards. We have, as I'm sure the member knows, about \$2½ million in budget between the British Columbia Film and the B.C. Film Commission.

We're doing a lot of things, and we'll find more creative ways to keep this industry growing.

S. Herbert: I wonder if the minister has written to his counterparts in Ontario and Quebec, or spoken with them, to request that they stop this race to the bottom that he mentioned and to develop a more common, national approach on this issue.

Hon. K. Krueger: The Ministry of Finance is the lead on those interprovincial discussions, and the people that are with me have been collaborating with the Ministry of Finance people and will continue to do that. The direct answer to that question would come from the Minister of Finance. The critic may want to pursue that line of questioning in Finance estimates.

S. Herbert: So I'm given to understand that this minister has not done that because of the reasons he's outlined there. I guess I can understand that, but it does concern me. I would have thought that we would have been able to find some way within the ministry to get that discussion going about a more national strategy,

where we're not consistently undercutting each other to try and drive the attention to our jurisdictions across Canada.

I wonder if the minister can tell me if he's considering advocating for a move to include the digital media sector in the tax credits, as has been done in Ontario.

Hon. K. Krueger: When the member says that he's disappointed that I haven't been conferring with my counterparts in those provinces, it reminds me of when he teases me across the floor because the Finance Minister gets up and answers taxation questions. There are protocols when you're in government. The member said that the jurisdictions are undercutting each other. That has been going on for a long time.

[1110]

If a minister of culture and the arts starts meeting with other ministers of culture and the arts about issues that their Finance Ministers need to work out between the provinces, then again, you cut across lines and you can end up with misunderstandings.

Once you're government.... I remember that it's kind of fun in opposition because you can throw those things out. You don't really have any accountability. Right now you're not government, so you can say those things. But you can really make a mess of things if you start trying to do your counterpart's job, and it just doesn't work well. So we do have to leave that question to be worked out between Ministers of Finance.

The member asked if we were going to enhance the DAVE credit to meet Ontario's competition, but Ontario's change hasn't really affected that aspect of the industry. The dramatic change they made was to begin heavily subsidizing the physical expenses of operations. It's everything from the 2-by-4s that are used on a set — the whole tangible, non-labour side of things.

That's the big change in Ontario, and the one that we haven't followed. But digital production is mainly labour, and we're still very competitive in that area that is the recipient of the DAVE credits.

S. Herbert: Just a quick response around accountability and the idea of throwing things out and how you're not accountable because you're not government. I would say that I take this job very seriously, and I am accountable. I am accountable to my constituents, and I'm accountable to the industry. If I'm throwing out things which are absolutely insane, I'm going to hear about it. As the minister well knows, as he was in opposition as well, you do have to be a credible opposition and be upfront with what you do.

I guess that the minister has said that the Ontario government is subsidizing the digital media sector with what they've done. They're all-in credits. The Ontario Liberal government, of course, will say that it's investing — not a subsidy at all. It's an investment in that industry.

I guess I'm given to understand that we're not looking at increasing the film tax credit that we've got now — which is, of course, labour — to include the whole digital media world. Or am I misunderstanding the issue?

Hon. K. Krueger: I wasn't questioning the member's commitment or integrity or anything like it — just making a point that it's all well and good to needle me about the Finance Minister answering finance questions when the member puts them to me, but it's just not the way things work in a well-organized government. Certainly, I know that he takes his position seriously as critic. I wasn't suggesting otherwise.

I realize now that there's a misunderstanding on the member's part. We already have tax credits for the post-production and digital side. That's what the DAVE credits are. The move that Ontario made doesn't advantage Ontario with regard to that type of production over British Columbia. It sounded as though the member doesn't realize that it is a tax credit. The DAVE is a tax credit, and so far it's working really well.

S. Herbert: The tax credit. I understand the DAVE credit, and I've spoken with people about that in the industry. What I'm talking about is that there's been a push on some in the digital media world who are concerned that as a jurisdiction like Ontario has increased their tax credits for the digital media sector by doing all-spend for that sector as well as the film industry, there's been a call upon some within B.C.'s industry that B.C. should do the same — that we should take the tax labour credit and allow it to apply to the digital media world, whether that's the video game industry, computers, etc.

[1115]

My question was.... I know that this is not just Tourism, Culture and the Arts — it's also Finance; it's also Small Business and Technology — but had the minister heard those comments, and is he interested in advocating with his colleagues for that kind of change to ensure that we keep a strong digital media sector here and allow it to grow?

Hon. K. Krueger: I just want to make it really clear that this part of the industry doesn't have the substantial expenditures on set-building and so on, physical things. It's almost all labour — the expenses that the post-production people have and the companies who apply for and receive DAVE credits. So that isn't really the same sort of issue that the film industry is dealing with.

The member asked about video gaming. Thus far the DAVE credits don't apply to video gaming. It is such a huge industry and growing so rapidly that you couldn't apply the DAVE credits to it without a prohibitively large expense. But the people in the ministry and in the commission have invited that industry to make proposals to us so that we can have a look at them.

Also, the film side of the industry has made the point to me that making the commercials for video games — which, of course, is film production — is a very lucrative side of the business. A couple-minute video that might play in a movie theatre before people start watching the movie, advertising video games — that production is valuable to the industry. So I have asked that Finance have a look at that.

S. Herbert: The question I had wasn't: were we going to be moving to all-in for the video game industry and for the digital media sector. It was whether or not the minister was going to advocate that labour tax credits that we have for the film industry also go to the digital media sector, as I know some have raised.

I understand that the minister has made some comments and that they're taking submissions on that, so I won't probe further down this path, because I know the government hasn't done that to date. I was just curious if they were considering doing that. It's been raised a couple times with me.

Of course, the issue is labour in the digital media world more so than the 2-by-4s and that kind of thing, which is why I think the industry has raised it with me — the idea of also being able to have the labour tax credits as the film industry does, especially because the digital media world is so much becoming the film world, as well, and that they are so interlinked these days. You're seeing fewer and fewer people using film and more and more people using digital and going down that road.

So I'll just finish up on the film questions that I have by saying that 20,000 jobs, 15,000 indirect jobs and, according to the industry and the minister, over a billion dollars in infrastructure and over a billion dollars in economic activity in B.C....

[1120]

On the official opposition side we're very concerned about what we're seeing in the industry and what we're hearing from folks and about the impact that'll have on jobs and people's livelihoods and communities all over B.C. The minister has said that he shares this urgency. I'm hoping that in the next weeks, because it is that urgent, we will see action.

I know the industry has said they've been told there will be an announcement and that something will change and this made-in-B.C. solution will be unveiled sooner than later. I really feel that it's vital that it is sooner than later, because from what I'm being told, after the Olympics — in the spring, summer, fall — it's not looking as busy as it should be, at this point.

Thank you to the minister for speaking on the film industry and the film commission.

Thank you to Susan Croome, as well, for being here, and everybody else.

I'm ready to move on to PavCo, as I see we've got the staff from PavCo here today, and we can have some discussion around that next set of figures.

Hon. K. Krueger: I just wanted to respond to the member's wrap-up.

We're very much on common ground in valuing the industry and wanting to see it not just continue at the size that it is but continue to grow. I think that British Columbians, for the most part, are very proud of the industry, and I am very sincere when I say that we welcome whatever suggestions the opposition can bring forward. Doubtless, we don't have entirely the same networks, but I'd be glad to hear those suggestions.

I'm rejoined by the same gentleman who I introduced at the beginning. Let's proceed with PavCo.

The Chair: I'd like to remind all members that the questions should be directed towards Vote 41 in the budget estimates. There's no discussion on legislation or what might happen in the future.

S. Herbert: Welcome, and thank you for waiting as we got through the film estimates.

I guess that the first question I have.... I'll go through some budget numbers and a range of issues, so my apologies if we're careening from one side to the next. As the folks in PavCo know, it's a very big file that you all hold, with a lot of different, diverse projects and a lot of money that we're talking about in terms of capital as well as in terms of operating. I appreciate your feedback and providing clear numbers for me and for the public who are interested in this file.

I looked at the February budget that had been proposed, and then I looked at September budget, which is, of course, what we're debating now in the estimates. I'm curious why an additional \$15.7 million, I think it is, is being transferred to PavCo. It was an increase between the February budget and the September budget.

Hon. K. Krueger: I thought the critic might ask about that. We had deferred maintenance in the PavCo facilities, and that was the amount of \$15.7 million. That's specifically for the B.C. Place Stadium.

[1125]

We did reduce PavCo's administrative budget for '09-10 by \$1.2 million. When you take the \$1.2 million that we took out of administration off the \$15.7 million of deferred maintenance, the difference is an increase in the budget of \$14½ million to make up for the deferred maintenance.

S. Herbert: So there's the \$15.7 million, which has dropped down to \$14.5 million. I'm curious if the minister might be able to provide me a full accounting of this year and last year for refurbishments and what's expected next year in terms of that deferred maintenance — for B.C. Place, on the one hand, and then for the older convention centre.

We'll get into the revitalization discussion later in terms of that amount of money. I'm just curious what the maintenance costs have been — refurbishments.

Hon. K. Krueger: I'm a layman in this area. The member may be also. I was just advised that there were at least five questions built into that question. It gets really technical, and what we'd like to do is provide the critic with a letter from PavCo that answers that question.

There is overlap, also, between what both he and I are thinking of as the old stadium and what is actually going to be almost a brand-new stadium when the retractable roof is done. A huge amount of work has been done in refurbishing the interior — better washrooms; more handicapped access; special seats, lots of them, for people with physical disabilities.

It's actually a massive answer that's required here. I know that the member doesn't want staff taking up hundreds of hours of time, so we will, if this is acceptable, have PavCo provide a letter answering that question and giving the layer of detail that I think the member is looking for. If he doesn't get enough detail and wants to ask further questions by letter, they'll respond to that as well. I hope that's acceptable.

S. Herbert: I would be very interested in such a letter with that layer of detail. However, at this estimates process I also need to feel assured that I've got an idea of what the envelope is. I don't need, at least in these estimates, for it to be broken down by this amount of dollars for washrooms and this amount of dollars for this, although in a letter, of course, that would be of interest.

What I would appreciate is.... I know that originally, there had been talk of about \$75 million, I think it was, in '08-09, which was interior refurbishments and revitalization. I understand there was also some other money spent on that. I'm curious what that total envelope is in terms of interior renovations.

Hon. K. Krueger: I want to thank the member for that clarification. The approved envelope for the refurbishment of the interior of B.C. Place was \$65 million, and \$55 million of that has been spent thus far.

S. Herbert: Does that envelope of \$55 million that's been spent thus far, which has been approved...? I guess \$65 million was the final approval. Does that include...?

[1130]

I believe I saw in a document that there was approximately \$4 million, give or take a couple hundred thousand, in terms of planning work, in terms of assessing what the deficiencies were in the stadium, what would need to be improved and what could be improved. That \$4 million might have included discussion on the roof, but it might not. Would the minister and his staff be able to provide some clarification?

Hon. K. Krueger: We believe that the member is referring to \$3.8 million that was authorized actually relating to doing the necessary due diligence for the retractable roof. The \$3.8 million was authorized and was spent during the fiscal year '08-09, which ended March 31, '09.

S. Herbert: I've been reading through the different PavCo documents and files, and it's tough for me to be able to put these numbers all together in one understanding, since some of it is '08-09 and some of it is '09-10. Some of it happened even earlier when I know that PavCo.... I believe I was told that in 2005 there was a discussion around what the interior problems were in B.C. Place and what needed to be refurbished and what the cost was there.

It would be really helpful for me and the official opposition and, I think, the public, as well, just to be able to get an idea of the total cost, say, since 2005 when I know that there was first discussion on this. In 2006 the opposition, of course, raised it again around the roof and concern that the roof would need replacing.

Just so that we get an idea of what total costs we're talking about for the interior refurbishments, and then in a separate envelope, for the roof replacement project. I see a lot of scribbling going on back there.

I would hope that maybe we could get some of those numbers now. If not, if you need a little bit more time, we can always come back to this after the lunch break. Hopefully, those numbers would be available then if they're not available now.

[1135]

Hon. K. Krueger: The entire cost, I'm told, on the interior has been \$55 million, and there's still \$10 million left in that allocation for furniture, fixtures and equipment, video screens — whatever is still needed to complete the refurbishment. So the total will be \$65 million; \$55 million is already spent.

There is still a deferred maintenance budget of \$40 million. Those two amounts together, the \$40 million and the \$65 million, are the entire allocation for the interior. The budget for the retractable roof is \$458 million.

S. Herbert: So just if I'm understanding the math correctly, if we were going to talk about the entire B.C. Place project — the retractable roof, the revitalization and the refurbishment and the maintenance costs; the numbers that the minister outlined to me — would it be correct to say that the total cost would be \$563 million?

Hon. K. Krueger: That is right — \$563 million is the total cost.

S. Herbert: I thank the minister for getting that on the record. Certainly, over the last number of days I

heard from a number of people who thought that the \$456 million announced for the roof also included interior refurbishments, revitalization, maintenance and that kind of thing.

So the actual total cost for B.C. Place is the \$563 million. Okay. That's good to know. I think that the taxpayers of B.C. will be very interested in that number, since the number that's been discussed is the \$456 million number.

I'll get back to some more questions on B.C. Place. But yeah, actually, why don't we continue there, since we're on B.C. Place. Can the minister tell me how many safety orders have been filed during the work on B.C. Place?

[1140]

Hon. K. Krueger: Before answering the last question, I want to make a clarification. I hope that the member understands that after an answer, when he makes an aside that is suggestive of something, we're kind of obliged to have to come back and deal with that. It offends people when it's a suggestion just left on the record.

I'm going to refer to the news release of October 23, which I'm sure that the member would have gone over with a fine-tooth comb, entitled: "Province Confirms New B.C. Place Roof for 2011."

The second paragraph says, and it's a very explicit sentence and a short one: "The total capital cost for the retractable roof project will be \$458 million." At the back of the press release — I always encourage the reading of page 2 — third paragraph, page 2: "This project is in addition to interior refurbishments that have already been completed, essentially creating a new building from the old and reducing the impact on the environment. The project will be funded by the province under the existing capital plan with no impact to existing projects under the province's capital plan."

I don't know who the member was referring to as the people who are saying that the interior refurbishments had been included in the government's number for the roof, but that is false.

Now, to deal with the question on safety orders, there have been about 30. I'll ask PavCo to provide the member with a letter giving the exact number. None of these relate to injuries of any kind at all. All are administrative. They are things such as inquiries about the fall protection, what sort of fall protection is in place; questions about documentation — for example, lockout procedures, first aid procedures. They are administrative questions. They don't pertain to injuries.

PavCo is so safety conscious that the decision was made by PavCo, independently of government — they did it on their own — that they would close the stadium during the construction and installation of the retractable roof. There were opinions that they could allow events to still happen, and the decision has been made

that that is not going to happen. The place will be closed, and that involves construction of a temporary stadium to provide for the organizations that we were already committed to. That expense is also included in the \$458 million.

The Chair: Member, and noting the hour.

S. Herbert: Wow. We've already got to noting the hour. All right.

Well, we've got more questions for sure on the official opposition side on PavCo in relation to a whole range of issues. I appreciate the minister's forthcomingness so

far and the staff's ability to share that information with us over here.

Hon. K. Krueger: I erred. The construction of the temporary stadium is in the operating budget of PavCo. It's not in the \$458 million budget.

S. Herbert: Noting the hour, I move that this committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:45 a.m.

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