

Fifth Session, 41st Parliament

# REPORT OF PROCEEDINGS (HANSARD)

# COMMITTEE OF SUPPLY, SECTION C

Virtual Meeting Friday, July 10, 2020 Afternoon Meeting Issue No. 8

**Presiding Officers:** 

RAJ CHOUHAN, DEPUTY SPEAKER

SPENCER CHANDRA HERBERT, DEPUTY CHAIR, COMMITTEE OF THE WHOLE

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# PROVINCE OF BRITISH COLUMBIA

(Entered Confederation July 20, 1871)

# LIEUTENANT-GOVERNOR

Her Honour the Honourable Janet Austin, OBC

# FIFTH SESSION, 41ST PARLIAMENT

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Honourable Darryl Plecas

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Party Standings: BC Liberal 42; NDP 41; Independent 2; BC Green Party 2

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# Friday, July 10, 2020 Afternoon Meeting

# Committee of Supply

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The committee met at 1:32 p.m.

[R. Leonard in the chair.]

#### **Committee of Supply**

#### Proceedings in Section C

# ESTIMATES: MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES (continued)

On Vote 22: ministry operations, \$110,935,000 *(continued)*.

The Chair: I want to begin by recognizing that I am participating from the homeland of the Ləkwəŋinəŋ-speaking peoples, today known as the Songhees and Esquimalt Nations. We extend our appreciation to them for the opportunity to undertake the work before us on this land.

We are meeting today to consider the estimates of the Ministry of Energy, Mines and Petroleum Resources.

**T. Shypitka:** Good afternoon, everybody. We'll jump right to it here. When we last left, we were talking about carbon pricing. We were talking about making B.C. competitive in a global market.

We've heard from reports from Ernst and Young and the 2018 report. We've heard from PricewaterhouseCoopers in the 2017 and the 2019 report. We've heard from articles, such as in the *Province*, saying that we have the highest carbon tax in North America. We've heard from the Business Council of B.C., saying that we need to level the playing field in bringing B.C. more in line with the rest of the other jurisdictions in order to compete. We've even heard from the Mining Jobs Task Force in their report, saying that it is one of the largest obstacles, if not the largest obstacle, that mining faces with our energy-intensive, trade-exposed industries.

The minister has really not recognized that in any of his responses. He talks about great opportunities in B.C. He talks about acquisitions that were just recently made. Those are good things. But we need to get our product to market. If we don't get our product to market, we really do ourselves no favours in all the great things we're doing in the province, in making ourselves cleaner and greener.

[1:35 p.m.]

Let's listen to one more testimonial, and this is from the Mining Association of British Columbia. This is the largest representative mining association in British Columbia, with all the players in the game. This is what they had to say:

"MABC has consistently advocated for a price on carbon that

facilitates the greatest amount of real global reductions in greenhouse gas emissions at the lowest cost, without negatively impacting the competitiveness of trade-exposed industries such as mining. Without protection for the trade-exposed industries, such as that offered by the federal government's output-based pricing system, B.C.'s carbon tax will continue to affect the competitiveness of our existing operations and the investment climate for new mines and mine expansions.

"B.C. mines have a lower GHG intensity than most of our Canadian and global competitors. Without action for trade-exposed industries, there will be a gradual shift in production to other lowercost jurisdictions that will lead to more global GHG emissions overall.

"Carbon leakage is bad for our planet, bad for British Columbia, and is inconsistent with British Columbians' expectations of global climate leadership. The world needs more of B.C.'s clean metals and minerals."

That was from MABC, and I couldn't agree more. We're doing great things in B.C. We want to showcase that to the world. But if we are pricing ourselves out of the game, we will never see that potential.

Will the minister acknowledge this and give us his thoughts on carbon leakage?

**Hon. B. Ralston:** Once again, the member raises the issue of the carbon tax. To make an argument that British Columbia mining is increasingly less competitive.... In fact, that's belied by the evidence, and it's just wrong.

There are a number of factors that I want to cite in responding to that suggestion. We've taken a lot of efforts over the last couple of years to work with stakeholders to make sure that CleanBC programs respond to legitimate concerns about competitiveness and cost. We believe that the CleanBC program for industry has reached a good balance to protect industry competitiveness while reducing emissions. The program has been modified this year to account for the economic impacts due to COVID-19 by providing a minimum 75 percent payments of incremental carbon tax and providing an advance payment schedule.

The CleanBC program for industry is not like a capand-trade system, although the member is.... It's not really clear what he's advocating for — abolition of the carbon tax or a cap-and-trade system. Perhaps he'll be able to expand on that. It does build on B.C.'s carbon tax, recognizing the competitiveness challenges faced by industry.

Speaking more broadly about competitiveness, let me just talk about some of the things that the government has done through the ministry to deal with the competitiveness issues and make real progress on those. We've engaged in a \$20 million budget lift to the ministry to support regulatory excellence beginning in January 2019.

[1:40 p.m.]

We've funded and initiated a standing Code Review Committee with the participation of industry, organized labour and Indigenous nations; allocated \$1 million to build a mining innovation roadmap; allocated \$1 million for the continuation and expansion of the RMA; made the mineral exploration tax credit permanent — that's something the member's party, when they were in power, never did; made the mining flow-through share tax credit permanent — again, something the member's party, when they were in government, never did; made electricity fully exempt from PST for all purchases; amended the PST exemption for pollution control and waste management machinery and equipment; extended the new mine allowance to 2025.

The member has cited a number of reports. So I think it's only fair that I get to cite at least one: the PwC report on the mining industry in British Columbia, 2019, *ESG: Resilience and Opportunity in Uncertain Times.* The theme of the report is the opportunity that ESG creates — environmental, social and governance concerns for investors particularly for the B.C. industry.

What they say in the conclusion and outlook of their report:

"Beyond the COVID-19 crisis, British Columbia's mining industry has steadily improved its performance in areas such as environmental protection, as well as diversity and inclusion at its mine sites and in boardrooms. While more improvements are needed, the industry's progress has helped build the province's reputation as a progressive and stable mining jurisdiction.

"British Columbia's carbon tax, while an added expense for miners, has also worked to spur innovation and boost the industry's reputation as an active participant in the transition to a low-carbon economy. Our most recent CEO survey shows global mining executives increasingly recognize the opportunities climate change initiatives can bring."

The report goes on to talk about how those initiatives have become increasingly important, and British Columbia has a chance to build on its strong performance to date. So this could one day and should one day give B.C. an edge in branding its products coming from British Columbia.

I think the future is bright. I think the member seems to want to focus on one point of taxation. It is a concern, but when one looks at the overall range of initiatives that the government is taking and the obligations that mining companies are willing to undertake here — and the new investment certainly proves that — the future for mining in British Columbia as a "stable and progressive jurisdiction," to use the PwC language, is very bright indeed.

**T. Shypitka:** I am definitely not going to be focused on one thing. You've alluded to permitting and the \$20 million. We'll be getting to that in a second.

The minister did indicate that I was somehow wrong in my assertation of this not being the number one hindrance to our competitiveness — that being carbon pricing and our tax structure, as compared to other jurisdictions. He talked about the 75 percent rebate that's been going on right now. That is only over the \$30 a tonne mark.

Industry is looking not so much at reducing the carbon tax as they are at putting in backstops to protect them on the price under \$30 a tonne. That's what we're seeing in jurisdictions like Ontario, other parts of the world and parts of Canada that B.C. does not have. And we are definitely being hindered by that. "A good balance," the minister says. These aren't my assertations, of course. I read from the Mining Association of British Columbia. So if the minister is accusing me of being wrong in my assertation, he is actually speaking to the Mining Association of British Columbia in that.

He mentioned the mining flow-through share tax credit that the previous government didn't do. Well, we actually set it up. We didn't give it the unlimited amount of time. We were going on a three-year basis, but it was something that we thought was a good incentive for mining exploration companies.

The carbon tax was revenue-neutral when we were in. The NDP was quick to erase that. These are the protection measures that we need in place, as an industry, to ensure that we're globally competitive.

We will touch, now, on another factor that the minister stated, and that is on permitting.

[1:45 p.m.]

We heard the member for Cariboo North, not too long ago, talk about delays on permitting. I think she mentioned something — notice-of-work permits for placer mining — that's gone from 60 days to about 240 days. The minister said that he doesn't agree with those timelines. Well, I'm here to tell the minister that those timelines are completely accurate. I hear them all the time.

Let's go to a group here, if I can dig it up. Not sure if the minister is familiar with a resource company called Taranis Resources. It's a public company that has been exploring a mineral deposit in southeast British Columbia since 2007.

The company reports that since Budget 2019, permitting times and MEMPR disorganization has never been worse. Taranis applied for a notice-of-work permit to drill on its Thor project in southeast B.C. in March of 2019. The company has a record of MEMPR mine inspectors informing them, as of August 20, 2019, that while they would like notice-of-work permits to be issued inside of three months, it's taking more like six months.

The notice of work is finally sent to the company for bonding in January of 2020 — setting the total notice-ofwork permit received time at just over ten months. When the overall impact of MEMPR's sluggish permitting time in 2019 combines with the seasonality common to many projects in B.C., the company reports that it will have been 15 months from submission of their notice of work for drilling to the time when the permit is approved, and they can actually begin work.

This is real. I think the minister needs to really get in touch with the mining industry, because what he cites is not reality. If he thinks permitting times take 30 or 60 days, he's not well advised, or he's not listening to what's actually going on out there.

A question from Taranis. Why does it take MEMPR five times as long for notice-of-work turnarounds as was targeted in their own performance measurement service plan? Hon. B. Ralston: I want to thank the member for his question.

I don't really think it's appropriate for me to deal directly with Taranis. There are other issues that involve Taranis, which the member well knows and may be at least a partial explanation of some of the delay there. I just don't think it's fair to the member nor to the company to deal with that here in this process. But I'm willing to discuss it or even discuss it with staff, if he chooses, at another time.

[1:50 p.m.]

I think the bigger issue that the member is raising and using this example to illustrate is the issue and the challenge of the regulatory process and the delay in getting any permits out the door. That's a challenge that I'm aware of, that the Premier's included in my mandate letter and has directed me to, with the help of the staff and the ministry, begin to solve.

Here are some of the key activities that have been undertaken or are underway to begin to resolve the problems. Enhanced project-managing approaches on major projects. Advanced mining opportunities in partnership with Indigenous nations. Assessment of and improvements to the province's statutory decision-making framework.

As the member will know, once a decision goes to a statutory decision-maker, it's not open to ministerial staff to interfere with that process. That's a stand-alone, independent jurisdiction. The way in which that might be improved is a live issue, and proposals are coming forward. And assessment of project-specific economic barriers.

I agree with the member. I share his concerns about delays in permits. I don't want to minimize those concerns. That's a challenge that I've been tasked with. I'm far from being unaware of it. I'm very specifically aware of it and working with key ministry staff, under the direction of and occasional reporting to the Premier on what is going on here. He's certainly demanding progress, and that's what I'm endeavouring to deliver.

**T. Shypitka:** Thank you to the minister for acknowledging that there are some issues here.

Earlier, when the minister was talking to the member for Cariboo North, he seemed to think those timelines were unfactual. It looks now that he's recognizing that this is a real issue. He has identified his challenge of the regulatory process, as he stated. Maybe the minister can tell me, then: what are those challenges, and how is government going to address those challenges?

[1:55 p.m.]

Hon. B. Ralston: I thank the member for his question.

I don't want to repeat myself, but I did, in the previous answer, set out some of the major directions that the ministry has taken to deal with these challenges. I won't repeat them, because then I would be criticized for repeating myself. But it doesn't appear the member acknowledged my answers. I'm in a bit of a dilemma there.

Let me move on and give a specific example of what the ministry is looking at and working to correct.

The ministry is well aware that industry is concerned about inefficiencies and long time lengths for processing of notice-of-work applications that the member himself just referenced. The ministry has work underway with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development to improve processing of applications for regional mines, which include mineral and coal exploration, placer aggregate and stone quarries.

A review of the roles and responsibilities between FrontCounter B.C. and the Ministry of Energy, Mines and Petroleum Resources — FrontCounter B.C. resides with the other ministry — is underway, and recommendations will be brought to the deputy minister board project overseeing mining regulatory excellence in the fall of 2020 in this specific example.

I hope that example illustrates, one, an acknowledgment of some of the issues that the member has raised. Secondly, that there is active work underway with a plan and with the goal of reducing inefficiencies and long timelines in this particular application. The same principle is generalized across a number of the ministerial permitting processes, and that's what I was endeavoring to deal with in my previous answer.

**T. Shypitka:** If I just understood the minister correctly, the Ministry of Forests, Lands, Natural Resource Operations and Rural Development will now be assisting MEM-PR on approval of applications on exploration. Is that what I'm hearing?

Hon. B. Ralston: I've been around the Legislature for awhile, and I remember when Pat Bell was the Minister of Forests, I believe. FrontCounter was set up, and it resides in the Ministry of Forests, Lands, Natural Resource Operations. It's not in EMPR. That's where FrontCounter is, and it doesn't work that well, particularly for mining applications.

Even though EMPR has the jurisdiction over mining, FrontCounter is in another ministry, and that friction, that separation, has not worked well. That's been clearly identified as a contributing factor to the delay. So what is being reviewed is a way of looking at FrontCounter B.C. and the relationship between that and the mining permitting process and seeing if we can fix it. It just doesn't work that well.

That's the goal, and that's our long-term objective. To give the member an example of that, I think, is pretty tangible.

[2:00 p.m.]

**T. Shypitka:** So what's the fix? How do we fix it? The separation is....

I agree with the minister. The minister actually referred to it as a bottleneck. There's a bottleneck in the process, and I believe it is at FrontCounter. I believe there isn't, possibly, enough staffing, or enough experienced staffing, that can move applications fast and off to the Ministry of Energy and Mines, and it's that separation that the minister has indicated is a big part of the problem.

So what is the fix? What are the plans the ministry has to eliminate this bottleneck?

**Hon. B. Ralston:** Thank you very much to the member for the question.

As I said earlier, this relationship, their roles and responsibilities.... A review of the relationship between FrontCounter and the ministry is underway. I don't have the recommendations yet. I know that the staff is very creative, and they've identified the problem. Those recommendations will come to a deputy minister project board, overseeing the mining regulatory excellence project, in the fall of 2020.

It is being actively worked on. It's been identified as a problem. A solution is required, and those recommendations will come forward to the very senior public sector leadership that's overseeing this process.

**T. Shypitka:** Thank you to the minister for the answer. That's encouraging. I'll make that statement. It will be wellreceived by industry and any upstarts that are coming online soon.

I just wanted to take a snapshot on the service plan, the vision that government has had on energy and mines and operating mines in the province. The 2020-21–2022-23 service plan is to position B.C. as "an attractive and responsible jurisdiction for investment in the mining sector." The minister has indicated that there have been some new acquisitions and some new blood in the game, so to speak, and that is encouraging.

I've also highlighted some real problems in the competitiveness and the permitting applications that are making investors not want to invest in B.C. and go elsewhere. We spoke about carbon leakage and that being a real concern, that we're chasing business away from a jurisdiction that does it better than anybody else.

The real legacy here right now with this government so far is that there's not been one single new mine started under this government since the start of 2017. Mining exports fell 9.9 percent in 2019. That speaks largely to our competitiveness. Budget 2019 allocated \$20 million over three years to implement the task force recommendations to improve competitiveness and oversight for mineral explorations and mining within the ministry.

The question, I guess, would be: how is the money allocated to implement the task force recommendations being spent?

[2:05 p.m.]

**Hon. B. Ralston:** The member's asked an omnibus question. So the answer might be a little bit longer.

Just dealing with.... The \$20 million is one part of the program of implementing the Mining Jobs Task Force recommendations. In the budget in 2019, what was under the division of the assistant deputy minister, mines competitiveness and authorizations division, 22 new jobs were added over the three years. They will deal with public geoscience policy and competitiveness; Indigenous engagement; tenure process; fair, effective, transparent authorizations; regional operations; and the mineral development office.

Under the leadership of the assistant deputy minister, mines, health safety and enforcement division, another 43 jobs. I think they call them FTEs in that poetic way they do. That, again, is over three years. That's to focus on health and safety, compliance audits and effectiveness, Indigenous engagement, mines investigation unit, compliance management, standing code review and orphaned and abandoned mines.

Those are some of the steps, and all of those bear upon the efficiency and the regulatory smoothness of the process that is the goal of the ministry.

[2:10 p.m.]

The member makes a reference to.... He did this in debate in the Legislature when we were debating the bill on administrative reform within the department, about new mines. I gave the example of what is called Artemis. That's the Blackwater mine. I met with the CEO. I referred to this earlier this morning, I think, or maybe yesterday. They've raised \$200 million. They have their environmental approvals in place. As the member for Cariboo North pointed out, one of the Indigenous nations — there are two — has agreements with the ministry to share mining revenue.

The sector, broadly, including the B.C. Mining Association, Michael Goehring, has told me that this has been really well received, happily received, maybe even joyfully received in the sector — that that mine is going forward. They have a very ambitious timetable for when they are going to open that mine.

I've said this now three times. I don't know why the member won't simply accept the facts about what the CEO of this mining company.... He's a person who was a Teck executive. He ran Teck about 20 years ago and has a track record of taking a company, Atlantic Gold, from a \$10 million or \$20 million operation and putting it into operation as an operating gold mine at \$800 million. It's a very capable team, with the necessary approvals in place, and it raised the capital, and with a lot of enthusiasm. I'm not quite sure why the member won't accept that when I say that. I just don't quite understand.

There are other mines, in the northwest particularly, that are in advanced stages of approval that will be major expansions. The Red Chris expansion. I've spoken of Newcrest's \$805 million American investment in Red Chris. This is an expansion beyond what exists there already. That's in the later stages of consideration for heading into operation. Galore is similarly in the later stages of heading into operation. KSM, as well, is similarly positioned, with some regulatory hurdles to overcome.

Again, the investment that these mines will attract will be literally billions of dollars. So the member should, I think, attempt at least to be fair and share some of the optimism that the sector feels about the future of mining in British Columbia. He just doesn't seem to want to acknowledge that good things are happening.

This is not just me saying it. I gather from the member's tone that he doesn't really accept very much of what I say. But this is from an article in *Business in Vancouver*. Rick Rule is the president of Sprott U.S. Holdings, a well-known mining retail broker specializing in mining and exploration investments. The member may have heard him speak at the AME Roundup conference in different years.

He says:

"Vancouver has proved itself" — by Vancouver, I think that's a proxy for British Columbia — "as a mining centre of excellence and is well poised to benefit from the convergence of mining and technology....

"The financing, legal, accounting, engineering, environmental and other...services that have developed around mining in Vancouver have made it a global one-stop shop for the mining and minerals exploration....

"Vancouver has become a city that has one of the largest population bases of mining professionals on the planet, Rule said. 'You don't have a lot of...institutional capital in Vancouver, but Vancouver has been unusually good at mobilizing capital from other places. And in that, you have a real advantage. You have us. You have access to U.S. retail."

It goes on to say he's raised money for a mine — Vancouver Sun Metals, which is developing the Stardust copper gold project northwest of Fort St. James.

"Rule said cities around the world strive to become hubs or centres of excellence for a variety of industries such as biotech, artificial intelligence, clean technology and aerospace. Vancouver is already a mining centre of excellence, and its digital and clean technology sectors provide a natural opportunity for synergy.

[2:15 p.m.]

"The convergence in technology and mining is going to occur...and what better place for it to occur?"

#### It goes on to say:

"Vancouver has amazing and, I believe, durable competitive advantages in the mining business, durable enough that it actually doesn't need to be improved upon, except in the sense if you don't continue to improve, you degrade."

#### That's what we're doing.

There's a leading, knowledgable, active investor in the mining sector, recognized as a speaker at AME, who is lauding and celebrating what's here in British Columbia. So I'd invite the member to join the party. By that, I mean the celebration, not political.

**T. Shypitka:** Yeah, I won't be joining the party any time soon.

Anyways, I have met Rick Rule. I have been to the conferences. I have heard him speak on many occasions. And he's right. We do have the most experts and, as the minister has said, the mining centre of excellence in North America. Absolutely.

That didn't happen overnight. That's been a long time coming. This is why the industry is trying to protect that reputation. We don't want them leaving our jurisdiction. From what I've cited here, the track record so far of this government on getting new mining operations started — not in the process of starting but actually going — is a concern.

The AME conference that the minister cited that Rick Rule spoke at gives us another telling statistic. It's all about time. The reason why I'm concerned about our competitiveness is the fact that AME has stated that if we don't get mines going in the next four years, in the next 20 we'll be down to about five operating mines in the province. We have 17 full-scale operating mines — big, large operating mines — in the province now. We'll be down to five in 20 years if we don't act in the next four, because a lot of those mines are showing end of life, and they'll be gone in the next little while.

We need to get things in the hopper now so that we can protect our centre of excellence and we can protect our experts and all of the 800-plus companies that reside down in the Lower Mainland. We need to protect that flagship that we've built for so long. This is a long lag time that we're trying to do here, and it starts with permitting and the bottleneck that we're seeing with applications right now.

The minister stated earlier in his speech, I guess, that there were 22 allocated full-time employees in competitiveness and 43 in enforcement. So addressing that urgency that.... We need competitiveness and authorizations and permitting addressed. We see twice as many employees in enforcement as we do in permitting.

I guess the next question to the minister would be: what task force recommendations have yet to be implemented by this government?

[2:20 p.m.]

**Hon. B. Ralston:** Well, the member points out the number of people who have been hired in the enforcement division. One of the reasons for doing that and one of the things that investors, risk committees and banks look for is that the jurisdiction is a safe one in the sense that regulations regarding worker safety are enforced. Environmental liabilities — there's a framework in which the mine is required to operate.

Those are aspects that, given ESG — environment, social and governance investors.... TD Bank has a report that says there's an \$83 trillion pool of capital looking for ESG investments. This is not a fringe thing. This is the major direction. That's why PwC wrote this report in 2019 about ESG — the opportunity, particularly for the mining sector in British Columbia.

Safety is not a frill. It's not a waste of money. It's intrinsic to the future success of attracting investment and growth in the mining sector in British Columbia.

At the same time, the focus is on the regulatory process and making it smoother and faster without diminishing regulatory standards. Most of what I've cited, and I don't really want to go through a number of the points again, are recommendations that flow from the task force. There are 25 recommendations. All of them have been accepted, and they're all in various stages of implementation. For some of them — for example, the flow-through mining tax — it was recommended to make it permanent. We've done that. There are a few others which are already done.

We are moving strongly on the recommendations. The previous minister placed a high priority on implementing those recommendations. I am continuing the work that she began, because as a government, we value the mining sector. We value the prosperity it brings to our communities. We want to make British Columbia the best jurisdiction for mining investment in the world — a stable, progressive jurisdiction, to use the words of PwC — and that's the path that we're on.

Yes, there are challenges. Yes, there are delays and regulatory challenges to work through. But we're working on those very hard. Coming into this ministry as a new minister only at the end of January, I'm very impressed with the work that's been done in tackling some of these very big problems and intractable problems.

As the member likes to point out, these things didn't develop overnight. To some extent, we're remedying some of the underfunding and the neglect of the sector that was evident when his party was in power and running the Ministry of Mines at that time.

**T. Shypitka:** I'm not sure what to say about that response. The question was: what recommendations hasn't the ministry met, not what they have done. The minister cited a couple of cases of what they've done on the recommendations of the mining flow-through share tax credit, something the B.C. Liberals started. I'm thankful that the new government followed up on it. That's great.

#### [2:25 p.m.]

What recommendations haven't been followed yet? That was the question. I'll ask that one. I'll also ask at the same time, because we are running short of time, about the timelines on identifying the CleanBC benchmarks and when we can expect certainty regarding the energy-intensive, trade-exposed carbon tax rebates.

**Hon. B. Ralston:** The Mining Jobs Task Force had 25 recommendations, and 21 have been completed or substantially started. COVID has affected the implementation timetable for some of them, but all of them are expected to be completed by the end of 2020.

I've gone through a number of them. I don't know whether the member wants to hear that. But it's a very proud record of accomplishment because of the value we place on the mining sector. This committee, the Mining Jobs Task Force, had representatives of industry, representatives of Indigenous Nations, representatives of labour, knowledgable people in the regulatory process, people who are familiar with the ESG investment and marketplace — a very comprehensive group, chaired by the assistant deputy minister in the ministry, Peter Robb — and unanimity in the recommendations.

We are moving forward with those as fast as we can. I thank the member for his support for the implementation of these recommendations, because I know that he values the role of mining in the B.C. economy as much as I do.

**T. Shypitka:** One of the questions, though, was on the benchmarks of CleanBC. When can we expect to see those — any time soon? I think they were promised several months ago.

**Hon. B. Ralston:** All the benchmarks were published last month, released online, and all companies have been notified of that fact.

T. Shypitka: I must have missed that. I'll check that out. With that, I guess that wraps it up for me. I want to thank the minister for the opportunity. I also want to just state that I am optimistic in British Columbia. I also want to, just for the record, state that the minister implied that somehow I wasn't respective of safety in the province. Of course, that's paramount. We need to keep our workers safe. We just need to find that balance. I think we're not there yet. That's why the questions have come up today in estimates.

#### [2:30 p.m.]

I also want to thank, once again, Dave Nikolejsin for all his work that he's done over the years. He's just recently retired. I want to welcome Fazil Mihlar to the team as deputy minister. He comes well respected. And Peter Robb, Les MacLaren and all of the other folks in MEMPR. They are good people. That I can attest to. I hope the minister leans on them heavily, because they will bring some opportunity to British Columbia, if we do it right.

**Hon. B. Ralston:** I'd just like to thank the staff involved. Obviously, this is a team project, and to some extent, some of the delays that were grumbled about were because the very excellent, well-informed staff were giving me just a few more facts to convey in a properly and well-rounded answer. I'm not blaming them. I'm just saying I respect their advice and endeavour to follow it where I can.

Thank you to everyone. Thank you to the members of the opposition who have participated in what I regard as a stimulating and vigorous exchange about the province that we all love. **The Chair:** Seeing no further questions, I'll now call the vote.

Vote 22: ministry operations, \$110,935,000 — approved.

**The Chair:** Okay, I think we will now take a short sevenminute recess before we prepare for the next ministry.

The committee recessed from 2:32 p.m. to 2:43 p.m.

[R. Leonard in the chair.]

# ESTIMATES: MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE STRATEGY

On Vote 23: ministry operations, \$188,132,000.

**The Chair:** Good afternoon, everyone. I call Committee of Supply, Section C, to order. I wish it was B because we're in the Birch Room, but it's C.

I want to recognize that I am participating today from the homeland of the Ləkwəŋinəŋ-speaking peoples, known as the Songhees and Esquimalt Nations. We extend our appreciation to them for the opportunity to undertake the work before us on this land.

We're meeting today to begin the consideration of the estimates of the Ministry of Environment and Climate Change Strategy.

I now recognize the minister. Would you like to make any opening remarks?

Hon. G. Heyman: Thank you very much, Chair.

I want to thank everyone for participating in these estimates and take the opportunity to introduce the ministry staff who are either with me in the room or connected virtually, starting with my deputy minister, Kevin Jardine; Jeremy Hewitt, the assistant deputy minister, climate action secretariat; Laurel Nash, the assistant deputy minister for environmental protection; James Mack, the assistant deputy minister for environmental sustainability and strategic policy; Jim Standen, the assistant deputy minister for B.C. Parks and the conservation officer service; and Scott Bailey, the associate deputy minister for the environmental assessment office.

#### [2:45 p.m.]

As well, Wes Boyd, the assistant deputy minister of corporate services for the natural resource ministries, and Denise Rossander, the assistant deputy minister and chief information officer, innovation and information technology.

People in B.C. are acutely aware of the connection between their health and their community health as well as the rich and diverse environment in which we live. We've seen this connection heightened and appreciated during the COVID-19 outbreak. People have expressed, continuously, the importance and the need to connect with nature while maintaining physical and mental wellbeing during this very critical time.

Our ministry works in collaboration with a variety of partners, including Indigenous peoples, environmental groups, industry groups and businesses and others to implement our mandate. The ministry is responsible for protection, management and conservation of B.C.'s water, land, air and living resources. We're responsible for managing the province's parks and protected areas. We're responsible for monitoring and enforcing compliance with environmental laws and regulations, which have been maintained throughout the COVID-19 response.

We take action as well as plan actions to address climate change, including the responsibility to respond to climate risk and preparing for potential impacts. We conserve B.C.'s biodiversity, including ecosystems, native species and natural habitats. We develop legislation, regulations and policies that are based on scientific knowledge and expertise. We oversee provincial environmental assessments, environmental monitoring, data management and reporting, and we regulate discharges that are made to the environment.

We've made some significant progress over the past year. We've continued to implement our CleanBC plan, which is a comprehensive plan to meet our legislated emissions targets and to support a cleaner and better future economy for the people of British Columbia.

CleanBC continues to be a government priority throughout our COVID-19 recovery planning. In fact, as has been stated by myself, the Premier and the Finance Minister, CleanBC will continue to be at the heart of our economic recovery plans.

The work that we've been doing so far to prepare for this includes a wide range of actions across a breadth of ministries. We've passed legislative changes mandating annual accountability reporting on our progress toward the CleanBC goals. This is a first for any province in Canada, and the changes include requirements to establish sectoral emission targets as well as a new interim target between now and 2030.

We established a legislated Climate Solutions Council to replace our previous advisory council. We will develop a climate preparedness and adaptation strategy for release later this year.

On other fronts, we're continuing to develop a plastics action plan, which will build on the public engagement that took place earlier this year, which had one of B.C.'s highest participation rates in any engagement undertaken by our government and, in fact, by previous governments.

We continue to work with the Minister of Finance on carbon tax implementation following the COVID-19 pandemic, but please note that questions on details of the carbon tax should be directed to the Ministry of Finance. We've made significant progress in implementing our CleanBC program for industry, which is funded through the carbon tax paid by industry.

Our new Environmental Assessment Act is now in force and has been since mid-December. We've revitalized the process to ensure that it will enjoy greater public confidence as well as greater public participation; the participation of Indigenous peoples and, therefore, will advance reconciliation while protecting the environment; and, also, that we offer clear pathways to approvals of sustainable projects.

Since passing the Professional Governance Act, we established the office of the superintendent of professional governance to oversee five regulatory bodies in the natural resource sector. This office has been transferred to the Ministry of Attorney General where it now resides.

We have continued to defend B.C.'s interests with respect to the Trans Mountain pipeline expansion and the threat of a sevenfold increase in tanker traffic.

[2:50 p.m.]

With the decisions of the courts, we continue to work with the federal government and to advocate to the federal government to ensure that the greatest possible protections with respect to spill response and recovery are in place. We will continue to play that responsible role on behalf of the citizens of British Columbia, despite having our jurisdiction clearly outlined in a variety of ways by the courts.

We'll continue to work to protect species at risk, to improve outcomes for species, to support reconciliation with Indigenous peoples and to support a truly sustainable economy. Our actions align with the broader government commitments to make life more affordable for British Columbians, to deliver the services that British Columbians count on, specifically services respecting our environment and ecosystem services, and to build a strong, sustainable economy that works for everyone.

We continue to support the declaration on the rights on Indigenous peoples as part of our commitment to reconciliation with First Nations in B.C. In fact, that has been built directly into the new Environmental Assessment Act. These commitments have taken on new relevance in light of COVID-19 and our restart plan, as we build back towards an economic recovery, as we build back better. I look forward to questions from members and providing answers.

The Chair: I now recognize the member for Kamloops–North Thompson. Do you have some opening remarks?

**P. Milobar:** Yes, thank you, Madam Chair. And thank you to the minister for assembling his staff yet again for another round of estimates, always a favourite time of year of mine.

Just to give the minister a bit of an overview of how we're hoping to conduct things and so the staff are aware as well. Some of the other estimates were getting a little broken up with the Green Party coming in, asking some questions, coming back, asking some questions. So we've agreed that the Greens will actually start off with their questions, and then I will turn it over to a couple of my colleagues that have a few local questions. Then the rest of estimates time will pretty much be the minister and myself going back and forth.

Recognizing the constraints we have this time with this system, as well as a lack of hours for debate built into the system that we currently are trying to utilize, I will definitely endeavour to make sure that my questions are short and to the point and understandable. Hopefully, we can have that good exchange back and forth. I know that in previous estimates, the minister has been good about a quick return, so hopefully, we won't have the same frustrations that we've seen in some other estimates to this point.

Certainly, I'm heartened to hear the minister speak at length about CleanBC. Frankly, to this point — just a heads-up to the minister, I guess — other ministers who have CleanBC responsibilities have pretty much directed all questions back to the Minister of Environment. So hopefully, the Minister of Environment will be able to shed some more light on some of those CleanBC questions that are lingering out there.

With that, I will not take up any more time now. I'm glad we turn the next set of questioning over to the member for Cowichan Valley.

**S. Furstenau:** Delighted to be here. It's great that we're having to really hone our organizational skills to make estimates work by Zoom, but I appreciate the work that the opposition caucus has done with our staff to get these arrangements in place so it works for everybody. Glad to be here today with the minister to ask him some questions.

I think I'll start where, in some ways, in his opening comments, he talked about the role of the Ministry of Environment and the role it can play in the future. I think one of the things particularly connected to COVID-19 is the very wide-ranging, global conversation around, really, a green recovery from COVID-19. I would expect the Minister of Environment would, hopefully, want to be playing a significant role in that.

We point to some of the other jurisdictions around the world. The EU has put \$750 billion towards a package that will prioritize rebuilding the European economy around renewable energy, less-emission-intensive buildings like schools, social housing and hospitals, and clean transport. Spain has committed to legislation that requires achieving net-zero carbon emissions by 2050. The U.K. launched a \$44 billion clean growth fund for research and development in green technology for power, transport, waste and building energy efficiency.

[2:55 p.m.]

My question to the Minister of Environment is really a little bit of a big question, and I hope he has some big ideas for us. What role does he see his ministry playing in developing a green recovery for B.C.'s economy? What sectors of the economy does he see being prioritized for that economic recovery? And what role will CleanBC play, specifically, in guiding the provincial economic recovery?

Hon. G. Heyman: Thank you to the member for the question.

I think the member knows, and I think people who have been listening to our government talk about CleanBC over the last year and a half know, that we've always maintained that CleanBC was both an emissions-reduction plan and an economic plan — an economic plan based on diversification, on lowering carbon emissions and on advancing measures that both provided jobs and lowered emissions, ensuring that we transition to a clean economy and that we take advantage of technology.

In some ways, the COVID crisis has made that more apparent than ever. It has made us repeat — the Finance Minister, the Premier, myself, other ministers — our commitment to CleanBC, our belief that, as we consider economic recovery, it's more important than ever to reinforce and amplify the range of measures that were already outlined in CleanBC, as well as continue to develop the phase 2 measures that we've committed to announcing.

The climate action secretariat and my ministry have been working since mid- to late March, actually, on developing proposals that we could bring to cabinet for economic recovery that would be associated with the funding that has been set aside for one-time economic recovery, as well as thinking about the kinds of investments that we will want to make in budgets going forward. We've worked with other ministries. We want this to be, and know that this must be, a cross-government initiative.

#### [3:00 p.m.]

We have been looking, in the short term, at those existing programs in CleanBC that could be amplified and we know can work because they're already up and running. We already have the infrastructure to put them in place that can provide jobs, that can provide an economic recovery that is distributed across the province, that we target Indigenous people, women, young people and others who have been most impacted by the losses in employment and the economic impacts of the COVID pandemic.

We're looking at initiatives that will involve training young people and others to develop new skills that we know we will need for years and decades to come. Without going into exhaustive detail, we see CleanBC — the Clean-BC programs — and the kind of programs that we know we need to develop in the coming years to further advance the diversification of a clean, low-carbon economy as being central to economic recovery.

We look forward to working with all members of the Legislature to take your ideas as well as to bring forward solid economic recovery plans that are consistent with what is being recognized globally, whether it's from central bankers, the broad finance industry, the International Energy Agency and economic commentators.

Now is the time not to repeat the mistake of 2008, where the recovery resulted in increased GHG emissions, but to understand that we face, in the midst of this COVID crisis, the ongoing climate crisis. Let's seize the opportunity to make our investments count on every front, especially in the fight against climate change.

**S. Furstenau:** I appreciate the minister's intentions and the recognition that we absolutely do have a very serious responsibility to recognize that the COVID crisis is not the only crisis we're facing. We have a climate crisis, and we have a crisis of ecological and biological breakdown on our planet.

I'm going to go to something a bit more specific. This comes back to CleanBC and the efforts to reduce our overall emissions and, as the minister pointed out, the accountability act, the sectoral and interim targets that we're now looking at.

Yesterday in estimates, the Minister of Energy, Mines and Petroleum Resources confirmed that B.C. is a net importer of energy and that the carbon intensity of our trading partners is significantly higher than B.C. in all cases. The weight of  $CO_2$  equivalent is at least double for energy sources coming from Alberta and the United States. As we know, carbon emissions do not know borders. Effective action on climate change requires a multijurisdictional approach.

My question to the minister is: how does he justify importing carbon-intensive energy into B.C. while promoting CleanBC and the need to reduce our emissions?

[3:05 p.m.]

**Hon. G. Heyman:** Thank you, again, to the member for the question. If I understand the question correctly, and she will tell me if I don't, this question relates to the legislation that is currently before the House with respect to changing B.C.'s self-sufficiency standard.

It is legislation before the House, and it is not, frankly, from my ministry, but my understanding of the legislation is that it replaces the self-sufficiency standard with the requirement that all energy purchased for use in B.C. must be 100 percent clean energy.

**S. Furstenau:** The question, of course, has some relation to the bill that's in front of the House, but it's stemming more from the fact that the Minister of Energy, Mines and Petroleum Resources yesterday, and the previous minister, last year, indicated that we are net importers of energy in British Columbia and that the  $CO_2$  of the energy we're importing has a higher intensity than the energy we produce here in B.C.

There's a disconnect around our intentions of being clean energy producers and users and the fact that we

are indeed importing energy from non-clean sources at this time.

I will follow up on that. I'm not sure, given the minister's response, but I'd like to know if the minister knows whether the emissions from our energy imports are included in our annual greenhouse gas inventory. And does the carbon tax apply to our energy imports?

**Hon. G. Heyman:** I'd like to ask a question of clarification from the member for Cowichan Valley. Is she referring to electricity imports, or is she referring to fossil fuel imports?

**S. Furstenau:** This would be imports to our electrical grid. This is electricity imports. As indicated by the minister yesterday, it's not necessarily clean energy that's being imported — imports of energy, of electricity, that come from sources that have a higher carbon intensity than the carbon intensity levels in British Columbia.

[3:10 p.m.]

**Hon. G. Heyman:** To the member, no. Emissions that occur in other jurisdictions, in accordance with the UNC-CC framework, are not counted. They're counted in the jurisdiction in which they take place. And in that sense, they also know no borders because they're counted in terms of the overall global framework.

We certainly hope that the global meetings with respect to climate change, addressing climate change, reaching agreement on mechanisms to meet the commitments that were made at the UN conferences, proceed and get more robust. But whether or not those emissions are counted in British Columbia, we certainly recognize that they are important and that we want to take every step possible to ensure that our CleanBC framework reduces emissions for which British Columbia is directly or indirectly responsible.

That's exactly why we now have legislation from a different ministry, Energy, Mines, and Petroleum Resources, before the House. That no longer requires that we're selfsufficient but does require that all electricity used in B.C. be clean and renewable. That is the point of the legislation.

**S. Furstenau:** Further to that, the Minister of Energy and Mines also was asked about LNG generally and his position on the LNG industry. He indicated that he believes the LNG industry is a good one for this province and did not indicate that he thought that we should be focusing on something other than LNG or that.... He was open to more LNG projects in British Columbia.

I guess my question to the minister is around this. Knowing that the LNG Canada project is already going to be the biggest emitter of carbon emissions and that all of the other sectors of industry, in order for us to meet the targets that have been legislated, will need to significantly decrease their emissions, does the minister think that it is possible to further accommodate more LNG projects in B.C. and still meet our targets?

[3:15 p.m.]

**Hon. G. Heyman:** What I'd like to start off with is that since the day we formed government, since the day I received my mandate letter, and going back before that to our commitments in the platform on which we ran, we have been committed to legislate and meet emission reduction targets.

We formulated a CleanBC plan, in cooperation with the Third Party, to meet those targets. We outlined how we're going to do that, and we outlined how we're going to do that including the approved final investment decision for LNG Canada phase 1.

I think the question the member asks is, in some ways, not the correct one. I'm not in a position to judge what technologies or methodologies to reduce emissions from any particular LNG project may come down the pike in the future — or, in fact, in any other industry.

What we are committed to is ensuring that we meet our legislated emission reduction targets and that we put forward to British Columbians a clearly modelled pathway to do that. And, that we report annually, through the Climate Change Accountability Act, on what we are planning to do and spend money on in the three years to come, how successful we were in the previous year, and include the advice and commentary of the independent advisory committee, now called the Climate Solutions Council.

That commitment remains steadfast. Of course, we have to look at all the aspects of both emissions and emission reductions in British Columbia to see how we're doing in that regard.

**S. Furstenau:** Following up on that, I guess I'll start with asking.... I'm going to get back to this question. For the minister, have our emissions gone down at any point in the last several years? What is the current trajectory for emissions?

Further to his point about the LNG industry, I think that what's important to point out is that.... This is something I asked the minister about in question period last year. When the industry is given back 100 percent of its carbon tax over \$30 a tonne as part of the CleanBC industrial incentive program, which was meant to incentivize industries that already existed as opposed to providing this kind of space for a new industry — particularly, in fact, our most carbon-intensive industry — does the minister see that as, I guess, putting fingers on the scale? This, in our minds, is very much a subsidy of the oil and gas industry.

It goes beyond saying that we're going to meet our targets. Where government puts its money has a huge effect on the kinds of industries that thrive and survive. While we are one of the lowest provinces, for example, in supporting the high-tech industry, we have massively increased how much government money is flowing, Even when it comes down to producing jobs and economic opportunity, the statistics and the data are pretty clear that money invested by government into renewable energy and renewable technology produces more jobs than money invested into oil and gas.

#### [3:20 p.m.]

COMMITTEE OF SUPPLY, SECTION C

I guess I'll come back to my questions: (1) what has the trajectory of our emissions been over the last five years; and (2) does the minister consider that CleanBC industrial incentive program, the 100 percent back of anything over \$30 in carbon tax for LNG Canada, to be a subsidy, and how does he square that with saying that we want to be climate leaders?

**Hon. G. Heyman:** Well, let me deal with the emissions question first. I would say that emissions have been largely flat. The last year for which we have verified figures is 2017, and 2018 will be coming out shortly. But as the member knows, we didn't even announce CleanBC until the end of 2018, and we're still implementing measures through CleanBC.

What I can say is that emissions per capita are down, so the emissions intensity of our life in British Columbia is down. But that, of course, is not good enough, because we also need to, in absolute terms, reduce emissions, which is what CleanBC and the various measures, regulations, carbon taxes, etc., are all about.

Going to the question of the CleanBC industrial incentive program, which is a program.... For those who may be viewing who aren't familiar with the details, it's meant to protect emission-intensive industries from carbon leakage where jobs disappear in British Columbia and they, perhaps, end up in more carbon-intensive jurisdictions without a carbon tax. But it's also meant to incent industry to reduce emissions further.

#### [3:25 p.m.]

It was never part of the plan for the CleanBC industrial incentive to only apply it to existing industries and not to new industries. In fact, it makes a lot of sense to have a uniform platform that applies to industry in British Columbia. Currently, high-emitting industries, but perhaps, at some point, more broadly to ensure that the incentives to approach and, ultimately, be world-leading in terms of low carbon intensity and, therefore, lower emissions, is met throughout all industries in B.C.

The member suggests, whether intentionally or not, that LNG Canada is permanently exempted from the carbon tax over \$30 a tonne. The fact is that under the CleanBC industrial incentive program, the benchmarks are set, rates of rebate are qualified, and every five years, those are reviewed. All B.C. industry has an incentive to either get better and get to the 100 percent rebate if they're not already there or to continue to be world-leading in order to maintain that 100 percent rebate. That's the incentive that's built in, in addition to the incentive, of course, for the under \$30 a tonne carbon tax.

**S. Furstenau:** I'll leave that there, that particular line, just because we have limited time. But I think that, increasingly, it's pretty hard to argue that LNG, in any way, is world-leading in terms of its emissions, in that a lot of research has suggested that if you take into account the methane at source and the extraction — the emissions from that — LNG has the intensity of coal.

I'll leave that discussion for another day, but I do want to speak specifically, again, to something related to this project. There was an article that came out a few days ago about the Coastal GasLink pipeline construction and that inspection officers from the Ministry of Environment had determined that "the company's wetlands management plan had not been followed in any of the wetlands along the route designated ecologically and socioeconomically important" — wetlands that were ecologically and socioeconomically important.

There were two non-compliance orders issued. The Ministry of Environment put out a statement saying that 42 wetlands are affected. Unistoten Dark House says that there are nearly 300 protected wetlands along the pipeline route, and Coastal GasLink hasn't developed site-specific mitigation plans for any of them.

I guess I'd like the minister to let us know what the next steps are, from his point of view, on ensuring that these wetlands are protected. Who will be responsible for the oversight of that? Will it be Ministry of Environment staff that ensure that not only is the plan created, but it is properly implemented? What will be the consequences for that not happening?

#### [3:30 p.m.]

**Hon. G. Heyman:** To the member: thank you for the question. The outcome to which she refers, with respect to Coastal GasLink, both the compliance orders — to cease work until the environmental assessment office is satisfied that compliance measures are in place — are legally binding conditions of the environmental assessment certificate.

I think it's important to point out that while the environmental assessment office is under the purview of the Ministry of Environment, it operates somewhat independently of the Ministry of Environment, under its statute.

Environmental assessment office compliance and enforcement officers identified the non-compliance issues. They will make independent decisions to ensure that the company comes into compliance. The measures they have at their disposal to ensure that are administrative and monetary penalties, as well as continuing orders preventing the company from proceeding with construction activity in those areas where the non-compliance was identified.

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**S. Furstenau:** Thanks to the minister for that. I guess I'll just leave it with this. Given the very serious concerns that have been raised by the Wet'suwet'en about this project, to see already that there has been this kind of non-compliance with the environmental protection efforts that they were supposed to have put into place is, from our point of view, quite worrying. I am relieved that the ministry has been monitoring, has sent their compliance officers and has put these orders in place.

However, it speaks to what I see as a wider culture across the province, when it comes to environmental protection, with any of these big projects. From things I hear about from communities all around the province, the protection of the ecological systems of streams, wetlands, riparian areas and drinking water tend to be falling by the wayside far more often than they should be. I think it's something that should be causing all of us some concern.

I'm going to switch to salmon and steelhead. In his opening remarks, the minister spoke about species at risk. Steelhead are certainly one of the species that we are most concerned about in British Columbia. However, the number of species that we are worried about is significant.

There was a recommendation from the B.C. forest board recently, in a report documenting how salmon populations are at risk due to sediment buildup from road construction. The recommendation was that legislation be introduced to "ensure a clear and enforceable requirement to minimize the sediment entering streams during road construction, maintenance and deactivation and that updated guidance and standards for road construction and maintenance be provided to industry."

My question for the minister is: will the ministry be following up on these recommendations and taking any other steps to ensure the health of B.C.'s salmon population and, in particular, the steelhead, which are at such significant risk right now?

[3:35 p.m.]

**Hon. G. Heyman:** The specific issues to which the member refers — steelhead, in particular, and forestry practices that impact it — are the jurisdiction of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development. They are the Ministry of Forests. The report the member references was made to them.

The role of our Ministry of Environment is to provide policy advice with respect to the federal Species At Risk Act, evolving measures that we are considering, and knowledge that we have with respect to species-at-risk actions in British Columbia, as well as scientific expertise. We offer that where it's appropriate.

Just to conclude, a more detailed answer, about what the next steps would be, would be more appropriately addressed to the ministry responsible.

**S. Furstenau:** I guess that sort of speaks to some of the confusion that people have.

I'm going to actually move this right to the bigger question of the Ministry of Environment's role when it does come to species at risk. It was in the minister's mandate letter, at the beginning of his mandate, to bring in speciesat-risk legislation. We haven't seen it yet. The protection of habitat would seem to fall under the Ministry of Environment; maybe I'm wrong.

I would like an update from the minister on where things are at with this legislation. Are there funds in the budget for producing this legislation? What are the barriers for why this legislation hasn't come forward? Given that we are in a global biodiversity collapse, it would seem that we have a very serious reason to be quite proactive on species at risk and biodiversity protection in this province. [3:40 p.m.]

I'd like to hear from the minister. Why haven't we seen that legislation yet, and will we be seeing it soon?

**Hon. G. Heyman:** We engaged, shortly after I received the mandate, to create species-at-risk legislation. We did extensive consultation with industry, stakeholders, the public, environmental organizations and Indigenous nations.

We found, as would be expected, a lot of complexity. Particularly, one of the things that we took note of was the strongly expressed desire by Indigenous nations — which takes on even great import with the recent passing of the B.C. Declaration on the Rights of Indigenous Peoples Act — to ensure that they were fully involved in both the legislation and in the processes established by the legislation, particularly the application of Indigenous knowledge. They said to us that they wanted to be sure that we took the time to get it right.

We are doing some things in the meantime. We are currently reviewing our listing criteria for endangered species, as well as our approach to mitigation and offset measures as both building blocks for ultimate legislation and things that we can do now.

#### [3:45 p.m.]

We're also aware that the mandate letter for the new Minister of Environment and Climate Change Canada includes reviewing their federal Species At Risk Act. I've spoken with Minister Wilkinson about that review and suggested, to which I received a positive response, that we ensure that the end result of their amended act and our new act is one in which the two acts work synergistically rather than in opposition to each other.

We talked further about the possibility of identifying a couple of pilot projects in British Columbia where we could try different approaches to inform, ultimately, legislation. Clearly, pilot projects that make sense would be ones that are addressing real, current and live species issues.

The member also asked whether we have money budgeted for legislation for the work that we're currently doing in the ministry. We have capacity in the current budget. When we complete a legislative proposal, when we get to that point, it will include a business case and identify if additional funds are needed for both legislation development and implementation. And that, of course, would be considered by Treasury Board.

**S. Furstenau:** Just to my colleagues in the opposition, it's my last ten minutes here. I'll just bring it home to Shawnigan Lake.

As the minister knows, the closure plan of the Cobble Hill Holdings site, of the contaminated landfill in our watershed, is underway. There remain, obviously, many, many concerns in the community about not only how this is unfolding now but how we've gotten here.

Last we checked in, the company had not paid its property taxes, and the land was in the process of forfeiture to the provincial government. I expect that that's still the same, but maybe there's an update on that. The company has been importing clean fill to its site as capping fill, which would generate revenue for the company, and I'm wondering if there's any kind of payment plan in place to start paying those taxes that are owed.

A couple of other things. On February 18, there was an advisory letter from the Ministry of Environment to Cobble Hill Holdings indicating that records of volumes of leachate.... This would be the leachate, the liquid, being collected from the site that is needed, as according to the spill prevention order, to be collected, measured, and then taken to a proper facility for disposal. According to the advisory letter of February 18, there were no records of this happening.

I went through the documents that are available online, and there does not seem to have been any indication that that's been remedied. I'm curious to know whether the minister has any further information on the missing records and whether that requirement under the spill protection order is being met right now, that the company is providing records of the leachate volume as well as where it's being transported to.

Finally, I note that the company is supposed to put up reports every two weeks. The last report that was up was April 30, and it did not include water sampling data. We've had no reports from May or June, and so that's obviously a concern to the community, as has this entire process been.

Those are my questions for the minister. I hope he got them all down, and I'm happy to clarify.

[3:50 p.m. - 3:55 p.m.]

**The Chair:** Members, I just want to say that we'll take a five-minute recess while we undertake cleaning and safety protocols in preparation for a new committee Chair. Stay tuned for another five minutes.

The committee recessed from 4 p.m. to 4:09 p.m.

[S. Chandra Herbert in the chair.]

**Hon. G. Heyman:** Thank you to the member and others for their patience while.... I wanted to make sure that I fully understood the process before I gave the answer to the question.

Let me start with.... One part of the question had to do with the taxes that are owing on the property, and with respect, there is no relationship between the responsibility of the named parties and their requirement to comply with the orders given by the ministry and the fact that there are taxes owing.

[4:10 p.m.]

The status of what is happening with the taxes owing, with respect to the owner, is a question that needs to go to the Ministry of Finance. I don't have the answer. They will.

The process with respect to testing, the submission of test results to the ministry and the posting of the test results, is something like this. There's a range of testing and reporting that takes place every two weeks. Those reports come to the ministry. They're reviewed by the ministry prior to posting. In some cases, there are questions that the ministry staff have of the qualified professional who is working on the testing. Those get asked; they get answered. The report is reviewed and posted when the ministry is satisfied that it's ready to do so.

With respect to the issue of the letter from February 18 with respect to leachate, the letter noted that the tanks had been emptied and leachate had been transported. What was missing in the report was the volume of leachate, as well as the destination of the leachate. That information has subsequently been provided in the report that will be posted shortly.

We have had a delay, for a variety of reasons, in posting the reports, although we have them. I'm advised that we'll be ready to post them imminently, within the next week.

**S. Furstenau:** I'll leave it at that. That was my allotted time. I turn it over to the official opposition at this time. I thank the minister for his answers, and we'll be following up on some of those issues.

**P. Milobar:** Thank you to the member for Cowichan Valley for using the time as well as she did and sticking to it. I appreciate that greatly.

We're going to turn it over to Cariboo-Chilcotin for a few questions, followed up by the member for Penticton for a question. Then I'll jump back in.

**D. Barnett:** Thank you to my colleague from Kamloops North.

Minister, I wrote to you on the 15th of April, 2020, asking for cancellation of all park user fees for the guide-outfitters for 2020 and refunds for 2017 and 2018. I appreciated your response. It was a strict response around COV-ID, and that was not my question. Will the minister consider rebates for these guide-outfitters who, because of forest fires, flooding, legal issues with land title, have not been able to work but have paid their fees and have been asking for a refund?

[4:15 p.m.]

**Hon. G. Heyman:** Thank you to the member for the question. We acknowledge that we owe the member a response to her letter, her second letter. We apologize for the delay in that.

What we have been doing is work across government with other ministries. Frankly, the fees for guide-outfitters.... There are fees for many other operators, governed by other ministries, and what's important is that we have a consistent approach across government. We're working on that as government, not just in the ministry. The member can expect a response within the month, I'd say.

**D. Barnett:** Thank you. I will await that very anxiously.

My next question, Minister, is... As you know, many of our ranchers have dams. They fall under the guidelines of the Ministry of Environment, which is great. We know how sensitive dams are. We know that if they're not kept intact, not good maintenance, it can create problems. However, over the last two to three years, because of fires and nowhere for water to be absorbed, with the massive rainfalls we've had in the Cariboo-Chilcotin, some of our ranchers are in dire straits for many reasons.

The costs of keeping these dams up is totally getting out of reach. The price of beef, the other issues they are facing.... Many of them have been flooded out in 2018 — and 2019 for some of them. This year it is an absolute disaster.

Will the minister consider some kind of assistance for these ranchers, to keep these dams afloat? Or what is going to happen is we probably will see some decommissioned. These dams are of a benefit to the taxpayer as a whole. You have situations where the dams take the water in, and it doesn't run all over the countryside like it's doing now because it has no place to go. It helps our bird population, and it also helps much wildlife.

Would the minister consider taking a good look at the dam regulations and reconsider some kind of assistance for our ranching community?

[4:20 p.m.]

**Hon. G. Heyman:** Thank you to the member for her strong advocacy for the ranchers and the industries. I'm sure they appreciate it. It's important to do. I think the actual regulation of dams is a bit of a shared jurisdiction with Forests, Lands, Natural Resource Operations.

I think the real issue here is that the member is asking about support for the ranchers. A primary ministry for that would be the Ministry of Agriculture, but I am more than happy to have that discussion with both of my colleagues. I can certainly commit to that. Certainly, the Minister of Agriculture will be far better versed in this issue than I am, but I'm happy to have that discussion.

D. Barnett: Thank you to the minister.

I'll turn it back over to my colleague from Kamloops-North Thompson.

**P. Milobar:** I believe the member for Penticton has a question, as well, for the minister. Then I'll jump into my questions, if that's all right.

**D.** Ashton: Minister, it's always nice to see you again.

Minister, more of a comment than a question but with some consequences added to it. There was an article in our local paper from an employee from the ministry, a gentleman that is challenged with the difficult task of maintaining the level of Okanagan Lake, especially during the freshet. The comment was that for the last three out of four years, we have not done a good job. Unfortunately, Minister, those pines have cost humungous amounts of money for people that are affected by the lake level. And it's not just people on the lake.

What I would ask, Minister, is that, if at all possible, through your ministry, could we try to get a better handle on what is transpiring with the lake level? Again, I know the concerns of climate change, etc. However, I know today we are still above full pool. And when we get the winds and we get the summer traffic with the boats — people on the lakefronts are facing those challenges — and also the water table, the pressure of the water in the lake has been pushing out into homes beyond that and, like I said, causing tens and tens of thousands of dollars of damage.

I will ask that I have the opportunity to discuss it with you personally, and I can actually give you some names of people who have had some very, very financial hits from the high-water levels.

Minister, at your convenience, please, it would be appreciated, a sit-down. Once again, if we can, in some way, try to get a handle on the full-pool requirements of Okanagan Lake and keeping it at the full pool or below and not above, the way it has been three of four years.

Thank you, Minister, for the opportunity.

**The Chair:** While the minister is conferring with staff, I appreciate the collegiality, although I must mention that in our rules, of course, questions are directed to the Chair, just as answers are directed to the Chair. While we've got this pause, just to remind folks, as the previous two speakers were directing questions directly to the minister as opposed to through the Chair. Thank you, Members.

**D. Ashton:** Mr. Chair, I do apologize. It's duly noted. Please accept my apologies.

The Chair: Thank you, Member.

**Hon. G. Heyman:** Thank you to the member for Penticton for raising this important issue.

[4:25 p.m.]

Much of the regulatory measures are in the hands of FLNRO, but the question was whether the member could have a discussion with me, and I will ensure that we have the appropriate staff from both ministries. We're happy to do that. We'll arrange to set that up.

D. Ashton: Thank you.

**P. Milobar:** My first question to the minister would be.... Back in September, which seems like a like a long time ago, as the economy was starting to slow down and as the Finance Minister realized that deficit was a likelihood, a call went out to all ministers to make sure that they found operational savings.

Can the minister share with us what operational savings the Ministry of Environment was supposed to find from September to the end of the fiscal within their budget?

**Hon. G. Heyman:** The amount was \$8.682 million, or somewhere around a little under 3½ percent.

[4:30 p.m.]

**P. Milobar:** I'm assuming the ministry staff would've been going through various areas to try to find those savings. They would've had to start identifying either where there were savings or there were additional cost pressures to the ministry on other programming.

I'm just wondering if the minister could share with us what the total cost pressure and/or immediate savings were that were identified. In other words, was it actually more in cost pressures than cost savings that were easy to identify, and if so, what was the dollar value of those cost pressures?

**Hon. G. Heyman:** First of all, the public accounts are still being verified and finalized for the last fiscal year to which the member is referring. They'll be publicly available shortly. But I'm going to ask for the member to clarify the question. I'm not sure I actually understand the difference that he's pointing to between.... I think he said cost savings and cost pressures.

**P. Milobar:** Well, one would assume, in any operation, that if you're looking for savings, you also have to review where you are at a budget in any given part of the year.

Given that Environment would have been six months into the fiscal — well, four or five months, almost halfway through — and given that the large majority of Environment's spending actually happens in the summertime and this edict came down in the fall, Environment would have had a better idea than most ministries as to where their spending was or wasn't for the year going to land. So there would have been things, various programs that the ministry is responsible for, that, upon review, would have been discovered to have had cost pressures in any type of a year, let alone when you're being asked to find \$8,628,200 on top of that.

I'm wondering, essentially, if there were other areas that were causing concern for the ministry at that time. They were causing cost pressures or looking like there were going to be cost overruns within any of the particular envelopes.

**Hon. G. Heyman:** While Environment is not the largest ministry in government by a long shot, it's not insubstantial. It's a large, complex budget with a number of departments, so there are always cost pressures in any given fiscal year. There are things that arise, and there are things that we manage. We're constantly making decisions about how to manage the balance of issues that are facing the ministry.

[4:35 p.m.]

I'll give one example. There was an environmental emergency at the former Neucel pulp mill on Vancouver Island. A little bit of the cost to address that emergency came from funds that we had available within the ministry. The rest of it came from contingencies, because it was important to both the community and the First Nations that we prevent an even bigger environmental emergency.

In general, there were no outstanding cost pressures that were unique to last year that stand out from any other given year. We had no reason to think we weren't on target to balance our budget prior to getting the direction to find some savings. We looked for savings spread out pretty evenly across the whole ministry, and we found them, as I'm sure the member will be able to verify when the public accounts are released.

**P. Milobar:** Could the minister confirm for me if...? Within the operation budgets for the Ministry of Environment, it's definitely a human resource-heavy ministry, in terms of it provides a lot of services that take the human component to do that. Would it be fair to say that the operating expense of the Ministry of Environment is about 50 percent of salaries and benefits?

**Hon. G. Heyman:** Salaries and benefits account for 51.75 percent of the ministry budget.

**P. Milobar:** With the collective agreement with the public service, we all know that there was the 2 percent wage increase. What was the overall increase to the wages and benefits when you factor in the benefit package, as well, if there were increases to the benefit package to the ministry budget? Was it actually a 2½ percent, a 3 percent overall uplift, year over year? Or is it just strictly the 2 percent and there was no adjustment to benefits whatsoever?

[4:40 p.m.]

**Hon. G. Heyman:** I think the member is making an assumption that the mandate was 2 percent for salary, and there might have been additional increases for benefits. But my understanding is that the mandate was 2 percent for the total costed package, which would have meant that if a particular union anywhere in the broader public sector was looking for increased benefits, that would have been offset by lower salary.

In any event, the total cost to the ministry was \$1.762 million. There was no additional improvement in benefits in the public sector agreement other than those that would be directly tied to a salary.

**P. Milobar:** Thank you for that, Minister. I wasn't sure. I just wanted to make sure it was just the two, or it wasn't two and any more.

I'm looking, actually, in the *Supplement to the Estimates: Fiscal Year Ending March 31, 2021*, and I'm comparing the 2019-2020 operating expenses, just for the minister and his staff to know which numbers I'm going to be referencing for the next little while. I'm going to be comparing them directly to what's in this year's budget.

I'm on page 38. Could the minister confirm that the 2019-2020 operating expenses for environmental protection were \$13.314 million, and for this year's budget, they were \$12.935 million, which is \$400,000 less in this year's budget than last year's budget?

Hon. G. Heyman: The member is correct.

[4:45 p.m.]

**P. Milobar:** Then moving on to environmental sustainability, could the minister confirm that last year environmental sustainability had \$23.622 million in it, and this year's budget has \$22.669 million, which is approximately \$1 million less in this year's budget than last year for environmental sustainability?

Hon. G. Heyman: That's correct.

**P. Milobar:** Then moving on to B.C. Parks, last year's budget was \$41.567 million. This year's budget appears to be \$40.682 million. This is, again, a reduction of approximately \$1 million in B.C. Parks. Is that correct?

Hon. G. Heyman: That's correct.

**P. Milobar:** In the conservation officer service, last year it was \$19.244 million. This year, \$19.014 million, which is approximately \$200,000 less in this year's budget for the conservation officer service.

Hon. G. Heyman: That's correct.

**P. Milobar:** Then last year it appears that the climate action line item had \$14.849 million. This year, \$12.883

million, which appears to be an almost \$2 million drop in climate action in this year's budget. Could the minister confirm that that's accurate?

Hon. G. Heyman: The member is correct.

**P. Milobar:** If I've added up all the various departments — there are a couple that are, basically, a break-even — last year, if the minister could confirm, there was \$192.734 million in Ministry of Environment operating expenses. This year's budget is \$188.132 million, which is a reduction of \$4.6 million in this year's budget for the Ministry of Environment over last year's budget. Is that correct?

[4:50 p.m.]

**Hon. G. Heyman:** The member is correct. It's also important to point out that \$1.8 million of the \$4.6 million, or 40 percent, was the winding up of the cement industry incentive program, which was no longer needed because the cement industry was folded into the CleanBC industrial incentive program.

P. Milobar: Thank you for that.

I notice that the minister confirmed that about 50 percent of operating is salaries and wages. The minister confirmed that it's a 2 percent wage increase, including benefits. In a normal year, based on last year's budget, the \$96.555 million spent on salaries and benefits would have resulted in an automatic lift to the minister's budget of \$1.9 million just to have the same staffing levels in this year as he would have had last year. But in the budget, based on a new budget of \$188.132 million, it appears that staffing, salaries and benefits are \$95.947 million.

Can the minister explain — if there's about, essentially, \$2 million missing, to even be able to maintain the same staffing costs and staffing levels as last year, in this year's budget — how that staffing shortfall will be made up?

[4:55 p.m.]

**Hon. G. Heyman:** Thank you for your patience. One of the reasons for the delay is that we're trying to figure out how the member is arriving at his formula. While it may be a proxy to look at what the impacts in staffing levels would be, it's not, strictly speaking, accurate, because there are other factors that come into staffing.

What I will say is that there are other sources for funding staff, in addition to the STOB that the member is referencing. One of them is the sustainable environment fund, which has been growing over time. The other one is the parks enhancement fund.

Generally speaking, our staffing levels in the ministry are more or less steady. They may have gone down a very small amount. They go up and down from time to time based on attrition or vacancies that haven't been filled, but there has been no substantive change. **P. Milobar:** There's a lot to unpack in the last two answers. The formula is quite simple. The minister confirmed with me that their salaries and benefits are 51 percent of their operating expenses. Their operating expenses are \$188.132 million. Those other programs are other programs, and I'll dig into those in a little bit.

My math is really quite easy to understand. I took their operating expense. I took the minister at his word from 15 minutes ago and said: "Okay, it's 51 percent, roughly 50 percent." The minister confirmed that the cost pressure increase to staff wages was 2 percent, including benefits. It was 17 minutes ago that he confirmed that.

[5:00 p.m.]

Just to keep regular staffing at last year's level, the Ministry of Environment would have needed to see a minimum of a \$2 million lift to their budget, all of it going to salaries and benefits. We've established that there's a \$4.6 million difference between last year's operating expenses and this year's operating expenses, which means, net, there's about a \$6½ million hole trying to keep things the same from last year.

Again, to the minister, I guess what I'll ask is.... I'll come back to this part of it. His previous answer was that the reason it's not really a \$4.6 million reduction, even though it says it in black and white on the paper, is because the cement program was wound down and rolled into the CleanBC program for industry.

I didn't read that line item off because that line item is basically the same as last year, but I will. I'll get the minister to confirm that the same CleanBC program for industry that the minister is saying is where the \$1.8 million went.... So it's not really a \$4.6 million cut.

Last year the total operating expenses for that fund were \$55.352 million. In this year's budget, it's \$55.365 million. It has gone up \$13,000 from last year to this year. I do not see how a \$13,000 increase to a budget explains \$1.8 million of a \$4.6 million cut.

Can the minister, please...?

**Hon. G. Heyman:** I'd be happy to check *Hansard* when the *Blues* are out. What I believe I said, and certainly what I meant, was not that the cement industry incentive program funding was rolled into the CleanBC industrial incentive program but that the cement industry was rolled into the program, and therefore, a separate incentive program was not needed.

Of course, what the member is also not accounting for is the significant amount of money that exists in contingencies for a variety of CleanBC programs, including the CleanBC industrial incentive program and programs for industry.

[5:05 p.m.]

**P. Milobar:** I understood what the minister meant. I understood that he meant that fund had wound down and that the cement industry was now part of the CleanBC

program for industry. However, the minister also made it sound — to people that maybe don't follow these things quite as closely — that that's where the \$1.8 million went. He actually referred to the fact that it was not a \$4.6 million cut to the budget in that answer.

The reality is that the numbers do show that it's a \$4.6 million cut to the budget. The cement industry — instead of having its own program, which they needed to use \$1.8 million of last year — is now a part of the same fund, which has the same amount of money. Sorry. It has \$13,000 more in it this year than it had last year. That, somehow, has been equated as like for like by the minister, in terms of the ministerial budget.

There is not much point having budget estimates if every answer is going to be: "Well, we have contingency money. We'll just spend later and not be held accountable for what our numbers are saying and what we're being budgeted for." It appears to me — again, looking at the numbers — that things are all still the same.

In fact, I went to the park enhancement fund — which the minister referenced as part of the justification for why wages did not see a \$2 million lift just to stay static — to make sure that they would have the exact same amount of FTE hours in a year, to provide services for British Columbians, that they did last year. Lo and behold, the park enhancement fund is the same amount of money as it was the year before.

Can the minister confirm that?

[5:10 p.m.]

**Hon. G. Heyman:** Let me go back to the member's premise, where he questioned whether it was appropriate to say that taking \$1.8 million in a program that no longer existed because another program replaced it meant that the reduction was really the full 4.6. I just simply disagree with that.

The \$1.8 million was an expressed purpose to assist the cement industry with incentives to lower their carbon intensity and carbon output, which they did very successfully. They embraced the program. They rose to the challenge. They found new technologies. They reduced their emissions. They were very happy to see that we now had a program for all industry for which they were also eligible, which is the CleanBC industrial incentive program.

In fact, we have another program that, for the purposes of the cement industry, made the cement industry's standalone, discreet incentive program unnecessary. That was \$1.8 million, or 40 percent of our overall budget reduction.

The member is also incorrect in a couple of other places. We received an overall lift of \$1.76 million from Treasury Board to assist with the increases in salary and benefits. He is incorrect that the park enhancement fund, or PEF, is the same. In fact, it is \$800,000 lower than it was in the previous year. If you look at the line items for STOBs 50 and 52, which are salaries and benefits, we're up a little over \$1 million.

# [5:15 p.m.]

**P. Milobar:** When we come back to this next Thursday, I'll have to read through the *Blues* with that answer there, because there were a few conflicting numbers.

It sounded like the minister, at one point, said that they were up — the salaries — by one amount. Then, with the other STOBs, they were up by a totally different amount. I'm glad that the minister corrected me on the \$800,000 decrease in the park enhancement fund. That just adds to the list of decreases we've been talking about today.

I guess the minister, when he first was trying to answer, as to why the decrease in staffing and why the decrease in others weren't really a decrease, tried saying that staffing comes out of the park enhancement fund as well. He was very specific about that — that that's where some staffing costs get paid for.

Now, the park enhancement fund.... By its name alone, one would think it's there to enhance park services and the park experience and not there to just pay for everyday rank-and-file staffing costs to provide services to the public. When you actually read in the park enhancement fund special account, it says:

"This account was created by the Special Accounts Appropriation and Control Act in 2008. It provides for enhanced management, facilities and services benefiting parks and protected areas, including increased information, education and interpretation programs; higher levels of natural and cultural resource assessment, management, research and restoration; additional capital investments supporting the conservation and recreation goals of the ministry; improved volunteer program support; supplementary recreation program delivery; regional systems planning for conservation and recreation; and development and production of promotional, educational and partnership products.

"Transfers are provided to support the programs, services and activities provided for in this account. Revenues are received from ministries, other levels of government, organizations, businesses, licensees and individuals; from stumpage from tree removal in parks and protected areas; from the sale or licensing of promotional and educational goods and services; from park reservation service charges; from the sale of B.C. Parks licence plates; as donations, bequests and contributions from agreements under the act; and as earnings on account balances."

I say that because nowhere in there does it seem like it's intended or supposed to be funding day-to-day operations of the Ministry of Environment or of B.C. Parks.

Is the minister saying — based on his previous answer about explaining wage shortfalls being paid for out of this account — that the ministry has now changed their tack and that they are actually using the park enhancement fund for day-in and day-out staffing costs?

[5:20 p.m.]

**Hon. G. Heyman:** Well, I'm somewhat used to the member beginning his questions by claiming that I've said things that I never said. In this case, he said that I have said we used PEF to meet a salary shortfall. We don't have a salary shortfall, and I never said we used PEF to meet it. I said we used PEF to enhance our staffing costs.

We have, for instance, a number of sources of funding for PEF, including the very successful licence plate program. We also initiated a student ranger program. All of the various activities that the member recited into the record and for which PEF was established are delivered by people, by staff of B.C. Parks and, therefore, staff of the ministry. Using PEF funding to fund the additional capacity, whether it's student rangers or others, to enhance parks, the park experience, research, interpretation, is, of course, involving people. I don't know how we would do it otherwise.

**P. Milobar:** Well, it's going to be interesting when we go back and forth, rereading the *Blues* next Thursday, on what was alluded to and said. It was very clear that that was the direction that the minister was trying to head us down. He mentioned the sustainable environment fund as well, in that answer.

In the minister's answer, though, he did reference that it's not really a \$4.6 million cut, even though it says that in black and white on the papers. The cement industry had drained off their last \$1.8 million of their program, which has been going down each year, but they are now rolled into the CleanBC program for industry.

Is the minister suggesting — because the CleanBC program for industry only has \$13,000 more in it than last year — that the cement industry should not count on being able to receive the \$1.8 million? Or is there already a budgetary shortfall within the CleanBC program for industry?

**Hon. G. Heyman:** I think what the member is failing to recognize is that we had a \$4.6 million reduction in the budget, \$1.8 million of which was what was left of the cement industry incentive program, which was scheduled to disappear.

Let me use an analogy to see if it helps to make it clear. A couple of years ago, the member asked me why we had a \$10 million decrease in the ministry budget, specifically in parks. I reminded the member that that \$10 million had gone in the previous year as one-time start-up funding for the B.C. Parks Foundation. It was intended to be \$10 million in one year to get the Parks Foundation up and running.

In this case, there was a program for the cement industry, spread over five years, and the last year it had \$1.8 million in it, which is no longer there because that program doesn't exist. So the actual reduction — in terms of the rest of the budget, staffing and everything else — is \$4.6 million minus \$1.8 million. That's just simply a found. It's a fact of accounting.

#### [5:25 p.m.]

With respect to the cement industry incentive program, the industry, along with all other heavy-emitting industries in B.C., has been rolled into eligibility for the Clean-BC industrial incentive program. This allows them, if they are world-leading in their emissions intensity, to receive up to 100 percent of the carbon tax they pay over 30 a tonne — full stop.

**P. Milobar:** Is the minister saying that these industries all have their world-leading benchmarks established, that they know them and that there has been sign-off from the ministry as to what those world-leading benchmarks are, for them to access these funds? Or are they still in development, as they have been for the last while?

**Hon. G. Heyman:** Every industry has been informed of the benchmark, and in fact the benchmarks are published online.

**P. Milobar:** Recognizing that this budget was established pre-COVID and recognizing that in the previous years, without the benchmark — the minister confirmed this in previous estimates — if the carbon tax is \$35 or \$40 or \$45 and industry filed their emissions reports, they got 100 percent rebate, back down to the \$30 while the guidelines were being made, while the world-leading standards were being created. So they were still at the \$30 per tonne, which would have led to the creation of the \$55.352 million for the 2019-2020 operating expense.

At the time this budget was created, there would have been no knowing as to whether or not those would have had sign-off or not, given the delays that they had seen. In addition, at the time that this budget was first developed, April 1 was supposed to see a carbon tax increase of another \$5 a tonne. This would indicate that the CleanBC program for industry, before COVID hit, should have been expecting to pay out rebates, instead of from \$45 to \$30 a tonne, of from \$50 to \$30 a tonne. Yet there's the same amount of money in the budget.

Can the minister explain why?

**Hon. G. Heyman:** What the member missed is that we make carbon tax repayments based on emissions reports, which lag a year. So the money that is budgeted in 2020-21 is for repayment of carbon tax that was paid in '19-20 of \$40 a tonne. That will happen.

[5:30 p.m.]

**P. Milobar:** Well, that notwithstanding, we have a cement industry that collected \$1.8 million in the year previously. They've been moved into the CleanBC program for industry with the same amount of money, yet somehow that's not a cut in the minister's mind.

We have, still, a \$5 lift between years in carbon tax, whether it went from \$40 to \$45 or \$45 to \$50 or \$35 to \$40. Even, when March started, from \$30 to \$35, there was still a \$5 lift between these two budgets. Yet we have a whole industry being rolled into this program, a \$5 lift within the carbon tax framework which, at \$40 a tonne, is over a 10 percent lift, but we have the same amount of money.

Why is that, given that there would have already been years of payout knowing what those emission reports were starting to show and a bit of a track record? Why is there not an increase or, frankly, a decrease if people were actually controlling their emissions to this fund?

**Hon. G. Heyman:** I think what the member is missing is that this year's budget accounts for a \$5 lift in the carbon tax from \$35 to \$40 a tonne and assumes that money will be paid out in the CleanBC industrial incentive program, and \$49 million of that resides in contingencies specifically earmarked for the CleanBC industrial incentive program. When that money is needed to pay out, it will be used.

**P. Milobar:** Well, perhaps, then, the minister can help me with this. I go to the government website. I'm looking at the program benchmarks and thresholds.

I go to cement equivalent. Benchmark is 0.69; threshold, confidential.

I go to chemicals, hydrogen peroxide. Benchmark is 0.86; threshold, confidential.

Aluminum smelting, in progress and confidential, the threshold.

Underground copper mines, confidential.

Greenhouse, eligible plants, confidential.

Greenhouse, cannabis plants. At least that's in progress still.

Gypsum wallboard, confidential.

Lead-zinc smelting, confidential.

Lime with high calcium lime, confidential.

Petroleum refinery, confidential.

Forged steel balls, confidential. Forged steel balls of a different diameter, confidential.

Solid sugar, confidential. Liquid sugar, confidential.

Wood products, plywood, confidential.

Wood products, veneer, confidential.

Wood products, pellets, confidential.

Wood products, wood chips, confidential.

Wood products, medium density fibreboard, confidential.

The wood ones, to be fair.... Most, other than the veneer and plywood, are still in progress.

[5:35 p.m.]

The minister made it seem like all industries were good to go and online and easy to look up. Click and you can find out all the details. Can the minister explain why so many pieces of this system are confidential?

**Hon. G. Heyman:** First of all, the mechanism for determining the threshold for each industrial sector — i.e., the formula — was built in consultation with industry broadly. It's agreed to. They know what it is. The threshold is what makes a particular sector eligible for

the rebate at all. It's the benchmark that says what that amount of rebate will be.

The reason that some sectors' thresholds are confidential.... This is just thresholds we're talking about. The member went through a list of sectors and said: "Confidential, confidential, confidential." What the member should have said is that the thresholds are confidential.

Sectors with a small number of companies pointed out to us that providing the eligibility threshold publicly could well disclose information that could be used to estimate a company's production levels and, therefore, affect their competitiveness. So it was at their request, in those sectors, that the thresholds were kept confidential.

The benchmark is really what the member should be concerned with.

**P. Milobar:** Moving back to the budgetary number side of things....

I think the minister and I are going to have to agree to disagree about a black-and-white difference of \$4.6 million not being \$4.6 million. I do understand what the minister said about the \$10 million parks fund, and I do understand what he was referring to with the cement fund and the five years and all of that. I fully understand that.

However, cement has not disappeared. Cement has been rolled into a new program. Cement has the ability — and I'm glad they have the ability — to access that new program. That means the \$1.8 million that was expended last year on cement could reasonably be expected to be expended again this year for cement. When you have a CleanBC program for industry that is almost, dollar for dollar, the same, that does not equate, in my mind, to anything more than a \$1.8 million cut, which gives you your black-andwhite \$4.6 million cut.

The reason I'm asking all these question is.... I have concerns, and certainly, others within the environmental world have had concerns. We have a budget here where we've not seen an adequate uplift to salaries and wages to cover off what the collective agreement is. We see \$4.6 million in spending cuts. We have an Environment Minister who was the head of the Sierra Club with a government propped up by the Green Party.

#### [5:40 p.m.]

One would have assumed, three years into the mandate, we'd be seeing increases to core budgeting. The only increase we've seen of any substance to the ministry's budget has been the CleanBC program for industry, which we've talked about briefly here, being added, as a form of carbon tax rebate for industry, into the budget. It looks like a big, big lift to the budget, but in actual fact, other than that program, we've seen repeated cuts.

As we've established already, the CleanBC program for industry is a wash for last year, yet everything else within those ministry operations on page 38 is seeing a cut of \$4.6 million plus the salaries impacts. That all leads in to some of my earlier questions, when the minister said that the target was \$8.682 million of cost pressures from last year's budget.

I must say I was a little surprised, because through freedom of information we did receive some documentation from September, from the ministry, around what they needed to try to advance to make their cuts work within the ministry budget. The cost pressures — and I was asking the minister about that. At that time, they were identified as about \$14 million of cost pressures, halfway through the budgetary year, where by the ministry's own account, they are well into their spending.

"Being a midyear assignment" — I'm quoting from the document — "there is no advanced time to plan or communicate the scale down or discontinuance of programs. Also, much of our work is conducted in the summer season, and the related expenditures have already been concluded or legal commitments are in place." So with the shadow of that, there was still \$14 million worth of pressure for the ministry — on top of needing to find, at that time, \$6.776 million, which the minister has now confirmed actually went up to \$8.682 million.

I'm just wondering. At the time, there was \$267,000 of pressure to Recycle B.C.; \$400,000 cost pressures in plastics and the parliamentary secretary attached to that; the support of IGRS, \$220,000 worth of pressure; aquatic and invasive species, mussels, \$300,000; Mount Polley investigations, \$492,000 of cost pressures to the ministry; NRPP amortization, \$1 million; IITD, \$700,000; legal expense of another \$1.1 million of cost pressures, and one would that assume has to do with challenging the TMX decision in court, relentlessly, which would see an extra \$1.1 million in cost pressures to the budget; RBC contingencies of \$2.85 million; carbon offsets contingencies, \$354,000; and Neucel, \$6.3 million.

I'm going to start with Neucel. I went up and toured the Port Alice pulp mill in December. So that was a couple months, actually, after this memo was written. There seemed to be a big concern within Port Alice that nothing had happened. I actually managed to get on site and walk through the pulp mill that has been shut down. There was effluent running straight into the ocean. No work on site happening. No work at any time happening on site.

Buildings that looked like they were still half-full, that were looking very much more weathered. A landfill with a creek running through it with zero remediation happening. When I say landfill, I mean a pulp mill landfill, so not the nicest things stacked up within that landfill.

Being faced with the \$20 million, at that time, of cost pressures midway through the year, the question to the minister is: was Neucel still fully remediated in last year's budget? Is there money in this year's budget to make sure that Port Alice will actually see the environmental protections — and the ocean will see the environmental protections — that they deserve?

[5:45 p.m. - 5:50 p.m.]

**Hon. G. Heyman:** First of all, just briefly, the member for Kamloops–North Thompson listed a bunch of cost pressures that were revealed in a piece of correspondence from FOI. Frankly, that is exactly what I was referencing about an hour and a half ago, when I was talking about how every ministry every year routinely has things that arise during the course of the year that become cost pressures. They're identified so we can figure out how to manage them within the budget and find savings elsewhere.

It's no different in this ministry this past year than the year before that, the year before that or years before that, when someone else was the minister. I'm sure my predecessor had to deal with things in exactly the same way as every minister does. I would simply say the member knows, from reviewing public accounts from previous years, that our ministry has balanced our budget every year we've been in government.

Before April 14, which would have been when the member was in the area on his visit, Neucel had not officially declared bankruptcy, and the ministry had very limited authority. We had the authority to deal with existing spills and take measures to contain that and protect the environment from the spills, but we had no further authority to conduct any additional work that we all know needs to be done and falls under the general heading of remediation.

It was important to us to get to that position, so we applied to the Supreme Court to declare Neucel bankrupt and appoint a receiver. On April 14, the court did exactly that. A receiver was appointed. They have, since April 14, been active in putting up fencing and conducting analysis of what needs to be done to prevent further spills, to remediate.

That work will be undertaken in the coming months. We intend that it be done as quickly as possible and as thoroughly as possible. At the point where the land has been cleaned up.... If it can be cleaned up to the extent that it can be sold and used for other industrial activity, that will happen.

With respect to the \$6.75 million that was dedicated for Neucel, which the member referenced, some of that money came from Environment, some of it came from other ministries, and some of it came from application to Treasury Board. The exact breakdown of that expenditure will be available to the member shortly, when public accounts are released.

With that, Chair, if we might ask for a short recess before we hit the homestretch?

The Chair: Thank you, Minister. I will suggest we take an approximately five-minute recess, and we'll resume shortly.

The committee recessed from 5:53 p.m. to 6:01 p.m.

[S. Chandra Herbert in the chair.]

**P. Milobar:** Just one or two more budgetary-type questions. Then I'm going to touch on a couple of parks questions to wrap up the day, and we'll certainly have more parks questions moving forward.

To close the loop on a couple things, the minister had mentioned the \$1.8 million for the concrete had come to an end. Can the minister confirm, was that in the climate action program that that program was being operated out of?

**Hon. G. Heyman:** If the member means was that in the climate action secretariat budget, the answer is yes.

**P. Milobar:** Thank you. So if that's \$1.8 million of \$1.966 million worth of cuts in the climate action secretariat, where did the other \$166,000 in cuts happen within that budget for this year?

[6:05 p.m.]

**Hon. G. Heyman:** Overall, there was an increase in budget for climate action. I want to distinguish between what shows up in this budget and other money that's available for CleanBC initiatives spread across all ministries, some of which is in budgets as released and some of which sits in contingencies earmarked, waiting for the programs to be fully fleshed out. The business case isn't ready to go, but it's earmarked contingencies for CleanBC.

There was an uplift of \$418,000, and then there were some operating costs that came down — largely professional services, IT and travel — of \$582,000. That nets out to \$166,000.

**P. Milobar:** I'm going to switch gears to parks for a little bit. I'm trying to keep all of these questions around reservations and that as current as possible, recognizing that there was a bit of an influx, and what's come and gone has come and gone.

On June 12, I happened to be scrolling through my Facebook page. A Facebook friend of mine, who also happens to be the mayor of Clearwater, had an interesting post. That post was: "A funny story, but not funny. The new Discover Camping reservation service for B.C. Parks has somehow managed to put my personal cell phone number on all reservation confirmations for Wells Gray Park as the info line."

He goes on and talks about it a little bit. The mayor was formerly the parks operator there, but not for over a year now. Then this morning I happened to be talking to the mayor about a different issue that I'll bring up next. He said that it still hadn't been fixed.

I went to his Facebook page again. This was at 9 a.m. this morning. I did check the Facebook page right before we started this last half hour, just to make sure, and there have been no updates.

I'm going to read it out. It says:

"So I'm usually a fairly positive and patient guy, but....

"Story recap. The B.C. Parks reservation system has published my personal cell number as the information line for Wells Gray Park — getting calls for two months now, at all hours, including after midnight.

"I've been contacting them on this since I became aware in late May, tracing the number and finding the error. As of today, I have no confirmation that it has been resolved or that a correction email has been sent to those who got my number in error. I do not work for B.C. Parks. I've not owned a parks contract in over a year. I do not work for the park contractor. At current, my only job is mayor of Clearwater.

#### [6:10 p.m.]

"If you call my cell right now, you will get a cautionary message about sasquatch mating season in Wells Gray, as well as the right number to call. People still ring me multiple times till I answer. I have been a gracious ambassador up to now, but I will be directing their calls to George Heyman's office from now on. At least that way, they will have the right wrong number."

I wasn't sure how to insert the quote. I apologize if I breached the name protocols there, Mr. Speaker, but I hope the minister gets the point.

The mayor of Clearwater, as well humoured as he can be, I think is hitting his breaking point. Understandably so. It's been two months now that Discover Camping B.C. has been using his personal cell number — of a mayor — to be the contact point for Wells Gray Park reservations.

When can the mayor expect this to be corrected? If it's not in the short term, could the mayor actually have your cell number instead of your office line to provide?

Hon. G. Heyman: Thank you to the member for raising the issue. I also want to apologize to the mayor of Clearwater for this administrative error, which resulted in him continuously getting calls. I became aware of it this morning through the same Facebook post that the member for Kamloops–North Thompson read into the record. My name was attached to it, so it came to my attention.

We have been in contact with the mayor of Clearwater, who was the parks operator for at least ten years and whose name and phone number, therefore, would have been on any confirmation emails that went out for reservations.

#### [6:15 p.m.]

It was a mistake that that automatic response was not changed for reservations in that park. The mayor has been told this will be fixed. We will send a correction email to anyone who has an outstanding reservation, as well as correcting any new ones that go out, giving them the right contact number and the right person to contact. We have to compile the right email list, but we intend to send this out as quickly as possible early next week.

**P. Milobar:** Thank you for that. I'm sure the mayor will be happy to hear that.

Sticking with the Clearwater area — and this actually impacts, potentially, how many reservations will be seeking out Wells Gray in the next short while — the Clearwater River Road, in the last week or so, week and a half, had a blowout. The falls had a major rush of water and debris that came down. It washed down and out and took out the road.

It's a critical road in terms of overall access to a different area of the park than maybe the masses go to. But it's important to economic well-being, in terms of the town and people's experience, because there's a lot of rafting and kayaking and the like that happens in that area of that road.

In addition — and we heard from the member from Cowichan about the worry about silting and the salmon runs and steelhead and the like — this is a salmon-bearing river. If this road is not restored, if this bank is not properly repaired, if the silting effect is not brought under control, this will have major detriment to that salmon corridor for years to come.

It's a pretty critical piece of infrastructure within the park. I think back to my time at the city of Kamloops. When we brought in our new water treatment plant, with new filtration, our pipes were really muddied up. Your assistant deputy minister of parks probably knows this very well, coming from Kamloops as well, how dirty the water was.

We spent the better part of a year, year and a half, as a council and administration, trying to work with DFO about a plan on how to flush the existing pipe infrastructure with all the sediment that came out of the river and needed to go back towards the river to flush out the pipes so the new water system would actually be able to provide clean water to people's homes and not run past pipes full of mud and sludge.

That took a long time. It was because of the worry of silting up the river for the fish. This is every bit as critical to that. So there is that whole environmental piece on the fish management side, especially dealing with salmon. There's the economic viability of the park and the town attached to it, an area that's been hit very hard by forestry and is very much trying to survive with tourism now. And just the safety aspect too. When the fires have hit around Wells Gray Park, this is still another road, and it is a point that people can try to use to get to safety if things start to go wrong for them.

I guess the question to the minister is: will there be an expediated process to access funds to get this repair done in as quick a time as possible to make sure not only the road is back to a standard but also that the bank itself stays stable for future water events?

[6:20 p.m.]

**Hon. G. Heyman:** Thank you to the member for raising this important issue on behalf of constituents and, particularly, I think, the rafting operators, who are very significantly impacted by this and very concerned.

As the member knows, this is a recent event. We still are in the position of having to assess the damage and the engineering requirements. There is more than one ministry involved in jurisdiction for different parts of the road. We need to assess the extent of the damage and what kind of engineering work would need to be done as well as, ultimately, get an assessment of what the cost will be to make repairs.

FLNRORD is currently going to do a flyover to do some engineering assessment, and they've agreed to do some of the relevant assessment for us. Once we've been able to do the work of assessing the damage and determining what needs to be done, in all likelihood, because it will be a very, very significant amount of money, we'll then have to — and we will — take a case to Treasury Board for the additional funds to make the repairs.

Chair, noting the hour, I move that the committee rise, report resolution and completion of the estimates of the Ministry of Energy, Mines and Petroleum Resources and report progress of the estimates of the Ministry of Environment and Climate Change Strategy.

I assume that we ask leave to sit again.

**The Chair:** Leave has already been granted. We don't even need to ask.

Motion approved.

The Chair: Thank you very much, Members. Safe travels if you are travelling home, and enjoy your homes if you are already there. Have a fabulous weekend. We'll see you next week.

The committee adjourned at 6:23 p.m.

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