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

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Morning Sitting

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THE HONOURABLE LINDA REID, SPEAKER

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

LIEUTENANT-GOVERNOR
Her Honour the Honourable Judith Guichon, OBC

FOURTH SESSION, 40TH PARLIAMENT

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Honourable Linda Reid

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TUESDAY, APRIL 21, 2015

The House met at 10:03 a.m.

[Madame Speaker in the chair.]

Routine Business

Madame Speaker: Good morning, hon. Members.

Capt. Kevin Olive joined the Canadian military as a chaplain in 2008, leaving South Surrey and moving to Canadian Forces Base Shilo, Manitoba. Between 2009 until 2014 Captain Olive was the principal chaplain for the 2nd Battalion, Princess Patricia's Canadian Light Infantry.

Not able to get away from beautiful British Columbia in 2010, Padre Olive deployed with his unit to the Whistler area for the 2010 Vancouver Winter Olympics. From July 2013 until March of 2014 he deployed to Afghanistan and had the privilege of participating in the last Remembrance Day, the official flag-lowering and, finally, catching a ride home on the last plane out of Kabul.

Hon. Members, he will now lead the House in prayer.

K. Olive: Lord, into your hands we commit our lives and give thanks for creating in us the capacity to understand that service before self is the most liberating act for the human soul. We ask for your blessing on your elected officials and the beautiful people of British Columbia. May your peace and presence strengthen them so that all may experience the freedom from oppression and the liberty of self-determination that you have instilled in all the people of the world. Amen.

Introductions by Members

Hon. S. Anton: We are honoured today to be joined in the House by the Armenian Genocide Centennial Committee of Canada, who are here to commemorate the 100th anniversary of the Armenian genocide. There are many visitors here, and I can't introduce them all, but I am very pleased to welcome the Very Rev. Father Hrant Tahanian, Archpriest Rev. Father Keghart Garabedian and Jack Deragopian.

This is an opportunity for us all to reflect on this tragic history but also to recognize and give thanks for the immense value that Armenian people continue to bring to British Columbia and to the world.

I'd like members on all sides of this House to please make our guests feel very welcome.

[1005]

A. Dix: I wanted to join the Minister of Justice in welcoming, I think, some 70 guests from the Armenian-Canadian community today and welcoming all members and staff of the House to the commemoration we're go-

ing to hold during the lunch hour — in particular, members of the Armenian Genocide Centennial Committee of Canada and the Armenian National Committee of Canada.

I think this 100th anniversary is of particular significance. What I think we can underline here today are the series of events that are taking place across Canada and around the world both to commemorate the event but also to demonstrate the continuing commitment of the Armenian community around the world in the fight for human rights — not just for themselves and their community but for all peoples.

I hope the House will make them welcome today.

Hon. T. Lake: I am very pleased to rise in the House today and introduce Maria Howard, who is the CEO of the Alzheimer Society of B.C., along with representatives from across the province. They're here today hosting a luncheon for MLAs, where we will be talking about a very important initiative called Dementia Friends. Following today's luncheon, B.C. will become the first dementia friendly legislature in Canada, something of which we can all be proud. There are some very special guests accompanying them, and I will leave that to my colleague from Kamloops–South Thompson to introduce.

Would the House please make the folks from the Alzheimer Society of B.C. most welcome here in the House.

G. Heyman: It gives me pleasure to join the Minister of Health in welcoming the guests from the Alzheimer Society. The society is an important part of the health research and support community in Vancouver-Fairview. I've had the opportunity to meet with representatives a number of times, as have other members of this House.

As well as Maria Howard, joining us today are Patrick Estey, Barbara Lindsay, Maria Kerzdatek, Rebecca Morris, Christine Leclerc, Alice Mann, Jim Mann, Paul Blanchet, Linda Blanchet and Michele Buchignani, the board chair. I'd like to particularly recognize Jim Mann for the tremendous, courageous work he's done working for a plan for Alzheimer's and dementia in British Columbia.

I'm sure the members will join me in making them very welcome.

Hon. P. Fassbender: Joining us in the House today are some folks that came over for the annual MLA prayer breakfast from my community and from my home church: Wanda and John Davies, Evy and Ken Hauser and Mark Frolick. We heard this morning there are many people in this province that continue to pray for all members of all levels of government.

I would ask the House to welcome my guests today to the House.

Moira Stilwell: It's my pleasure today to introduce three very special guests here in the House. The first is

Loussine Kadian, who is my constituency assistant. For the many people here who know her, Lucy is indefatigable in her efforts to help the constituents of my riding. With her are also two other special guests: Silva Kadian and Mary Kruger. They are here today for the commemoration of the Armenian Genocide Centennial.

Will the House please make them welcome.

Hon. N. Letnick: On the theme of health that we started out with, I'd like to make a special announcement on behalf of the Premier and the Minister of Forests, Lands and Natural Resource Operations to congratulate Liz Borrett. Liz ran in the Boston Marathon just this past week. The nice thing about Liz, besides being a great runner, is she placed first for all women in the 75-to-79 age division with a time of four hours and 26 minutes. It's never too old to start.

Hon. T. Stone: It gives me a great deal of pleasure to follow up on the words of the Minister of Health and his introduction of those who are here for the lunch with folks from the Alzheimer Society of British Columbia. It gives me a great deal of pleasure to welcome two individuals who are here as part of that delegation, constituents of mine, some very dear friends, Paul and Linda Blanchet.

[1010]

Paul and Linda moved back to Kamloops in 2003. Paul and I were business partners up until my election to this House. They have two beautiful children, Monique and Matt. Most importantly as of late, Linda was diagnosed with early-onset Alzheimer's.

In the face of this personal tragedy, they have both confronted it head-on with courage, with determination and with love. They truly have become an inspiration for many other British Columbians. I would ask that the House please make Paul and Linda Blanchet welcome here today.

M. Bernier: It's a busy day in the House today. Another group that has come here to visit with MLAs is Central 1 Credit Union. We've got quite a few members who are spending the day today in the precinct meeting with different MLAs. I'm hoping everyone here will give them a nice, warm welcome.

M. Dalton: As part of the Armenian group that is visiting us today for the Armenian Genocide 100th anniversary is Laura Andonian. Her husband Vik is currently in Armenia to participate in a ceremony there. So to welcome them, I hope all MLAs will be able to join us at the reception today at noon.

The Armenians form an intrinsic and important part of Canadian society. They're a warm and generous and industrious people. Would the House please make them feel welcome.

J. Tegart: I'm pleased to welcome the Stein Valley School from Lytton today to the precinct, and I hope everyone in the hall will help make them feel welcome.

Statements

CAMPBELL RIVER STORM HOCKEY TEAM

C. Trevena: I'm sure everybody in the House was eager to hear the outcome of the Keystone Cup championships in Alberta last weekend, as I gave everybody the heads-up that Campbell River was representing B.C. I'm sure everybody is very pleased to know that the Campbell River Storm has brought the Keystone Cup back to B.C.

In the round robin they beat teams from Alberta, Saskatchewan, Manitoba and northern Ontario and are very pleased to have won the Keystone Cup. I hope that everybody comes out to watch the Campbell River Storm in the next season.

Introductions by Members

L. Reimer: It's a pleasure for me to introduce one of my constituents today, who is the board chair of Westminster Savings Credit Union. I believe he is here with Central 1 Credit Union. Would the House please make Bill Brown very welcome.

G. Kylo: Joining us in the House today is a group of students from Len Wood Middle School in Armstrong, grade 5 and grade 9. They're accompanied by Mike O'Brien and a group of parent volunteers. Would the House please make them feel very welcome.

Statements (Standing Order 25B)

DEMENTIA AWARENESS EVENTS IN NEW WESTMINSTER

J. Darcy: I rise today to share a very special story from my community, and I'm especially pleased to do so today with the wonderful people from the Alzheimer Society in the gallery, people who have taught me and all of us so very much.

I'm proud to say that my community office recently held a jam-packed public workshop with the Alzheimer Society about how to become a Dementia Friend. We're very proud that New Westminster is, in fact, the first city in British Columbia to be designated a dementia-friendly community after the Alzheimer Society put on a workshop with our new mayor and council and senior staff.

Last Friday I also got to take part in a dementia awareness event organized by — get this — a student club at New Westminster Secondary School. That's right — a public forum on dementia organized by high school

students. Pretty amazing stuff. The event was skillfully hosted by Eva Demerova, a grade 10 student and the branch president of the Initiative for Neuroscience and Dementia — grade 10.

It involved seniors and seniors' advocates and an incredibly diverse group of students learning together about Alzheimer's and dementia — about how important it is that all caregivers, family and health care workers alike, as well as first responders, have training for caring with people with dementia — so that city sidewalks and public facilities and private businesses can all become dementia-friendly. We should create safe harbours everywhere.

[1015]

People with dementia are often overmedicated and admitted to residential care too early. People with dementia experience tremendous social isolation and are made to feel invisible, and they all need our love and our support.

What was most inspiring of all was seeing students standing with, and for, our seniors, holding hands, so to speak, across generations on this important issue, giving us hope that a better world is possible.

100th ANNIVERSARY OF ARMENIAN GENOCIDE

J. Yap: Today I'd like to recognize a somber event in history, as we mark the 100th anniversary of the Armenian Genocide.

On April 24, 1915 the Ottoman government arrested and executed hundreds of Armenian intellectuals. In the following months and years Armenians were removed from their homes and forced to march through the Syrian Desert without food or water until they dropped dead. Those who stopped to rest were shot.

It's estimated that between one million and one and a half million Armenians were killed. These terrible events were a testament to inhumanity and remind us of the need for reconciliation. And while modern Turkey is not responsible for these actions, we must acknowledge these events and continue to remember those who perished.

I'm proud to be Canadian, where our federal House of Commons officially recognized the Armenian genocide in 2004. Canada is one of 23 countries in the world to officially recognize the Armenian genocide. British Columbia followed suit in 2006, when a unanimous motion passed in this House to recognize the Armenian genocide as a crime against humanity and designated April 24 a day of remembrance.

Armenians were one of the early groups to settle B.C. in the 1880s and have long been important contributors to our society. In my own community of Richmond, the St. Gregory Armenian Apostolic Church is a symbol of the thriving Armenian community, as is the St. Vartan Armenian Church in Vancouver.

I ask the House to join with the Armenian-Canadian

community to commemorate these terrible events and hope for a more peaceful future for us all.

WORK OF ECOTRUST CANADA ON NORTH COAST

J. Rice: Today I want to tell you about a small group that set up office in Prince Rupert five years ago. Tomorrow, with their colleagues in B.C. and across Canada, they will celebrate 20 years of change-making.

Ecotrust is a charity with an excellent track record of results and a bold, important mission: to support their transition from an economy founded on industrial resource extraction to one that more directly and immediately benefits communities and the environment in the most practical way possible.

Ecotrust activities in the North Coast have included business planning, mapping and GIS training with First Nations, including the Haisla, the Heiltsuk and the Haisla Nations. They've been supporting economic and fisheries development with the Nisga'a. They're partnering with north coast First Nations such as Metlakatla and Leq'á:mel to train fisheries observers and then employ them in commercial, FSC and recreational fisheries monitoring.

Ecotrust works with over 40 crab boats that fish the waters of Hecate Strait between Prince Rupert and Haida Gwaii. They bring affordable electronic monitoring technology to the sea. They have shown the importance of fishing and fisheries planning to communities and livelihoods. They bring people together to come up with solutions and support steps to implement them and for ten years ran a loan fund to put their money where they believed it could best make a difference.

Now they're testing social finance with a community-designed loan fund. I'd like to give a shout-out to the Ecotrust Prince Rupert team: Devlin Fernandes, Amanda Barney and Dale Robinson, who have been generous partners and a welcome presence in our community.

From sustainable forestry to seafood traceability, and from fisheries monitoring to innovative mapping and technology, the past 20 years have included a lot. I'd like to congratulate Ecotrust Canada as well as their wide network of partners and supporters, and I look forward to the next 20 years.

DEMENTIA-FRIENDLY DESIGNATION FOR B.C. LEGISLATURE

Maira Stilwell: Today the British Columbia Legislature became the first parliament in the country to be designated dementia-friendly.

[1020]

This afternoon the Alzheimer Society of B.C. will host a luncheon for Members of the Legislative Assembly to help us understand the challenges of living with

Alzheimer's, how early detection can improve the quality of life for those affected. After the luncheon the society will certify members of the Legislature as dementia-friendly, recognizing our commitment to raising awareness and building inclusive, caring communities for people living with dementia.

Nearly 70,000 British Columbians live with Alzheimer's or related dementias, and 10 percent of those affected are under the age of 65. These diseases rob individuals of their memories and their independence, affecting how they think, feel and act. They place increased strain and reliance on friends and loved ones. Women are more likely to be affected by Alzheimer's than men, and there is no cure to slow or stop its progression.

It's important for all British Columbians to learn more about these diseases and the resources available to patients and their families. The Alzheimer Society of B.C. does this amazing work, providing tools and education to communities across the province, helping businesses, employers and families support people with Alzheimer's and other dementias.

I ask the House to join me in thanking the Alzheimer Society of B.C. for bestowing this honour upon our assembly and for continuing to work with us to raise awareness and get more British Columbians talking about these diseases and creating dementia-friendly communities throughout the province.

100th ANNIVERSARY OF ARMENIAN GENOCIDE

A. Dix: This week we commemorate the 100th anniversary of the Armenian Genocide. On April 24, 1915, some 250 Armenian community leaders and intellectuals in Istanbul were rounded up, arrested and subsequently murdered. In the eight years that followed some 1.5 million Armenians were killed because of who they were, the result of Ottoman state policies of deportation, torture, massacre and murder.

These crimes were compounded in the years that followed 1923 by a continuing and systematic campaign of denial that the genocide had even occurred. More recently governments and legislatures, as the member for Richmond-Steveston has noted, have formally recognized the genocide, including in Canada and here in British Columbia — a motion this Legislature passed unanimously in April of 2006. By doing this, we asserted a necessary fact, that genocide is a crime against humanity without justification and that the denial of genocide is also a crime.

Sitting in the north gallery that day in April 2006, in the corner just up there, was the late Armenak Deragopian. In his words: "My father's family was massacred — about 16 people. My father survived, because he was working in Egypt at the time of World War I, and was unable to return to his home again. My mother managed to escape, but much of her family was massacred as well. Her moth-

er managed to escape to Egypt with her grandmother. Of the 300,000 people, Armenians, in my father's region, only an estimated 10,000 people survived."

Armenak's story is the community's. There are no Armenian-Canadian families in B.C. without such family history. But it is, of course, not the end of the story. The families of the survivors of the Armenian Genocide here in Canada and across the world are leaders everywhere — in business, in culture, in government, in community life — and everywhere leaders in the fight for human rights for all peoples, not just Armenians.

As today and this week we commemorate the Armenian Genocide, one of the great tragedies and crimes against humanity of the 20th century, we also celebrate the Armenian-Canadian community, whose remarkable and ongoing story provides a demonstration of the enduring power of the human spirit.

SINKING OF HMCS ANNAPOLIS FOR CREATION OF ARTIFICIAL REEF

J. Sturdy: After seven long years of persistence and hard work, it took demolition crews less than two minutes to put the HMCS *Annapolis* on the bottom of Halkett Bay on Gambier Island, to begin its next phase of its life — this time as an artificial reef. On April 4 over 200 boats, many more spectators, myself included, and an astounding 4,000 computers tuned in to watch the decommissioned 371-foot destroyer be sunk in Halkett Bay Marine Provincial Park. The *Annapolis* landed squarely on her keel, completely upright and at its intended depth. For diving purposes, her superstructure is as shallow as 35 feet while her keel is at 105 feet.

The Artificial Reef Society of British Columbia has a mission to create environmentally and economically sustainable artificial reefs in British Columbia and has, since 1991, sunk seven ships and one Boeing 737 airframe in the waters of B.C. The *Annapolis* was purchased in 2008 by the Artificial Reef Society with the intention of creating a living laboratory for research and study and an enhanced natural marine habitat.

[1025]

In the case of Halkett Bay, for many decades log-booming had caused woody debris to accumulate, which limited the natural ecosystem. The *Annapolis* reef will add some 20,000 square metres of complex and quality habitat to a relatively barren ocean floor.

The sunken ship will provide an excellent environment for a wide range of fish, crustaceans, anemones and other marine life. The reef is expected to become a training site for search and rescue groups, as well as become a significant draw for recreational divers and an enhanced experience for one of the province's most accessible marine parks.

I hope the House will join me in congratulating the Artificial Reef Society on their latest success.

Oral Questions

FAIR SHARE AGREEMENT FOR COMMUNITIES IN NORTHERN B.C.

J. Horgan: Twenty years ago the Fair Share agreement was established between the province of British Columbia and northern municipalities. The agreement, now 20 years old, was designed to ensure that wealth created in the north stayed in the north to ensure that infrastructure development could take place in a timely way so that those communities that were seeing the force of development had the opportunity to manage that development over time.

Before the election it won't be a surprise that the Premier was an enthusiastic supporter of the Fair Share program. In fact, back in 2005 the previous Liberal government signed a binding memorandum of understanding for a 15-year extension of the initial Fair Share programs established by the NDP.

Unfortunately, after the election the Premier's enthusiasm for the Fair Share program dissipated, and now we're told that the agreement will be abrogated, and a new agreement is being mandated to be completed by April 30 of this year. My question to the Minister of Community Development: why is it that the enthusiasm for binding agreements seems to wane after an election with this government?

Hon. C. Oakes: Thank you to the member opposite for the question. We have been working closely with the communities across the province and specifically in the northeast. The Fair Share started in 1994, and again, we had other negotiations in '97, 2005.

We've been working closely with the communities to ensure that they have the supports necessary for important infrastructure investment in those communities. I've been working with the local governments, the mayors, the councils to look at what is next, to look at how we can prepare for a sustainable future for local governments.

At the same time, we need to recognize that, at the time when we put in the first agreement in 2005 — we are incredibly proud that we have put over \$302 million into those communities for critical infrastructure since 2005 — when we opened the 2005 Fair Share agreement oil and gas royalties were \$2 billion. Today we are looking at oil and gas royalties of \$500 million. It's important that we work at sustainable plans for these local governments — ensure that we're preparing for the future.

Madame Speaker: The Leader of the Official Opposition on a supplemental.

J. Horgan: Well, that is quite a distance from the election campaign. I recall a trillion dollars in economic activity, a billion-dollar prosperity fund. We were going to be debt-free, but now, just a scant two years after the election...

Interjections.

Madame Speaker: Members.

J. Horgan: ...and we can't keep agreements that we signed ten years ago.

The Fair Share agreement is a 15-year agreement between the government of British Columbia and the communities of the north. Ten years into that, Luongo-like, the government wants to renegotiate.

They said they were going to consult and cooperate with school boards before the election; afterwards, not so much. They said they wanted to work with their First Nations partners and the federal government before the election; after the election, not so much. Before the election, the streets were going to be paved with gold, and now we don't have a sustainable agreement in the north because, well, I guess it's just not sustainable. We're going to move on and keep on smiling.

Again, to the minister: if you sign a 15-year agreement, shouldn't you stick to that 15-year agreement?

[1030]

Hon. C. Oakes: It really defines the difference in how we look at economics between this side of the House and that side of the House. We are looking at working with these local governments for the long term on ensuring that there's a sustainability.

I don't want to lecture on debt financing, but anyone who's ever gone out and taken a mortgage knows that when you go to the bank for critical infrastructure, it is necessary that you have long-term financing, knowing where that money is coming in.

We are working with these local governments so that when they go to the bank for Build Canada funds, for gas tax funds and for critical infrastructure that is necessary to grow the economy in these communities, they have the debt financing and the ability to look forward.

Let me just.... One final comment. Again, the difference with the economics is that at a time.... When we look at when the Fair Share was set up for the rural property taxation, it was at a.... Currently, last year it was a rate of \$16.8 million.

What we're looking at now is providing those communities \$43 million, a grant-in-lieu that we need to look at. We need to address the sustainability of this, the grant-in-lieu portion, ensuring that we're building an economy in the northeast for the long term.

Madame Speaker: The Leader of the Opposition on a further supplemental.

J. Horgan: Again, the minister seems to want to put aside the fact that the government entered into a 15-year agreement that is two-thirds completed with five years to go. Within that agreement there was an opportunity

to start renegotiating a year before the conclusion of the agreement.

But what did the government do? They sent a letter to the community saying: “Deal’s off. We need a deal by April 30.” That’s the consultation and cooperation that you get from B.C. Liberals.

It’s better than that. They’re prepared to break agreements with school boards. They’re prepared to break agreements with working people. They’re prepared to break agreements with municipalities. But a solemn commitment to give a tax break to millionaires cannot be broken. That’s not sustainable.

To all of the people who pay taxes in British Columbia — for schools, for health care, for transportation: you guys are just going to have to wait until things get a little bit better. But millionaires? You’re in. The top 2 percent get a tax break while everyone else is unsustainable.

Again, why is it that the B.C. Liberals just refuse to cooperate with anybody but themselves?

Hon. C. Oakes: Again, you know, if it was up to the NDP, there would be no economic growth because.... Again, a simple lesson in economics.

Interjections.

Madame Speaker: Members. The members will come to order.

Hon. C. Oakes: Oil and gas royalties, when it started in 2005, was \$2 billion. Oil and gas royalties today — \$500 million. If we’re going to support these local governments for the future to ensure that the capital infrastructure that is required for it.... We need to work with these local governments, negotiate a new deal, moving forward to ensure that the capital investment is there and ready for the economic development that’s going to happen in B.C.

S. Robinson: The existing Fair Share MOU acknowledges that it would take a year or more to negotiate a new agreement to start in 2020. The minister, however, has single-handedly appointed a negotiator and dictated. They just told the municipalities in the regional district that a new 15-year agreement must be in place by April 30, 2015, giving negotiators only six weeks to strike a new deal. So much for working closely with local governments.

Mayor Ackerman from Fort St. John and Mayor Fraser from the district of Taylor are asking the Premier to rescind this unilaterally-imposed deadline. They are here today. Will the minister do the right thing and honour the commitments she made under the Fair Share agreement?

[1035]

Hon. C. Oakes: Thank you to the member opposite for the question. But the member opposite should under-

stand, as well, the importance.... When working with local governments on debt financing, you need long-term sustainability. That is what we’re prepared to do.

We are negotiating currently with the communities. We’ve heard when we’ve talked to communities in the northeast that as they put their gas tax applications in, as they put their Build Canada applications in for critical infrastructure that is required to grow these communities, when they go to the bank they need to know that long-term certainty.

We are working with these communities for long-term certainty out to 2030. That is our commitment. We’ve made that commitment. We’ve continued. But again, \$2 billion in oil and gas royalties in 2005 when this agreement was signed; \$500 million today.

Madame Speaker: Coquitlam-Maillardville on a supplemental.

S. Robinson: I’m not sure how anyone can trust this government when they just tear up agreements willy-nilly. This government has promised to negotiate a rural dividend with other resource communities, one that is supposed to be modelled after the Fair Share agreement. But given the high-handed direction the minister is taking, the new agreement probably won’t be worth the paper it will be written on.

Given that they keep tearing up agreements, can other resource communities expect to be treated as badly by this government as the communities of Fort St. John and Taylor are being treated right now?

Hon. C. Oakes: I would remind the member opposite that we just recently signed a Northern Rockies municipality MOU providing \$20 million for those communities over ten years to ensure that the critical infrastructure that’s meant to grow.... We remain committed to ensuring that we are growing.

Interjections.

Madame Speaker: Minister.

Members, the Chair will hear the answer and the question.

Interjection.

Madame Speaker: Member.
Please continue.

Hon. C. Oakes: Thank you, hon. Speaker.

We are committed to ensuring that we are going to grow the community, to support with infrastructure investments in these communities, but let me hear from the member opposite or out there the support of LNG, the support of economic growth, the support of ensuring

that these communities have the type of development to ensure that we're growing for the future.

SEA TO SKY HIGHWAY REPAIRS

C. Trevena: Madame Speaker, it's been just five years since the rebuild of the Sea to Sky Highway, and already it is in need of repair. Just five years old, and a \$600 million project is crumbling, causing serious concerns for the safety of drivers and residents.

To the Minister of Transportation: can he tell us why the retaining walls on this highway are falling apart after just five years?

Hon. T. Stone: I don't know where to begin. Coming from members opposite....

Interjections.

Hon. T. Stone: I will slow down my speech for the members opposite.

Madame Speaker: Proceed.

Hon. T. Stone: Coming from members opposite, a party that, when they were in power in the 1990s, didn't build much in British Columbia.... They didn't build much. They did zero on the Sea to Sky Highway.

[1040]

We were in this House the other day talking about the Trans-Canada Highway. While we have invested \$700 million in the last ten years, the opposition invested \$140 million.

We are very proud of the investment that this government has made in the Sea to Sky Highway. This investment was all about safety. For the member's benefit, since the Sea to Sky Highway improvements were completed, we have actually seen a decline in the number of collisions by 32 percent.

Now, with respect to the specific concerns that have been raised by some residents of Pasco Road, I am advised by the professional engineers in the ministry that there are no safety concerns for those residents. That being said, we do mitigative work from time to time on an ongoing basis on corridors around the province.

The staff in the ministry have identified some mitigative work on this particular section of the Sea to Sky Highway, and we are now engaged in a collaborative discussion with the residents to ensure that those residents have the access they need all the while the mitigative work is completed.

Madame Speaker: North Island on a supplemental.

C. Trevena: In most people's lexicon five years having restorative work.... You don't get restorative work when

you've just built something. You put \$600 million into a project, and it's falling apart. You don't just do it out of niceness for the residents. You do it because there's something wrong.

What I would like to ask the minister.... We do know that the contractor is going to pick up the cost of the repair, but it does beg the question of whether shortcuts were taken and whether there are problems on other sections of the highway. I would like the minister to commit to an independent safety audit of all the retaining walls along the Sea to Sky Highway...

Interjections.

Madame Speaker: Members.

C. Trevena: ...to ensure that no other pieces of this six-year-old, \$600 million piece of infrastructure are falling apart.

Hon. T. Stone: What major projects did the New Democratic Party actually build in the Lower Mainland in the 1990s? I'll tell you, hon. Speaker. Not one.

The members opposite opposed the Port Mann Bridge and related improvements, which are providing an hour of time savings to families in the Lower Mainland. The members opposite also opposed the South Fraser Perimeter Road, which is providing tremendous benefits to residents as well as the trucking industry. They also now stand in opposition to the George Massey Tunnel replacement project. Their candidate in the last election in Delta North actually went so far as to suggest that instead of building a replacement, maybe we should just paint the inside of the tunnel a different colour.

We are extremely proud of the \$17 billion worth of transportation investments that we've made since 2001.

JUMBO GLACIER RESORT MUNICIPALITY AND FUNDING

M. Mungall: Well, a year ago the minister for local government was caught refusing to take back nearly \$200,000 of public money that found absolutely no use in the fake town of Jumbo. Instead of reducing or discontinuing funding to the town of no one, Jumbo now gets \$300,000 a year. This is an unreal waste of taxpayer dollars.

Interjection.

M. Mungall: And yes, the member for Kootenay East is heckling again on this issue. It gets him riled up every time. He loves his pet projects.

That money is just sitting there and going to no one in the Kootenays. My question is to the minister of local government. When is she going to stop giving money to a fake town?

Hon. C. Oakes: Earlier today we heard: “You’re not giving municipalities enough money.” Then we hear: “Don’t. Stop giving local governments money.”

[1045]

Since 2001 our government has provided close to....

Interjections.

Madame Speaker: Members will come to order.

Interjections.

Madame Speaker: Members will come to order.

Minister, just take your seat.

Please proceed.

Hon. C. Oakes: We are extremely proud that we’ve invested over \$3 billion in local governments across British Columbia to ensure that the critical infrastructure planning and the official community plans happen — to ensure that the investment happens to ensure growth in communities.

This year alone we’re providing \$115 million to the small community and regional district grants and traffic-fine revenue-sharing grants that members across this room have the ability to take advantage of. But given that there is a modest operating cost to the municipality of Jumbo at this time, it is prudent practice to ensure that we’re contracting out with neighbouring municipalities, and any surplus that is not used will be held within a reserve fund available for future investments to benefit taxpayers and future residents.

Madame Speaker: The member for Nelson-Creston on a supplemental.

M. Mungall: The minister does know that the only reason that Jumbo exists is because it’s their pet project and that nobody lives there. You’re giving money to a town with no one. They have no use for any of that money other than to drive the Minister of Energy and Mine’s pet project that nobody in the region wants.

The minister talks about grants to municipalities. Well, Johnsons Landing residents need \$125,000 for their new water system after the deadly landslide in 2012. And they’re waiting. They don’t have access to any grants for that. But Jumbo doesn’t have to wait. The injustice of that is felt by every Kootenay resident, and we are disgusted.

This minister is throwing money at a town of no one — no pipes, no transit, no schools, no hospitals, no people, nothing. So why does she have no trouble giving Jumbo money, but she can’t ensure that the people of Johnsons Landing have what they need — to get something as basic as drinking water?

Hon. C. Oakes: Well, it’s not just this side of the House

that has supported Jumbo. I have a letter here from two former Premiers. In 1993 Mike Harcourt — hmm; oh, he was a Premier — talked about how nice it was meeting and looking at the high-class resort. And then, oh, another former Premier here talked about what an excellent opportunity to look at the consideration of the Jumbo Creek ski resort proposal.

What is different from us is we understand.... Communities like Whistler. Whistler, when it started years ago, had the same conversation and....

Interjections.

Madame Speaker: Members. Members.

Minister, please continue.

Hon. C. Oakes: Look, we support tourism, we support economic development, and we support ensuring that we’re doing the proper initiatives to ensure that we have a strong, diversified economy in British Columbia. We’re going to continue to support local governments to ensure that they have the types of infrastructure and planning necessary.

Hon. Speaker, could you imagine if the proper infrastructure development is not put in place with official community plans and bylaws in communities to grow the economy?

[1050]

N. Macdonald: Just to understand this. The minister is asked about her spending three-quarters of a million dollars here and now, and she uses a 22-year-old quote. The member who asked the question was in junior high when that quote was made. A lot has changed.

Let’s spend a bit more time on this. The letters patent for Jumbo resort municipality required an official community plan, and it was supposed to be in place by last February. But the minister gave an extension — and for an interesting reason. The B.C. Liberal mayor and council needed time for public consultation — public consultation in a community with no public.

I guess the question for the minister is this: why is she permitting more time and giving money to have a fake council do a public consultation in a fake town with no people, no buildings and no services?

Hon. C. Oakes: A lot has changed. Around economic development, we hear: “Put more money into the municipalities. Take money out of municipalities. Support....”

Interjections.

Hon. C. Oakes: You don’t support economic development. You don’t support tourism. You don’t support that kind of diversity in the area.

Interjections.

Madame Speaker: Continue.

Hon. C. Oakes: We'll continue to work with the community to ensure that the infrastructure and the official community plans and bylaws are put in place.

An extension was requested because at the time when consultation was being required, communities and local governments were in an election. The time of consultation was in November. We provided them the opportunity to have that, and we'll continue to ensure that we're supporting these communities.

Madame Speaker: Columbia River–Revelstoke on a supplemental.

N. Macdonald: I guess the minister said they're waiting for an election. I suspect they're going to be waiting a long time before there's an election there.

Here's some more, and this should be fun too. The Jumbo municipality had its books audited. The auditor has finished with an interesting if a rather obvious observation. This is a direct quote. "Given that all of the money for the municipality comes from the province, this casts doubt about Jumbo's ability to continue as a going concern."

Now, the minister was talking about sustainability issues. That's a pretty good example of one. I've never seen an auditor decide to add that to a community's books, but there we go. Not even Jumbo's auditors think that Jumbo's real or is ever going to be real, and yet Jumbo is receiving more and more money for public consultations and a mayor and council in a municipality with no people.

The question again to the minister: why does this government keep pouring money into this farce?

Hon. C. Oakes: Thank you for the question.

Sometimes leadership is about having a vision. Sometimes leadership is about ensuring that we're growing the economy. Sometimes leadership is about ensuring that there are actually jobs for people in communities.

If I may remind the members opposite, we've got communities such as Whistler, we've got communities such as Sun Peaks that have the same kind of resort municipality setup to ensure that we are the most vibrant, exciting place in the world. We support super, natural British Columbia in ensuring that tourism is going to remain vibrant in British Columbia.

FEDERAL FUNDING FOR FERRY
SYSTEM AND SUPPORT FOR
B.C. SHIPBUILDING INDUSTRY

M. Elmore: In March the Transportation Minister admitted that there's a gross inequity with funding for B.C.

compared to Atlantic Canada's ferries. He said he was "at every opportunity aggressively pursuing the interests of British Columbia." But when he was asked what he was looking for in the federal budget, he didn't even mention equitable funding for B.C. as a priority. Instead, he just wants the federal government to drop the duty on foreign-made ferries so he can justify shipping B.C. jobs overseas. [1055]

My question is to the Minister of Transportation. Is undermining the competitiveness of B.C.'s shipyards really his biggest priority?

Hon. T. Stone: Well, it is because of the supports that this government has provided the shipbuilding industry in British Columbia that our shipbuilding industry is more vibrant and more able to compete on the world stage than ever before.

The member opposite raises an important question, and that is the level of federal support for coastal ferries in British Columbia. I have said on many occasions that we would hope that the federal government will continue to consider a variety of avenues to provide more support for coastal ferries.

We suggested that the federal government consider duty relief on the import of the three new intermediate vessels being built. That would provide savings of \$50 million to B.C. Ferries that would go right to the bottom line and help apply a downward pressure. Certainly I would think that that kind of an initiative that would apply that kind of downward pressure on fares would be supported by members of the opposition.

We're also pleased that the federal government recently clarified the rules relating to Build Canada eligibility for ferry projects. We understand that B.C. Ferries has submitted two proposals. We're also in an ongoing dialogue with the federal government with respect to crewing levels to see if there isn't some means there for Transport Canada to provide new crewing levels that would reduce the cost pressures at B.C. Ferries as well.

[End of question period.]

Reports from Committees

J. Martin: I have the honour to present a report of the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills.

Hon. Members:

Your Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills begs leave to report as follows: that the preamble to Bill Pr401 intitled World Wide Marriage Encounter Society (Corporate Restoration) Act, 2015, has been proved, and the committee recommends to the House that the bill proceed to second reading.

All of which is respectfully submitted,

J. Martin, MLA
Chair

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

Motion approved.

J. Martin: I ask leave of the House to move a motion to adopt the report.

Leave granted.

J. Martin: I'd like to make some brief comments. World Wide Marriage Encounter Society was dissolved by the registrar of companies for failure to file annual reports for ten years. It was unaware that it had been dissolved and continued to operate. The purpose of the association is to conduct marriage counselling and retreats for families in British Columbia and Alberta.

On Tuesday, April 14, the Select Standing Committee on Parliamentary Reform, Ethical Conduct, Standing Orders and Private Bills met, considered the proposed private bill and asked questions of the solicitor for the association. I am pleased to note that the recommendation for this private bill to proceed was unanimously supported by the committee.

Madame Speaker: The question is adoption of the report.

Motion approved.

Petitions

M. Mungall: I'd like to present a petition from hundreds of Kootenay residents. They're calling on the government to keep Jumbo wild and urge that the province of B.C. exercise maximum diligence in enforcing the proponent's commitments to the environmental certificate.

[1100]

Orders of the Day

Hon. T. Stone: In Section B here, I call second reading of Private Bill Pr401, and in Section A, I call the continuing estimates of the Ministry of Energy and Mines.

Second Reading of Bills

BILL Pr401 — WORLD WIDE MARRIAGE
ENCOUNTER SOCIETY (CORPORATE
RESTORATION) ACT, 2015

S. Hammell: I move that the bill be now read a second time.

This bill is to restore the World Wide Marriage Encounter Society to the British Columbia register of companies. The society was removed from the register of

companies in 1986 for unintentionally failing to file annual reports. The society did not become aware of this until recently and now proposes to apply for restoration to the register of companies. Due to the number of years since the society was removed from the register of companies, the only avenue for restoration is by way of a private bill.

Motion approved.

S. Hammell: By leave, I move that the bill be referred to a Committee of the Whole House to be considered forthwith.

Leave granted.

Bill Pr401, World Wide Marriage Encounter Society (Corporate Restoration) Act, 2015, read a second time and ordered to proceed to a Committee of the Whole House for consideration forthwith.

Committee of the Whole House

BILL Pr401 — WORLD WIDE MARRIAGE
ENCOUNTER SOCIETY (CORPORATE
RESTORATION) ACT, 2015

The House in Committee of the Whole (Section B) on Bill Pr401; D. Horne in the chair.

The committee met at 11:02 a.m.

Sections 1 to 5 inclusive approved.

Preamble approved.

Title approved.

S. Hammell: I move that the committee rise and report the bill complete without amendment.

Motion approved.

The committee rose at 11:03 a.m.

The House resumed; Madame Speaker in the chair.

Report and Third Reading of Bills

BILL Pr401 — WORLD WIDE MARRIAGE
ENCOUNTER SOCIETY (CORPORATE
RESTORATION) ACT, 2015

Bill Pr401, World Wide Marriage Encounter Society (Corporate Restoration) Act, 2015, reported complete without amendment.

Madame Speaker: When shall the bill be read a third time?

S. Hammell: By leave, now.

Leave granted.

Bill Pr401, World Wide Marriage Encounter Society (Corporate Restoration) Act, 2015, read a third time and passed.

Hon. T. Stone: I now call continued committee debate of Bill 19, intituled the Civil Resolution Tribunal Amendment Act, 2015.

[1105]

Committee of the Whole House

BILL 19 — CIVIL RESOLUTION TRIBUNAL AMENDMENT ACT, 2015 (continued)

The House in Committee of the Whole (Section B) on Bill 19; D. Horne in the chair.

The committee met at 11:08 a.m.

Section 2 approved.

On section 3.

L. Krog: With respect to section 3, and I'm looking in particular to section 3.1: how is this different from the original bill, and why were the changes that appear to be represented in the section actually made?

[1110]

Hon. S. Anton: The jurisdiction of the civil resolution tribunal remains unchanged. What we have done in section 3.1 is move the jurisdiction from the schedule into the body of the act. This is thought to be better drafting — to take it out of a schedule and put it, actually, right into the body of the act.

L. Krog: I'm curious to know why we would indicate very directly that the tribunal wouldn't have jurisdiction in a claim for or against the government. What's the sense of that?

Hon. S. Anton: On the issue of whether or not government should be a party in the development phase of the tribunal, there continues to be a great deal of importance on keeping the process as simple as possible. Lawsuits against government, as well as the need to amend the Crown Proceeding Act.... It was thought best to leave that out initially. For similar reasons, in Provincial Court

you could not bring an action that's against the provincial government until 2004.

Then we should note that "government" means Her Majesty in Right of British Columbia, and government does not apply to Crown corporations, municipalities, regional districts. It is possible that this could change in the future, but for the moment that is where we propose to commence operations of the tribunal.

L. Krog: Well, it just strikes me that for practical purposes, if we're trying to make the system more accessible, more friendly and more available to people, surely the right to sue the Crown — or make a claim, I should say, in fairness, against the Crown under the tribunal — would be a logical and progressive and democratic step in the circumstances, particularly if we are in a situation where we have such obvious, incredible disparity.

One of the reasons enunciated yesterday by the Attorney General with respect to this process in terms of excluding lawyers was in order to provide a process that wasn't as intimidating. Yet in the very circumstance where you would want, surely, the right to make a claim against government, we're excluding that process when there's such an obvious imbalance of power. I guess I have to ask: which is it? You can't have a lawyer, yet you can't make a claim against government in what's supposed to be a cheap and speedy tribunal.

Hon. S. Anton: I think my answer remains the same as the reasons I gave a moment ago. It is possible in the future that that will be changed, but for the start, to commence, we will not be providing for a claim against the government of British Columbia.

[1115]

L. Krog: Just to understand what may be an overly subtle difference, the way I read the section, the amount prescribed by regulation as the maximum tribunal small claim amount means that you can't bring a claim, presumably, for more than \$25,000 in this process.

Is it anticipated or contemplated that you will — and can, even, under the legislation — be in a position where the maximum amount you can make a claim for under the tribunal could potentially be a different amount than the amount you could claim in small claims in an ordinary case?

Hon. S. Anton: The broad answer to the question is that the maximum jurisdiction of the civil resolution tribunal will never be greater than the maximum jurisdiction of the small claims court.

I will add some detail. The "Tribunal small claims," 3.1, again is a maximum of \$25,000, but the initial practical amount, that maximum, will be actually set by regulation. It could be in the order of \$10,000 or \$15,000. This is for commencement of the tribunal. The original start-

ing amount will likely be lower than the \$25,000 small claims amount.

In section 3.2, the “Facilitated small claims” — this is the facilitation service that the civil resolution tribunal will be offering — the maximum amount will be \$25,000, and that amount will always parallel the small claims. If the small claims court amount were to go up, then the amount in 3.2 would go up as well.

L. Krog: Obviously, one of the great questions of the bar in British Columbia has been whether, in fact, it is contemplated that we would have an increase in the maximum allowable in small claims court. I’m just wondering: is the Attorney General able to comment on that today in light of these changes, which are clearly designed — in fairness, I think — to take out of the small claims system a number of claims that are brought there, thereby, in theory, freeing up Provincial Court judges to handle an increased number of potentially larger claims that would exceed \$25,000? The talk has always been going to \$50,000. Is that part of the overall scheme of reform in this particular area?

Hon. S. Anton: The question was whether the overall jurisdiction of the small claims court might move up to, potentially, the full \$50,000 amount. There is a potential for it to change. There have been no decisions made on that at the moment.

[1120]

L. Krog: With respect to subsection 3.1(2), it says: “Despite subsection (1), the tribunal does not have jurisdiction in a claim (a) for libel, slander or malicious prosecution, (b) for or against the government, or (c) in a class of claims prescribed by regulation as being excluded from the jurisdiction of the tribunal.”

Again, this is another situation where regulation, which is not debated in this chamber, is going to be the source of potential exclusions from this jurisdiction. I take it in fairness.... My reading of that would mean that you can’t necessarily bring anything into the tribunal’s jurisdiction, then, unless it was changed legislatively, as opposed to what you can exclude, which you can do by way of regulation.

Is there some class of claims that isn’t referred to here that the Attorney General can tell the House is, in fact, included within the jurisdiction of the tribunal, even though they’re not enumerated in section 3.1(1)?

Hon. S. Anton: I think there were two sides to the question. One is: can anything else be brought in? The answer is: not without legislation.

In terms of the possibility of items being excluded in 3.1(2)(c), the purpose of that is that if the tribunal isn’t working for a particular class of claims, we can exclude that class of claims by regulation. It’s to allow flexibility as

the tribunal starts its work. You never know. You might be taken by surprise that something is not working terribly well. This section gives the flexibility to exclude it.

L. Krog: Then just on a reading of 3.1(2) “Despite subsection (1), the tribunal does not have jurisdiction....” I’m not going to answer this question. This is for the Attorney General and her staff. Does that mean in (2)(c) that, in theory, you could exclude some of the claims that are already referred to in 3.1(1)?

Hon. S. Anton: Theoretically it might be possible to exclude (a), (b), (c) or (d) generally. But that’s not the intention. The intention is more that if there were some subset of one of those classes that simply was not working in the civil resolution tribunal, 3.1(2)(c) would give the ability and the flexibility to exclude that subset.

L. Krog: I could be wrong, but if that interpretation is correct, isn’t it rather unusual to allow legislation with specific provisions to be overridden by way of a decision that’s a regulation — in other words, an order-in-council?

[1125]

I could be wrong. If that’s, in fact, an accurate interpretation, I don’t see that as being something I’ve seen before. But just because I haven’t seen it, doesn’t mean it doesn’t exist — like super, natural British Columbia, of course.

Hon. S. Anton: As I mentioned, an act can allow for exceptions by regulation, and that’s what this would be doing. It may never be used, but the purpose of it is to allow the flexibility if needed. As I said, it would not be changing 3.1(1)(a), (b), (c) or (d) except to perhaps limit some class of claims that fall under those subsections.

L. Krog: Now, with respect to 3.2, and its subs (1) to (5), I understand this section to mean essentially that with respect to facilitated small claims — and this is not dealing with adjudication, but with facilitation — this section doesn’t.... Or does it? That’s the question. Does it or doesn’t it allow for facilitation of claims that exceed — in this case, the number we’ve talked about — \$25,000 or the \$5,000 or whatever amount is prescribed by regulation?

Hon. S. Anton: The proposed mandatory amount of the civil resolution tribunal will likely start at a lower amount than the small claims maximum, which is currently \$25,000. By way of example, but without tying anyone’s hands, the mandatory amount could be in the order of \$10,000. The maximum small claims amount is currently \$25,000, so the facilitated small claims would cover all of the matters up to \$25,000. It would include the ones up to \$10,000, plus that extra group in the \$10,000 to \$25,000 range.

[1130]

L. Krog: But just so I'm clear, it's not allotting any jurisdiction, for purposes of facilitation only, an amount exceeding the maximum allowed as the tribunal small claims or the small claims court amount.

Hon. S. Anton: For the facilitated small claims, the jurisdiction will not exceed that of the small claims court.

L. Krog: With respect to this section, sub (3) talks about "a claim in a class of claims prescribed by regulation as being excluded from facilitated settlement." Again, what sorts of exclusions are anticipated or have been thought about or discussed and/or...? My reading is that that could be different in this section, "Facilitated small claims," as opposed to what's in "Tribunal small claims." Is that possible?

Hon. S. Anton: The answer is that the possibility of an excluded class of claims is different in section 3.1 than in 3.2. In other words, it could be two separate descriptions of classes of claims that don't lend themselves to the processes in question. The reason for this is to allow maximum flexibility and to be guided in how the tribunal is working, both in the adjudicated claims and in the facilitated claims, and to learn lessons as this process is underway.

L. Krog: If I understand the process, if I wish to make a claim against someone, and it's excluded either by section 3.1 or 3.2, then in theory, my only alternative is small claims court. Am I correct in saying that?

Hon. S. Anton: Your alternative would be small claims court or the Supreme Court, which always has inherent jurisdiction.

L. Krog: I appreciate that the Supreme Court has inherent jurisdiction. But I guess I'm coming back to my point that in this brave new world of the tribunal system... I mentioned yesterday in my remarks the purpose of this legislation being, at least in one sense, to make the process simpler for people to resolve their claims.

It seems to me that depending on how the government... It is the government who will make that decision by way of regulation. How the government treats various classes or types of claims will in fact make this more complex for the average person who may go into a registry or, alternatively, go on line and try and figure out: "Exactly where does the claim for my dog bite fit, or the trespass issue, or the branch overhanging onto my property that's dropping needles and pitch on my car and ruining my paint finish, as opposed to a neighbour who is harassing or yelling at me?"

I mean, there's a multitude of claims. My point is that when we're talking about the potential of different exclusions for these two sections and then you're being stuck,

in theory, with small claims and/or Supreme Court, it becomes a bit of a legal nightmare, when in fact the purpose of this is to try and make things simple.

[1135]

I'm just curious to hear the Attorney General's comments as to the possibility. Does she not foresee that this may in fact be more problematic than the existing process, which is essentially small claims — Supreme Court, Bob's your uncle?

Hon. S. Anton: The assumption behind the question is, indeed, the assumption behind the tribunal, which is that we want to keep it simple. I am not giving any examples at the moment of possible exclusions because we don't even have any. The goal here is not to create exclusions and make it complicated.

If it turns out, in the experience of the tribunal, that some things are simply too difficult and simply do not lend themselves to the tribunal, that is the point when an exclusion might be considered. But I agree with the assumption behind the question, which is that the goal is to keep this simple. The goal is to make it accessible to people so that they can have their claims resolved quickly and simply all around British Columbia.

L. Krog: With respect to sub 3.4, that says, "The tribunal may not make a final decision in relation to a facilitated small claim, except under section 26 (4)..." — that's with consent. I guess one of the questions is: what is stopping, perhaps, a more skilled and aggressive negotiator from coercing a party into an agreement which might only benefit or give preference to the aggressive negotiator?

In other words, how is the system going to be fair, which it's supposed to be, in that situation, when — again, I come back to the point I made yesterday — we can't have advocates' lawyers act on our behalf in these matters.

[1140]

Hon. S. Anton: The role of the case manager is to help the parties. Obviously, there is no agreement between the parties, or they wouldn't be there. But it's to help them come to a possible agreement, and it can indeed help when there is a possible power imbalance.

They are trained case managers, and their goal will be to help the parties come to a conclusion in the claim which is the best conclusion of that claim. They might point to things that the party should consider, and they will help them come to that resolution. Certainly, their goal is not to encourage a power imbalance or create a power imbalance.

L. Krog: Dealing with what will be 3.6, it says: "Subject to subsections (2) and (3) and section 48.1...the tribunal has jurisdiction over a claim concerning one or more of the following..." The interpretation of the Strata

Property Act, etc., common property, common assets and so on.

I'm just wondering: for practical purposes, how does the Attorney General see this section functioning in a situation that may involve a claim that would fall under 3.6(1), but also, the parties are involved in a dispute that would potentially involve 3.6(2)?

In other words, you can't bring the excluded things under 3.6(2) into this process, the tribunal process. Presumably, however, you can bring the matter that falls under 3.6(1) into the Supreme Court process, because those matters are excluded. That's the way I see it.

I'm just wondering: does the act allow, in fact, either in the existing act or any of the proposed amendments in this bill, parties by consent? Assuming the Attorney General's proposal is successful, they may want to bring matters that are under the jurisdiction of the Supreme Court only into the tribunal process in order to avoid expense, whatever — all of those things the Attorney General is concerned about: lawyers, costs and so on. Or will they be stuck in a situation where they can have cheap justice, so to speak, in one instance, but because they have multiple claims, they're going to have to go to Supreme Court regardless?

[1145]

Hon. S. Anton: In response to the question, in section 10 of the act, not the bill, the tribunal can amend the claim. In section 11 of the act, the tribunal has the authority to refuse to hear a matter when it would be more properly heard in front of the Supreme Court.

L. Krog: I realize sometimes the questions are long and complex. Forgive me. But I take it, then, that there's no possibility of the tribunal ever hearing a matter that's excluded under sub 3.6(2) in a situation where it would be convenient and logical to do so, where you have a claim under sub 3.6(1). In other words, if you've got a claim falling in sub (1) and sub (2), you're always going to have to go to Supreme Court, as opposed to being able, even by consent, to bring the matter within the tribunal's jurisdiction under sub 3.6(1).

Hon. S. Anton: The tribunal does not have authority over sub 3.6(2). However, as the member has noted, it is quite possible that some of the issues arise at the same time. The authority of the tribunal to make an adjudicative decision is only under sub (1). The authority of the tribunal under sub (2) is not to make a decision, but it may be that the parties in front of the tribunal can come to a resolution of their issue and may wish to do so at that time. But that will be between the parties.

L. Krog: My point is that in those situations that involve the jurisdiction under sub (1) and sub (2), you're never going to be able to bring sub (2) under sub (1) to

the tribunal unless the parties potentially.... Well, properly speaking, they may resolve it by way of facilitation, but they'll never get an adjudication per se, because that will be legally impossible.

In those situations, they're going to either have to divide their claim, so to speak, and deal with one in the Supreme Court and one with the tribunal, or alternatively, they're going to have to take it all up and make the pitch before a Supreme Court judge that the stuff under the tribunal's jurisdiction should, in fact, be dealt with in Supreme Court. That's my read of this. I just want the Attorney General to confirm that that's the case.

[1150]

Hon. S. Anton: The member is correct in the questioning. I'll just repeat one more thing, which I mentioned a moment ago, which is that the tribunal itself does have the authority to refuse to hear the matter at all, under section 11, should they choose to do so. If the matter is too complex, too tied up in one of the things that are under the jurisdiction of the Supreme Court, it can choose to do that.

L. Krog: In 3.8, it says: "(1) The tribunal does not have jurisdiction over a constitutional question. (2) Subject to subsection (3), the tribunal may decline jurisdiction to apply the Human Rights Code in a dispute. (3) The tribunal does not have jurisdiction over a question of whether there is a conflict between the Human Rights Code and another enactment."

I wonder if the Attorney General, because it is a fairly interesting section from a legal perspective, can explain why the legislation has been changed that way. Is there some case law? Is there some practice? Is there something from another jurisdiction? In other words, what's the point of 3.8 in its entirety? What's it designed to prevent, save, solve — whatever?

Hon. S. Anton: Section 2 of this bill proposes to repeal section 3 of the act. In that repealed section, subsections (2) and (3) are moved to this new section 3.8, so it is existing legislation. It's simply moved in the act to a different place.

L. Krog: In fairness, with respect to the strata property claims.... For the purposes of the legislation, then, this is.... The transfer of jurisdiction, if you will, out of the Supreme Court for strata property claims is contained entirely within section 3. Is that understanding on my part correct?

Hon. S. Anton: Section 3.6 gives authority to the civil resolution tribunal. It's not actually transferring jurisdiction because the inherent jurisdiction remains in the Supreme Court. This gives authority to the civil resolution tribunal to hear these matters, and these are the

more minor matters involving stratas, which haven't had a particularly good option for resolution up till now with the civil resolution tribunal.

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

Motion approved.

The committee rose at 11:55 a.m.

The House resumed; Madame Speaker in the chair.

Committee of the Whole (Section B), having reported progress, was granted leave to sit again.

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

Hon. T. Lake moved adjournment of the House.

Motion approved.

Madame Speaker: This House, at its rising, stands adjourned until 1:30 this afternoon.

The House adjourned at 11:56 a.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF ENERGY AND MINES (continued)

The House in Committee of Supply (Section A); G. Kylo in the chair.

The committee met at 11:13 a.m.

On Vote 20: ministry operations, \$25,524,000 (continued).

A. Dix: As I understand it, B.C. Hydro and the minister may be in a position to answer some basic questions about IT capital expenditures at B.C. Hydro today.

I wanted to start by asking about a project called plan, schedule, work. The IR 1.277 states that the total cost of the project is estimated at \$34 million. I won't take the minister through that. In its response, given that it exceeded the \$20 million threshold, B.C. Hydro said it would submit the project to BCUC for approval. It was, of course, never submitted — which I guess is another way, other than cabinet order, to avoid BCUC scrutiny.

What happened to it is not in the public domain, but after the cancellation of the oral hearings and the imposed rate increase by the government, the project was apparently split into smaller pieces. Has that project — plan, schedule, work — delivered anything of value for the \$34 million it cost?

[1115]

Hon. B. Bennett: I'll start off, for the member's benefit, since he's asking me about technology.... Then I'll deal with the specific question.

Generally, technology, I'm advised, has underspent its operating budget each year since 2010 by an average of about 3½ percent. The technology operating budget growth has been, on average, 1.4 percent or less. That's for the corporation. I know the member didn't ask specifically for that, but that's the context for this discussion about the specific project.

With respect to the specific project, the planned and scheduled work project was in train before the B.C. Transmission Corporation integration. The corporation re-scoped the project. It ended up that the total capital cost was actually \$8 million. There was a point where the capital cost was \$20 million, and I guess if you go back even further than that, it was estimated at plus \$30 million, although I don't have any details on that.

Ultimately, I think what the member is interested in is how much was spent and what the benefits were. The total capital cost of this program was \$8 million. In terms of the benefits, I can tell the member that the benefits included improvement to B.C. Hydro's work management processes, including planning, scheduling and work delivery related to maintenance, capital, trouble- and customer-driven work, plus interfaces from legacy systems to Sap — putting all the work orders in one system, providing one view of work.

Overall, it looks like the project was narrowed in scope considerably. It costs quite a bit less than the number that was being used by the member, and I've just read out what the benefits are.

It's not actually my number. The member said it was my number, hon. Chair. It's actually the number provided to me by the corporation on what was actually spent, so it would be real easy for the member opposite to check that out in Hydro's financial statements if he'd like to do that.

A. Dix: Well, the minister will know — we discussed this yesterday, and he knows this because, presumably, he and B.C. Hydro are responsible for their submissions to the rate application hearings — that in the period five years before the implementation of the five-year plan that Mr. Stuckert was responsible for — Mr. Stuckert, who, at the end of that plan, I gather, was dismissed in February — annual capital spending under the plan more than doubled from \$40 million a year to \$80 million a year.

The promise made in those hearings, and the minis-

ter will know this.... Again, this is not mine, just like the \$34 million isn't my figure; it's B.C. Hydro's. This was the promise B.C. Hydro made, that as a percentage of total business group operations, there would be a reduction of costs of 30 percent. Instead, the opposite happened. You doubled the spend, and you became less efficient on the operating side — a rare achievement, I would suggest.

[1120]

That's what happened. That's what the numbers say. What the facts are is that the architect of this move has been let go by the company — not a sign of confidence by B.C. Hydro on what happened.

I'll ask a question, I guess, about the next project. It's the enterprise financials upgrade project, the supporting project. If you look and refer them to the response — if they want it, because it's their response — IR2 139.2 gives the final cost of the project and the costs for the supporting project. If you add all the capital and associated operating costs to complete the project — that's \$18.4 million plus \$2.7 million plus \$9.2 million plus \$100,000 plus \$7 million sustainment and licensing — the total cost is \$37.4 million.

The original cost of this project, as presented to the 2009 rate hearing, was \$7.2 million — \$7.2 million. The option B.C. Hydro followed — actually followed — was explicitly, under sworn testimony, rejected at those hearings by B.C. Hydro. When they went and proceeded to go ahead with the project they wanted to do anyway, it cost five times as much.

I'm asking the minister for some explanation of this approach, both to the BCUC and to IT.

Hon. B. Bennett: Obviously, the member is going to throw around his numbers. All I can do is to provide you with the actual numbers from B.C. Hydro. The total capital cost of this project was \$16 million. The original project estimate was \$7 million. So I think we agree on that piece.

The reason for the change was the change in scope to extend the existing SAP system rather than reimplement a newer version of obsolete PeopleSoft Financials — trade name, PeopleSoft Financials — and also to deal with the cost to integrate the key systems with SAP. There was a cost to that as well.

In terms of the benefits of this enterprise financials upgrade, first of all, it delivered a fully up-to-date enterprise-class financials system. B.C. Hydro's original PeopleSoft financials implementation, delivered between 1999 and 2002 with very similar scope, cost in excess of \$50 million; capability to support a variety of existing and emerging internal and external financial reporting requirements; and, finally, up-to-date platform enabled future financial requirements and ability to adapt to business changes — for example, relatively simple reintegration of BCTC into B.C. Hydro in 2010, and other corporate reorganizations as needed.

A. Dix: When B.C. Hydro presented this project to the BCUC.... Perhaps the minister can speak to why they decided to get rid of Mr. Stuckert. The fact is that this project was presented to the BCUC. Questions were asked about PeopleSoft financials, and here's what B.C. Hydro said.

They discussed the alternatives. Do nothing; they reject that. There's no cost to that. Replatform SAP — this is what they did. Replatform SAP, a project that was way over budget and which was broken up, this project, to keep under the \$20 million threshold to avoid BCUC scrutiny — which, in my view, is not appropriate behaviour by the corporation. It's a way to avoid BCUC scrutiny.

[1125]

Here's what they said. "Replatformed SAP. B.C. Hydro has investigated migrating financial systems from PeopleSoft to SAP. It's estimated...." This isn't me, Minister; it's B.C. Hydro. They wrote this:

"It's estimated that the cost to replatform SAP would be between \$30 million to \$40 million" — and indeed it was, in total — "and would require a significant dedication of management and staff resources, thereby delaying other B.C. Hydro projects. Migration would likely take between two and three years.

"While operational savings of \$0.4 million annually would be available for vendor maintenance with SAP, the cost of licensing would be approximately \$10 million. Overall, this option is not considered appropriate for B.C. Hydro."

And then they proceeded to do it.

The third option, which they accepted and told the BCUC what they were going to do, is the option that the minister referred to, which is upgrade PeopleSoft Financials.

So why did this change, and why was B.C. Hydro in this period systematically breaking up IT projects to avoid BCUC scrutiny?

Hon. B. Bennett: The member, I think, has accused B.C. Hydro of having deceived the BCUC over this project or this situation. That's not true. What happened was that the project that the member is talking about never got built as one project. The \$16 million was spent on what I said it was spent on, and the benefits are what I read out a minute ago for that piece.

B.C. Hydro did do the work in modules. They decided that it did not make sense, that there was too much risk, to do it all as one large project. They made that decision not so that they could deceive the BCUC, as the member has suggested, but because it made business sense to do it that way. That's the answer.

[1130]

A. Dix: Perhaps, then, the minister can explain, on the overhaul, why we've seen this dramatic increase in capital spending, also with a parallel increase in recent years in operating costs, on IT when BCUC was told the opposite would happen. Why was Mr. Stuckert dismissed?

Hon. B. Bennett: I guess two parts to the answer. I hope I capture what the member is looking for. The position and the individual referenced by the member were.... The individual was released. They wanted a different person in the job. I'm not going to get into publicly, you know, why that was the case. Hydro decided it wanted to change direction. It did so.

In terms of the member's supposition that there was a commitment made by Hydro that the investment in new IT infrastructure would lead to reduced operating costs, he's correct to say that it has not. It has not. Hydro advises me that they have not been able to locate the reference.... I think the member might have said yesterday 2009, so if the member would care to share that, it would be useful for Hydro to have that.

I am advised that investing in IT infrastructure like this does not typically reduce operating costs. That's not the only reason that you invest in IT. There are many other good reasons why any business would invest in IT the way that Hydro has. We're not disputing the fact that operating costs haven't gone down as capital costs have gone up — capital investment in IT — but we would certainly dispute the fact that there's something unusual about that, in the corporate context.

A. Dix: We're talking about a plan that increased IT capital by \$200 million over five years. That's real money, \$200 million, and surely the intent of that was to improve productivity, and what the minister is acknowledging is that it didn't improve productivity.

[1135]

It's an extraordinary thing. At the end of the five-year plan — which, for the price, was only partly installed, especially on the SAP side — they acknowledged that they increased costs and increased capital, which is a rare daily double in these areas.

I guess I'll ask the minister about another project, the project and portfolio management project, estimated at \$15 million in the 2011 RRA. The updated costs were \$22 million — of course, over the \$20 million threshold. Hydro presumably....

Maybe they didn't know that there would be a 40 per cent increase in costs, which is approximately the overrun on the northwest transmission line, just to show that one can overrun on the small projects as well. So \$15 million to \$22 million in a short period. They never went back to the BCUC for approval, even though it was over the threshold.

Am I correct to say that this project ended up 40 per cent more expensive, or \$7 million more than Hydro told the BCUC in the 2011RRA?

Hon. B. Bennett: The pattern developed yesterday where I was kind of responding to contextual comments made by the member because they were incorrect. I'm going to carry on with that and then answer the question at the end of his dissertation.

The member asked a question about the comparison of the capital investment in IT, as compared to the operating costs of IT, and then talked about productivity. You invest in IT to improve productivity across the whole operation. Productivity has improved across the whole operation. In fact, unlike what the member is suggesting, productivity at B.C. Hydro has improved because of the investment in IT.

In terms of the next question that the member asked. I think he was asking about project and portfolio management. The member is correct to suggest that the original budget of \$15 million was not met. In fact, it ended up costing \$21 million. Of course, there's a reason for that. The reason for that is that in the middle of implementation of the project and portfolio management program, BCTC had to be integrated back into B.C. Hydro. I'm sure the member will be pleased to hear that that's the reason.

Because of the scope requirements in bringing BCTC back in, with BCTC's vast capital program, there was obviously a reason to change the scope for this IT program. That's what took it from \$15 million to \$21 million.

[1140]

But it's important to note that for those extra dollars, the ratepayer did get value from the investment in this project and portfolio management program, and the program continues to support productivity increases at B.C. Hydro today.

A. Dix: They spent \$200 million more, \$400 million in total on a five-year plan, and they can't point to really anything specifically of value. That's a massive and interesting failure — except that they decided that the guy who designed the plan wasn't the guy to carry it forward.

We don't have very much time, so I'll ask the minister specifically about the customer portal project. The customer portal project was estimated to cost \$6.2 million. I know these are B.C. Hydro documents, and the minister thinks this is unfair. It was estimated to cost \$6.2 million in appendix I and J of the RRA 2012-2014, just to be specific — not to take those numbers too seriously.

How much did the customer portal project cost?

Hon. B. Bennett: We may have gotten our wires crossed in terms of the name of the program that we thought the member was asking about. We've got information on something called the integrated web portal, and it sounds like the member wants to ask about the customer portal.

Unfortunately, I don't have information on the customer portal. I've got information on the integrated web portal. But we'll get it for the member.

A. Dix: That would be very helpful. I mean, it's only a.... It was a \$6 million project. My understanding is that the customer portal project ended up closer to \$20 million, which is, if you're talking about overruns, doing better than the northwest transmission project as a percentage.

Since the minister brought the answer on the integrated web portal, I guess we can have him give that answer.

Hon. B. Bennett: Integrated web portal. Total capital costs were \$6 million. The project ran from October 2010 to September 2012. It was in service in fiscal 2013. There was a change in capital costs from \$5 million to \$6 million due to design changes and higher-than-planned infrastructure costs.

The benefits from that program. There are five different benefits.

(1) Externally facing secure collaboration solution to enable employees and contractors to collaborate with external vendors, suppliers and communities.

(2) B.C. Hydro was able to bring multiple externally hosted sites in-house — an example: engineering-based SharePoint site; Site C; board of directors; energy managers — improving security and privacy.

(3) Enabled employees, stakeholders and other external parties to be more collaborative around their diverse content knowledge processes and interests in a social, flexible and productive work environment.

(4) Consolidated web publishing and collaboration tools on the same platform and enabled an integrated search centre to improve the search capabilities.

[1145]

The fifth and final benefit from this program: total page views to bhydro.com have grown from 58 million in 2013 when the portal went into service to 72 million in 2014.

So from 58 million to 72 million page views. And they're on track to hit 88 million in 2015, so it seems to be working.

A. Dix: Well, there's nothing like an outrageous rate increase to increase page views, I guess. The minister is saying that that project was only 20 percent over budget, so I guess it seems like the best project so far.

The minister knows that the significant part of the five-year plan, this \$400 million in capital spending, was the transition to SAP. In the plan does the minister know or does his staff know what the total cost of all of the projects to transform to SAP was?

Hon. B. Bennett: I'll undertake to get the member the numbers associated with the three modules that I mentioned earlier and, of course, the total. I don't have it here.

A. Dix: Is the transition completed? Are there other projects still to be undertaken?

Hon. B. Bennett: No, the conversion is not done yet. There are three new modules to come. A supply chain is one. Work management is another, and asset management is the third. What has been done is HR, finance and project management. Those are the categories or the modules that we'll get the numbers on for the member.

A. Dix: The minister will know that in the five-year plan the project was supposed to be completed. That's, as they say, another project behind schedule. If that's what's approaching a theme here....

We have projects, some of which should have gone to the BCUC with business cases and didn't go to the BCUC for business cases; projects systematically over budget; projects that didn't achieve their goals; and projects, at a time when B.C. Hydro ratepayers are being asked to pay a massive rate increase, that cost an enormous amount of money — \$400 million, the cost of the plan, twice what had been spent in the previous five years — and didn't achieve any reductions in costs on IT operating. An extraordinary achievement, I think.

In fact, IT operating is going up more as a share of the business costs at B.C. Hydro. Unbelievably, after spending \$400 million, it's going up faster than the rest of the business group operations. Is that not surprising to you, hon. Chair? I think it's surprising to you.

But, you know, I'm reading what you're thinking, hon. Chair, and what you're thinking is that the member should now rise and report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:50 a.m.

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