



First Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNESSE, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rosmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, November 16, 1990

The House met at 1 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—FAMILY SERVICES

Mr. Deputy Chairman (Marcel Laurendeau): Will the Committee of Supply please come to order. Today, as indicated in the House, by leave, the Estimates sequence has been altered to begin considering the Estimates of the Department of Family Services. I would also like to mention that by leave of the House the Committee of Supply will be sitting from 1 p.m. to 4 p.m. today.

Since the Department of Family Services has already begun its considerations in the Chamber and I believe have heard the opening statements from the Minister and the two critics, we shall then begin with the next item.

The next item to be considered is 1.(b) Executive Support: (1) Salaries, \$383,800. Oh, just one moment, please.

The Honourable Minister, maybe you could introduce the staff that is here today.

Hon. Harold Gillehammer (Minister of Family Services): Yes, for the critics and others, my staff: Roxy Freedman is Deputy Minister; Winston Hodgins, Associate Deputy Minister, Income Security and Management Services; Martin Billinkoff, Executive Director, Research Planning and Intergovernmental Relations; and Wes Henderson, Executive Director, Management Services.

An Honourable Member: Just to clarify that, sorry, Mr. Billinkoff's responsibilities are what?

Mr. Gillehammer: Executive Director, Research Planning and Intergovernmental Relations.

An Honourable Member: Then Mr. Henderson, right?

* (1305)

Mr. Gillehammer: Mr. Wes Henderson, Executive Director, Management Services.

Mr. Reg Alcock (Osborne): I thank the Member for

Wellington (Ms. Barrett) for giving me an opportunity to get started on this.

I would like to—given that we are in Administration and Finance and in that section of the department that is responsible for the structure of the department—ask a couple of questions on the Supplementary Estimates information that was tabled for us.

Just to get a sense of some of the organizational issues that arose, I see that there is an organization chart here on page 10 that is dated October 1990, and I would like to know when this organization or reorganization was completed. I would like to have some understanding of some of the relationships within the department's organization.

The Minister may choose to give a couple of introductory remarks, or I can just go right into questions.

Mr. Gillehammer: Go ahead and proceed.

* (1310)

Mr. Alcock: I am going to want to talk in some detail about the Agency Relations unit that I see has been set up now and, if I understand this chart correctly, reports to Mr. Hodgins.

I am a little confused by why Day Care has been associated now with Youth and Regional Services and Special Programs and Immigrant Services. I was wondering what the rationale was behind that, removing Day Care from Family Services and moving it over to something that does not seem as directly related to Family Services.

Mr. Gillehammer: Really two reasons there, the Child Day Care was put under this section as it combines employment, and secondly, for practical reasons in terms of balanced workload, it was included here.

Mr. Alcock: I will just separate those two comments there. I realize it is with employment, but I mean, is the only rationale for putting it there to balance the workload? There does not seem to be any philosophical or programmatic reason.

Mr. Gillehammer: The linkage there is with employment programming, and Child Day Care was

seen to fit there as part of the support under employment.

Mr. Alcock: I am sorry, so you are suggesting now that the Day Care is an employment program.

Mr. Gilleshammer: No, people who are employed will be the ones who are accessing day care; that was one of the reasons. The other is the workload issue that I explained.

Mr. Alcock: I recognize that there is a great deal of work that goes on in merging two large departments. I presume this decision came about at the time that the two departments were merged into one. Was there any study done? I mean, is there a document in existence that recommends this organizational structure? Is there some kind of review that was done or is this—I mean it seems, frankly, passing strange to me that we would take a family support program and for reasons of administrative efficiency, hive it off to some other administrative stream irrespective of the service that is being delivered.

Mr. Gilleshammer: There is not a written review, but you are correct in saying that this was the amalgamation of two very large departments. Certainly, day care is a family support, but it is also seen as an employment support.

Mr. Alcock: I also notice that Youth and Regional Services are in that stream now. Were the regional services related to employment, or are these the regional services that deliver family support and Child and Family Services in regions where there are not private agencies to do so?

Mr. Gilleshammer: These are regional services for employment and employment counselling.

Mr. Alcock: Then the regional operations line under Mr. Cels would be the one that delivers Child and Family Services, family support, et cetera.

Mr. Gilleshammer: That is correct.

Mr. Alcock: Are the Youth and Regional Services integrated with the current regional structure within the department, or do they have a separate stream?

Mr. Gilleshammer: They are a separate stream at this time, but because of the fact that the amalgamation is relatively recent, this will be reviewed as time passes.

Mr. Alcock: In Income Maintenance Programs, are they part now of the regional delivery structure?

Mr. Gilleshammer: It is a separate structure.

Mr. Alcock: So we are still faced with a system where a given community can be receiving Family Services from three different operational entities at the same time even though all those entities report back ultimately to the same Minister.

Mr. Gilleshammer: That is correct at this time.

* (1315)

Mr. Alcock: When the Minister says, at this time, are there any plans to change that?

Mr. Gilleshammer: There are plans to review it, and again I would point out that this is a fairly recent change. It will be under review.

Mr. Alcock: Yet I am given to understand that certain organizational changes have taken place. For example, a Winnipeg region which is—I am never quite sure where it was, at one time it was a region and then it was three, I believe, and now I understand it is going back to one. Is that the case?

Mr. Gilleshammer: That is correct.

Mr. Alcock: Mr. Deputy Chairperson, is it going back to a single region to deliver Family Services, or is it a single region to deliver the three services?

Mr. Gilleshammer: Yes, it is a single region to deliver Family Services and health services.

Mr. Alcock: But not Income Maintenance or Employment Services.

Mr. Gilleshammer: That is correct.

Mr. Alcock: Okay, Mr. Deputy Chairperson, I think I will let the Member for Wellington ask a couple of questions on this.

Ms. Becky Barrett (Wellington): Mr. Deputy Chair, I would like to move in the organizational chart to the left a bit and ask if the Minister can explain what the Agency Relations committee or department or what the role of the Agency Relations section is there.

Mr. Gilleshammer: It is on page 34 of the Estimates Supplement:

“Development of standardized contracts, principles and procedures for purchase of service contracts.

“Evaluation of operating divisions’ monitoring and control systems and recommendations for modifications where appropriate.

“Development and implementation of central monitoring and control systems related to the funding of external agencies.

“Development of a management practices model

and training package for use by Bureau and operating division staff in providing assistance to agency boards and management.

"Development and communication of conflict of interest guidelines for board members and employees of external agencies funded by the Department.

"Completion of special audits/reviews as required."

Ms. Barrett: Yes, I am wondering if it would be appropriate at this point to go into more detail on this or should we wait on this until we get further down.

Mr. Gilleshammer: There is probably a more appropriate line to do that.

Ms. Barrett: No, I will wait for that till we get to that.

Mr. Alcock: I think we will leave the organizational structure, although, I will want to come back to that question as we go further through the Estimates process.

It strikes me that one of the issues I attempted to speak to yesterday was—it is one thing to administer a service; it is another thing to have some sort of philosophy and a sense of understanding of what the service is so that you are administering it toward some end rather than simply efficient bookkeeping. It strikes me, if you are looking for efficiencies, that having three operational systems serving the same population may be a more appropriate place to look than depriving children and families of needed support.

Let us just step through this one a little bit, because there are some interesting questions that come out of the presentation of data on this. I would like to draw your attention to Chart 2 on page 14. Now that the Minister has had an opportunity to see the chart, I would just like to ask some questions for clarification here. I note that grants—oh, I am sorry. Before I actually ask this question, let me just remind the Minister of my request from yesterday and ask him whether he has the grants list available for the two critics.

* (1320)

Mr. Gilleshammer: Yes, we noted your request yesterday, and we are working on that. We should have that for you at the beginning of the week.

Mr. Alcock: I understand that it is not available today. It will be available by the start of Estimates on Monday.

Mr. Gilleshammer: That is correct.

Mr. Alcock: I must confess I am a little surprised. I mean, presumably you know what your grants are at this point in time. I mean, it should not be that difficult to put a list out.

Mr. Gilleshammer: Well, you have to also realize that there are grants and also per diems, and we are working on providing you with some accurate data. We will bring that in on Monday for you.

Mr. Alcock: I would have thought that two-thirds of the way through the year you would have all that information already collected, but that is a gratuitous comment that I will simply leave at that.

You have 15.9 percent of your total distribution of expenditures in this department listed as grants. Now do those incorporate or do those include all of the grants to all of the non-Government agencies that deliver services?

Mr. Gilleshammer: Yes, that is correct.

Mr. Alcock: So the 70.1 percent program portion of this particular display would be comprised of the Income Security Programs, the Manitoba Developmental Centre and other Government operated—the Seven Oaks Centre for Youth and those sorts of things as opposed to agencies that operate outside the Government.

Mr. Gilleshammer: Yes, the 70.1 percent includes our own program, but it also includes the per diems that are paid to external agencies.

Mr. Alcock: Then the 15.9 percent grant would be comprised—for example, the grant portion of funds going to a shelter or to the grant portion going to a day care centre, or to the service administration grant going to a Child and Family Service agency.

Mr. Gilleshammer: That is correct.

Mr. Alcock: The child maintenance—the maintenance payments paid on a daily basis would be coming out of this 70.1 per cent.

Mr. Gilleshammer: That is correct.

Mr. Alcock: Then when the Minister reflects or it is reflected in documents that there is a child maintenance grant paid to people, this is really not a grant. This is a compilation of all the fees paid.

Mr. Gilleshammer: Some of the per diems are covered under grants, per diems for maintenance. Other per diems come out of the program portion.

* (1325)

Mr. Alcock: What I would be interested in seeing is a similar chart that showed the distribution of funds

between private sector, non-Government agencies, private not-for-profit agencies, that deliver services and those programs delivered directly by the Government. I understood this to be that, but I am understanding now that is not what this is, that in fact, a portion of that 70.1 percent is under the control and direction of private not-for-profit agencies, day care centres, shelters and the like. I imagine St. Amant would be in there also.

Mr. Gilleshammer: This budget document follows instructions we get from the Department of Finance to formulate the document and the charts. We can take your request for additional information and give it to you in a different form.

Mr. Alcock: As long as it would contain that information, I would be interested in receiving that. Can I move on to schedule 6? This is on page 19 of the same document. You list a category here. You have Managerial, Professional, Administrative Support and Uncategorized, a total of, against Day Care, Youth and Employment Support, a total of 131 positions at a cost of some \$594,000.00. It seems relatively reasonable. What is that?

Mr. Gilleshammer: Those are the STEP positions from the departments.

Mr. Alcock: So all of those 131 positions are the part-time summer temporary employment program and are distributed among departments. So this, in a sense, overstates the number of SYs in the department by that figure in terms of full-time, ongoing—

Mr. Gilleshammer: Basically, the summer employment.

Mr. Alcock: When you look at the distribution of staff years among the various operating divisions, does the department have any sense of the number of staff full-time positions that are supported by the various grants that the Government gives among the various agencies, any compilation of that?

Mr. Gilleshammer: Yes, we have that information in different forms, but if you are referring to the Child and Family Service agencies' staffing, we have those numbers, or the Day Care, we have those numbers.

Mr. Alcock: I would certainly be, and I suspect the Member for Wellington (Ms. Barrett) would be interested in receiving an indication of that, how many there are in the various departments, laid out much like you have here.

Mr. Gilleshammer: Yes, we can provide that for you. It may take a little longer than just getting the grants listing that you requested last day.

Mr. Alcock: Okay, now just to refresh my memory, Mr. Deputy Chairperson, have we dealt with the Minister's Salary? Have we indicated we are going to—why do we not do it?

Mr. Deputy Chairman: You spun that out in the Chamber already. We are dealing with item 1.

Mr. Alcock: We did? Okay. Well, then we are on to Executive Support. I will let the Member for Wellington ask questions that she may have, and then I have some more.

Ms. Barrett: Mr. Deputy Chair, under Executive Support, Salaries, can the Minister tell us how many of these 10 positions are filled through Civil Service channels, how many are Order-in-Council positions and which positions, the titles of those positions?

Mr. Gilleshammer: There are three Order-in-Council positions there—a special assistant, an executive assistant and the Deputy Minister. If you want names, I can provide you with names.

Ms. Barrett: Yes, please, I would appreciate those names.

Mr. Gilleshammer: The special assistant is Joanne Thibault. The executive assistant is Wilf Taylor, and you have met the Deputy Minister, Roxy Freedman.
* (1330)

Ms. Barrett: So the rest of the Executive Support staff come through the Civil Service process then.

Mr. Gilleshammer: That is correct.

Ms. Barrett: Can you tell me how long each of those Order-in-Council people have been in their positions?

Mr. Gilleshammer: The Deputy Minister has been in an Order-in-Council position since 1986. With the amalgamation of the departments it was, I believe, a new Order-in-Council in April of 1989; the special assistant and executive assistant, just a matter of a few weeks.

Ms. Barrett: Will the Minister table or give to the critics the contracts that go along with the Order-in-Council appointments, particularly for the special assistant and executive assistant?

Mr. Gilleshammer: I believe the Orders-in-Council for the special assistant and executive assistant

were covered in the Premier's (Mr. Filmon) Estimates and are under his lines in the budget.

Ms. Barrett: I would like to spend a little bit of time on the Activity Identification under the Executive Support, page 26 of the Supplementary Estimates. To begin with, under Activity Identification, the third sentence: Safeguards the public interest through enforcement of legislation and regulations. Could the Minister expand on that a little bit and explain which members of the Executive Support staff are responsible for doing that, what that activity actually entails?

Mr. Gilleshammer: That activity falls under the Deputy Minister's responsibilities. We are responsible for a number of pieces of legislation, a number of Acts where there is enforcement, The Social Allowances Act, The Social Services Administration Act, The Child and Family Services Act, to name a few.

Ms. Barrett: Can the Minister briefly outline the duties of the special assistant and the executive assistant?

Mr. Gilleshammer: Yes, the executive assistant is hired to do mostly constituency work that the Minister does not have the time to perform and to interact with groups in my constituency, to handle inquiries from the constituency. They do that constituency work. The special assistant works in my office on items that come through to me by phone or mail that have to do with the department and assists me to handle those.

Ms. Barrett: Under the executive assistant, can you tell me which of these—one, two, three, four, five—Activity Identifications those activities would relate to, the executive activities that you have outlined?

Mr. Gilleshammer: So you are talking about the Activity Identification on page 26?

Ms. Barrett: Yes.

Mr. Gilleshammer: The Activity Identification under Executive Support on this page 26 refers mainly to the Deputy Minister's responsibilities. The executive assistant, as I have indicated, is assisting me with the constituency issues and problems.

Ms. Barrett: So I am correct in stating that the activities that you just stated are basically the responsibility of the Deputy Minister and the activities and responsibilities of the executive assistant and special assistant are more in

response to your own duties as Minister and that those would come under a discussion of your activities.

Mr. Gilleshammer: That is correct. The E.A. basically does constituency work and the S.A. does a lot of the work, attends meetings and meets people on my behalf.

Ms. Barrett: Yes, I just have one further question that is a general question on all the categories that I have noticed as going through the Estimates. The other expenditures, not only in this department but in many of the other departments, appear to be—the Estimates and the actual and the Estimates for the next year—very much the same. There is virtually no difference in those categories. I am wondering if the Minister can explain that, I would suggest, anomaly, or there must be a reason why these figures continue throughout the lines and the departments to be virtually identical year over year.

Mr. Gilleshammer: The expenditures that you refer to are operating expenditures within that department. We have tried to maintain that at the same level year over year.

Ms. Barrett: One final other comment on the other expenditures, I understand it is a very small amount of money, but could you explain—this is different than the other ones—that the projected for last year and the adjusted vote for this year and the Estimates vote amount for Other, under Other Expenditures, there is a change, a decrease. Can you briefly explain that decrease? It was \$23,400 and it is now estimated to be \$18,400.00.

Mr. Deputy Chairman: Which page are you looking at?

* (1340)

Ms. Barrett: I am on page 27. It is the bottom of the Other Expenditures.

Mr. Deputy Chairman: The \$18,400.00?

Ms. Barrett: Yes.

Mr. Gilleshammer: You will notice that the total for Other Expenditures is the same, and what is referred to as the Other is down. It means that one of the other allocations is up and has simply been reallocated.

Ms. Barrett: Thank you. That is all the questions in this area for now.

Mr. Alcock: Let us just follow up a little bit on some of the questions the Member for Wellington (Ms. Barrett) was asking about the E.A.s and S.A.s.

I understand that the role of the E.A. is to simply support the Minister and the constituency and do all of those things that a Member would do if they were not burdened with ministerial responsibilities.

The other, though, the S.A., as I understand it, is responsible for assisting the Minister in the provisions of ministerial duties and fielding calls and all of those kinds of things. I wonder if the Minister could comment on the qualifications of this particular S.A. to represent the Minister in this fashion.

Mr. Gilleshammer: Yes, the hiring of the S.A. is done by O/C, and in this case it is an individual whom I have known for some time who has been involved in business, working with people, and comes with very high qualifications and recommendations.

Mr. Alcock: Is this the same person who was the chairperson of the Rent Review Panel?

Mr. Gilleshammer: I believe that is correct.

Mr. Alcock: Is this also the same person who sat on the MPIC Board?

Mr. Gilleshammer: That is correct.

Mr. Alcock: Is this S.A. still on the Rent Review Panel?

Mr. Gilleshammer: No.

Mr. Alcock: What qualifications did this individual have relative to social services? What work experience does she have?

Mr. Gilleshammer: As I have indicated, this person has a strong commitment to social programs, comes very highly recommended and has a background of being able to work with people.

Mr. Alcock: We all have that same commitment. I am not certain that qualifies us to work with very difficult and very sensitive cases. Has this person ever worked in any field related to social services?

Mr. Gilleshammer: We have a department -(interjection)-

Mr. Deputy Chairman: Order, please.

Mr. Gilleshammer: We have a department of almost 2,000 people to work with members in society that interact with my department. This person is on staff to work with me.

Mr. Alcock: I can understand that would take very special skills.

There is a third person that I see with the Minister

on a regular basis. I believe her name is Leah Goodwin. Can the Minister tell me what relationship she has to the department and the Minister?

Mr. Gilleshammer: Ms. Goodwin works for the department and is responsible for monitoring and tracking issues and assisting the Deputy Minister and myself with the co-ordination of issues and issues management.

Mr. Alcock: Issues management, now would this be what we might or euphemistically call a "spin doctor"?

Mr. Gilleshammer: I am not sure what the Member is referring to. This person works for the department and is assisting the Deputy Minister and myself on issues. I would point out that there is a department person who works with media relations, Janice Little, and Ms. Goodwin is working on departmental issues.

Mr. Alcock: Is her salary contained within this Executive Support appropriation?

Mr. Gilleshammer: No.

Mr. Alcock: Despite the fact that she works directly for the Minister and the Deputy Minister in this department, her expenses are not carried by the department?

Mr. Gilleshammer: She works for the department.

Mr. Alcock: Are her expenses carried by the department?

Mr. Gilleshammer: Yes, she is in the department.

Mr. Alcock: Perhaps the Minister could indicate, what appropriation it would be more appropriate to question him on about this particular position.

Mr. Gilleshammer: Yes, she is working on a term position, and it would come under the Planning and Research.

Mr. Alcock: Has this person worked for the department very long, or is this a relatively new position?

Mr. Gilleshammer: She has been with the department a short period of time.

Mr. Alcock: How long?

Mr. Gilleshammer: A matter of approximately a month.

Mr. Alcock: Now, I have seen the individual in question before. She is quite well qualified in her role as a press officer. What was her position with this Government before?

Mr. Gilleshammer: She worked with our press liaison people before. She no longer is employed there.

Mr. Alcock: This person is a press officer for the Minister and the Deputy Minister.

Mr. Gilleshammer: No, she is not.

Mr. Alcock: So she has no media management functions?

Mr. Gilleshammer: That is correct. She does not have a media management function.

Mr. Alcock: I think I will just move on with that, and we will come back to that in Research and Planning for a moment.

Mr. Deputy Chairman: Shall the item pass?

Mr. Alcock: No, the item shall not pass. I have another question or two here.

Just coming down to the Salaries line, I see Indirect Salary Costs here as \$70,000 the previous year, \$12,000 this year. I see this line repeated throughout various appropriations. I wonder if the Minister could explain what is meant by Indirect Salary Costs.

Mr. Gilleshammer: The figure you are referring to as Indirect Salary Costs is basically severance costs.

Mr. Alcock: In this particular appropriation the \$78,900 were severance costs, presumably for people leaving because of the amalgamation or the change in Ministers, or whatever, and the \$12,000 is the same. Is it all severance costs?

Mr. Gilleshammer: The figure under Indirect Salary Costs is the previous Deputy Minister when the departments were amalgamated. The line also includes related costs and special allowances including items such as overtime, remoteness allowance, stand-by pay, staff turnover provision, and shift premiums.

Mr. Alcock: Would that be consistent throughout the Supplementary Estimates?

Mr. Gilleshammer: That is correct.

Mr. Alcock: Come back for a moment to this position that I understand now is a Planning and Research position, this Leah Goodwin. What background does she have in social policy planning?

Mr. Gilleshammer: The time is actually term time, and it is being placed under Planning and Research

which relates to issues that come before this department.

Mr. Alcock: I am still trying to pin down what her responsibilities are. Is she part of the Planning and Research unit? Does she work for them on special projects, or does she work for the Minister and Deputy Minister as was first indicated on tracking something?

Mr. Gilleshammer: I would repeat that this is term time, but she has been seconded to our offices during the Session to deal with the co-ordination of issues with the Deputy Minister and myself.

Mr. Alcock: Seconded from where?

Mr. Gilleshammer: The time has been seconded. It is term time, and it comes under Planning and Research. She has been hired into this position on a term basis.

Mr. Alcock: I see, so although the appropriation of her position is with Planning and Research, she has been seconded from her appointment in Planning and Research to work in executive support. The executive support function here that shows ten SYs is really not quite accurate. It should be 11 SYs or at least ten plus some proportion of time that reflects the time that this person is working to support the Minister and the Deputy Minister.

* (1350)

Mr. Gilleshammer: This was put together previously, and the term time is listed under Planning and Research.

Mr. Alcock: I note that there is indicated here Indirect Salary Costs of \$78,900 in the previous year, which I am told was as a result of the amalgamation of the two departments and the moving from two to one Deputies, for example. Yet I do not see a change in the SY allocation.

Mr. Gilleshammer: The staff year was taken out last year, but the severance pay appears this year after the amalgamation of the two departments.

Mr. Alcock: The \$12,000 in Indirect then is severance of, for the second time, presumably people who were on the executive support staff of the previous Minister, and they have left and somebody else has changed them over. Is that correct?

Mr. Gilleshammer: That line covers other issues such as overtime, remoteness allowance, standby pay and others that I had indicated earlier.

Mr. Alcock: Yes, and turnover I believe too was also mentioned.

Now, specifically referencing this line in Executive Support which shows \$12,000 in this year—and this is a \$12,000 additional cost, not a \$12,000 saving which would be the case if it were turnover, one would presume—is this related to overtime in the Minister's office? Is the Minister putting in too many hours?

Mr. Gilleshammer: It is primarily clerical staff putting in overtime in the offices.

Mr. Alcock: Would there be any severance in that \$12,000.00?

Mr. Gilleshammer: No, there is not.

Mr. Alcock: When we come down to Communication I see in Other Expenditures, am I to understand this Communication is telephone and related communication equipment, or is this the production of materials to communicate departmental policy to the public at large?

Mr. Gilleshammer: Yes, that reflects telephone costs, postage costs and courier costs.

Mr. Alcock: Well, then can the Minister explain how he effected the reduction?

Mr. Gilleshammer: I am told that telephone costs have been reduced.

Mr. Alcock: This part of it moved from two offices or two Ministers to one, or is this a change in a system, did you move, did you use it less or string new tin cans?

Mr. Gilleshammer: It is probably a combination of things including the amalgamation of the two offices, but the telephone costs have gone down some \$3,000.00.

Mr. Alcock: Could the Minister just tell us briefly what the other line is, the \$23,400, and the reason for the decrease to \$18,400.00?

Mr. Deputy Chairman: That is the same question that was asked by the Honourable Member for Wellington (Ms. Barrett).

Mr. Gilleshammer: The total expenditures, as was recognized before, is the same, and under the Other it has been a reallocation into the other area as listed above.

Mr. Alcock: Reallocation of existing costs or—was there just a line reallocation, or was it an under expenditure and one that has been reapplied to other areas to meet increased costs?

Mr. Gilleshammer: This is a result of the amalgamation as well, and in the first year they were listed one particular way. This was an attempt to reallocate it into what the department felt was a more appropriate line.

Mr. Alcock: So they are increases in transportation and supplies and services. Presumably the Supplies and Services increase is a volume and cost increase. What is the transportation increase related to?

Mr. Gilleshammer: It could be related to out-of-province travel or increased mileage costs.

Mr. Alcock: Am I correct that the Supplies and Services increase is papers and pencils and the like, and just an annual cost of living kind of—

Mr. Gilleshammer: That is correct.

Mr. Alcock: Thank you very much, Mr. Deputy Chairperson. I believe the Member for Wellington (Ms. Barrett) has another question on this area.

Ms. Barrett: In the, particularly the Other Expenditures, do these figures—and I guess the same question could be asked on all of the other sub-categories—take into account the anticipated extra costs due to the implementation of the goods and services tax?

* (1400)

Mr. Gilleshammer: We have not had the experience in that area yet, and we have not made any provision for it.

Ms. Barrett: So that should the goods and services tax be implemented in January, there will be three months of this budget period where whatever—and I am not suggesting that anybody here knows the exact impact that that goods and services tax would have on expenditures, but that, to this date, has not been taken into account, so there could be some additional expenditures other than those estimated?

Mr. Gilleshammer: Yes, it would be speculation. There could be additional costs that we are going to have to accommodate at that time until we get some experience with the GST. It was difficult to accommodate that in this budget.

Ms. Barrett: I understand the difficulty we are all facing in trying to figure out what the impact of this is going to be on all of our lives and certainly all of our budgets. We certainly, on this side of the House, have had several imprecations, if you will, from the Premier (Mr. Filmon) on the need for families, organizations, and agencies to live within their

budget. I think it is incumbent upon us, as best we can, to take into account the probability that this goods and services tax will be implemented in January.

I am sure that external agencies have certainly been grappling with this problem and are doing the best that they can to add to their anticipated expenses. I would ask the Minister why his department, when you add all these other expenses together, comes up with a fairly substantial amount of money, has not made at least some provision. I believe the federal Finance Minister talks in terms of 1.5 percent to 2 percent inflation potentially in the first year. Why has that not been taken into account in increases in these other items?

Mr. Gilleshammer: We have tried to live within our operating budget for the last couple of years and plan to do so, and we will certainly have to take that into consideration when the GST comes into effect. We are asking agencies to live within a balanced budget, and we will try and live within our own operating budget.

Ms. Barrett: Mr. Deputy Chair, as I mentioned earlier when I first brought up these other expenditures, it seems not to change year over year or change very, very small amounts of dollars. Is the Minister stating that this budget—what the Minister appears to be stating is that in these particular expenditure items, the philosophy of determining the money that will be spent in this area is that we will not increase it.

We will not increase these expenditures to reflect even what we know will be increased costs due to the normal cost of living, the fact we know that postage stamps are going to go up in price. We know that telephone bills are going to go up in price, so that the philosophy is we are not going to increase the expenditures, therefore, we will be decreasing the amount of activity that will be allowed to take place under these budget items.

Mr. Gilleshammer: We, in our offices, are attempting to live within that expenditure line and there has not been a change. In some cases, it might mean finding a better way to do it.

Ms. Barrett: Mr. Deputy Chair, I would go then back to the Communications line. As was mentioned earlier, the Minister explained that this included telephone, postage and courier, and he is anticipating a \$3,000 decrease last year to this year. There will be increases in postage and telephone

costs. There will be undoubtedly, if not already going through, increases in costs for couriers due, if nothing else, to the increased cost of fuel oil.

Can the Minister, when he is saying these things will have to be done better, can he explain to this committee what other forms of communication, or how he is going to operate this Communications line, when he is not only decreasing the dollar amount but he is not taking into account the fact that there will be additional costs?

Mr. Gilleshammer: As I indicated earlier, this was the first year of this department. We feel that in the second year we can reallocate some of those funds and the total remains the same.

We are going to make every effort to operate as efficiently as possible within that budget.

Ms. Barrett: Yes, I just would like to state I know that it is a small dollar amount that we are talking about here, but I do believe the principle is one of a fair bit of importance.

(Mrs. Rosemary Vodrey, Acting Chairman, in the Chair)

So that in the communications line—this is communications within the department. This is communications with external agencies. This is the hub of the department. This is managing the activities of the department under the objectives.

Communications is a major way that, I mean, it is the way you do this. The Supplies and Services, which is, I assume paper and that kind of thing, does show an increase, but the electronic and telephone and courier elements which are the more speedy forms of communication are showing a decrease.

I am wondering how the department assumes that it can communicate the things that it needs to communicate out of this central function with what could be in effect a 10 percent or 12 percent decrease in actual funds available to do this job.

Mr. Gilleshammer: I would point out that this is the communications aspect that refers to the Deputy Minister's office, at my office, and not the department.

We have been able to—and again I would emphasize that that was the first year of operating with the amalgamation of the two departments and with some changes.

Maybe an example would be using fax machines more than couriers to effect some savings, but again the ongoing department expenses for

communication will show up somewhere else. This refers strictly to my office and the Deputy Minister's office.

Just maybe one point further. In an area like Social Allowances where perhaps there is an increase in the uptake there, there would be some reflection of increased costs, but here we have been able to reallocate that money but the total Other Expenditures is still the same.

* (1410)

Ms. Barrett: Thank you, I have no further questions in this.

The Acting Chairman (Mrs. Vodrey): Item 1.(c)(1) Salaries, \$945,700.00. Shall the item pass?

Mr. Alcock: I am sorry, I think we must be talking about the wrong thing. We are talking here about Executive Support. The Salaries figure is -(interjection)- I know, but the Salaries figure is \$900,000, it is 383. -(interjection)- Oh, I see, okay. -(interjection)- No, I am sorry, go ahead.

Ms. Barrett: Madam Acting Chair, on the Salaries for Planning and Research, there are 15 professional-technical SYs for this last year and an anticipated increase of one.

Can you explain what that additional staff person will be doing, or in what category that addition is taking place?

Mr. Gillehammer: The increased complement of one staff year was to provide an analyst in support of the Decade of the Disabled.

Ms. Barrett: Madam Acting Chair, can you describe No. 1, why that was reallocated and No. 2, what those duties will be?

Mr. Gillehammer: This staff year then works with the Decade of the Disabled on such things as facility access and funding support for National Access Awareness Week, some of the concluding Decade events or the future after the Decade of the Disabled comes to an end.

Ms. Barrett: Madam Acting Chair, maybe this is asking next year's budget item, but is it anticipated that this staff year will be maintained here or will it return or what will happen to it?

Mr. Gillehammer: The discussion probably is premature on that particular staff year, but it is something that we are going to have to look at to see how ongoing service is going to be provided.

Ms. Barrett: Again under Other Expenditures,

Communication. There is a fairly substantial dollar and, certainly, substantial percentage increase in the Communication from adjusted vote '89-90 to this year's Estimates. Can that differential be explained, please?

Mr. Gillehammer: The cost increase that you see there reflects increased costs and activity under Communication in terms of telephone, advertising, use of messenger services and so forth.

Ms. Barrett: Madam Acting Chair, so in the Planning and Research Department then, it is not anticipated that the staff in that department will be able to effect the same kinds of cost savings that the staff under the Executive Support is, in this category? I am confused. When we were talking earlier, it was stated that economies would be undertaken so that there would be a reduction in that item. Under this item there is what I think is probably a more realistic allocation to reflect expanded costs. Can the Minister explain that, please?

Mr. Gillehammer: Again, as I repeated earlier, this is a reflection that the '89-90 vote was a result of a first year of experience of amalgamating the two departments. I think if you will look at the total other expenditures there, we have effected certain efficiencies so that the 1990-91 budget more accurately reflects what we feel the expenditures will be.

Ms. Barrett: Well, I am still confused, because one would hope that the figure for the other, the Executive, reflects what the actual expenditures will be, and this reflects what the actual expenditures will be. I am still confused as to why Communications expenditures in the Executive Support can decrease while Communications expenditures in the Planning and Research are going to be increasing by close to, if not over 50 percent.

The realities of these two and the dollar figures are not that much different, but I do not understand why one is decreasing and the other is substantially increasing. Is one being more efficient? Is the Planning and Research Department being less efficient in their use of this line item or, as I suggest, is this a more realistic recognition of the costs that are actually going to be involved?

Mr. Gillehammer: Yes, I would caution the Member from reading too much into it. Again, I would emphasize that last year was the first year of experience with the amalgamated departments and

there was some flexibility within the numbers, and we feel the numbers this year more accurately describes the reality. These are called budget Estimates and last year with the first year of experience it was estimated that is what the cost would be. The budget lines this year more accurately reflect the reality. Again, I would indicate there that the Total Other Expenditures actually show a decrease, and that reflects the efficiencies of the combination of the formerly two departments.

Ms. Barrett: Yes, I am very understanding of the fact that these are Estimates. In the House I have stated that a budget is a plan, and there is no question that there is no way that any of us knows what is going to be—even though there is really only four months left in this year, there is no way anybody is going to know specifically.

I would just like to state that I do hope the Minister and his staff, when they are continuing to work with agencies that they fund, also understand that and have the same kind of understanding of budgets as plans, that they are Estimates, that things do change, and that we all may attempt to live within our means, but sometimes external factors, costs and things do impact on that. I am just asking that the Minister and his department give to external agencies that he is working with on the budgeting—that the flexibility is there as well.

* (1420)

Mr. Gilleshammer: I would indicate to the Member that the flexibility that we are talking about is within the total costs of the two lines that we have talked about. In the Administrative Support the bottom line was identical. In this particular case Total Other Expenditures have been reduced. I am saying that the flexibility is within those small budget allocations.

Ms. Barrett: Madam Acting Chair, I have a question on the footnote 2 on the same page, 29. I will confess to not knowing where—the footnote is attached to the Other Expenditures of \$240,700, and the footnote states Reallocation of 25.5. I am assuming that is \$25,500 to salaries. Can you explain that footnote for me, please?

Mr. Gilleshammer: Yes, the difference of the 25.5 to Salaries reflects on an item we talked about earlier on the staff year for the Decade for the Disabled, and that was reallocated to Salary.

(Deputy Chairman in the Chair)

Ms. Barrett: Thank you, that is all the questions I

have on the specific figures, but I would like to ask a few questions on pages 28 and 29 on the Activity Identification and Results.

Mr. Deputy Chairman: The Honourable Member for Osborne, did you not— (interjection)- Okay, shall the item pass?

Some Honourable Members: No.

Ms. Barrett: Under Activity Identification, the second item is: Develops information and conducts reviews on social service and income security issues, policies and trends. I am wondering if the Minister can list for this House and table any reviews which have been undertaken in this area.

Mr. Gilleshammer: I will give you some examples of some of the items that the Member is asking about: recently completed a review of the social allowances program's treatment of trust fund assets, examining a range of policy issues such as wages, allowances paid to disabled workers, social assistance to minors, regional distribution of licensed funded day care spaces; completed a major evaluation report on 1987-88 diversion fund participants; have developed and reviewed with Provincial Auditor guidelines for introducing a systematic program evaluation process with the initiating process during the coming year; co-ordinate interdepartmental task force on facility access, examining barriers to Government buildings and services; help develop and distribute within Government access guidelines for departmental services—examples: versions of brochures in large print or audiotape, services for hearing impaired at public meetings. Those are some of the examples that this particular department is involved in.

Ms. Barrett: Is it possible for the Minister to table that document?

Mr. Gilleshammer: We could provide some information for the Member next day.

Ms. Barrett: I would appreciate having some information on these programs, because they do sound like they are good things to have accomplished by the department. It is helpful for us to know just exactly what is going on in this area.

Continuing the Activity Identification section, could the Minister give us some background or update or what is being done currently under the negotiations with Manitoba's cost-sharing claims under the CAP and our VRDP agreements? Also explain what is happening under the develops

policies and strategies to maximize federal recoveries.

Mr. Gilleshammer: Planning and Research is an ongoing process with recovery of Canada Assistance Plan. It not only includes Family Services, but also the Department of Health and the Department of Justice. There are ongoing meetings regarding Canada Assistance Plan recovery.

Ms. Barrett: So there are people in this division whose jobs include working with similar positions in Health and Justice Departments to connect with the federal Government in this regard?

Mr. Gilleshammer: Yes, the portion of this department is the one that is active in working with the federal Government and recovering some in excess of \$200,000,000 from the Canada Assistance Plan. We do that on behalf of our department but also on behalf of Health and Justice. The majority of it relates to Family Services.

Ms. Barrett: So it is Family Services staff who negotiate with the federal Government on behalf of all three departments?

Mr. Gilleshammer: That is correct. We have five staff who are involved in that process.

* (1430)

Ms. Barrett: Another activity area is representing the department in intergovernmental and interdepartmental discussions related to a broad range of issues. I am wondering if the Minister can put a little meat on that quite vague kind of activity. What departmental or interdepartmental groups are dealing with this and what is their broad range of issues? Who is involved in these kind of activities?

Mr. Gilleshammer: Yes, this group meets with the federal Government and counterparts with other provincial Governments on policy as it relates to a number of issues that come before us, and I use an issue such as day care, so that it is a sharing of ideas between the policy group representing the two levels of Government and the other provinces.

Ms. Barrett: So is there set ongoing scheduled meetings, or is it ad hoc? What is the form that these discussions take?

Mr. Gilleshammer: Yes, there are both. There are scheduled ongoing meetings, and there are also meetings that would be arranged to deal with specific issues as they come forward.

Ms. Barrett: Mr. Deputy Chair, can the Minister discuss in a little more detail the departmental

Native policy development co-ordination function? What does it co-ordinate? What kinds of policies come out of that?

Mr. Gilleshammer: There are a number of issues that come forward from organizations like the MMF, as well as the Native organizations. This particular branch is responsible for policy development and co-ordination with some of the issues that are brought forward. There are also a number of tripartite negotiations that are taking place, issues involved with social assistance, off-reserve aboriginal people, licensing of day care and so forth.

Ms. Barrett: These are, again, ongoing or are there some time lines that we can look for some results on these negotiations?

Mr. Gilleshammer: For the most part, these are ongoing negotiations that are taking place between representatives of the Native community and this department.

Ms. Barrett: I would like to move on to expected results. The first one is development of a strategic planning process to establish departmental priorities for the next three to five years. I would like to state first of all that I think that is an excellent idea. I hope that it actually comes to fruition.

I am wondering if the Minister can give me a status on that process, where it is and what results we can see.

Mr. Gilleshammer: Yes, this is a process that I think it is fair to say is in its beginning stages. With the amalgamation of the two departments and with my being new to the ministry, it is something that we are going to be addressing after the Estimates process, but there has been preliminary work done in this area. I am looking forward to that proceeding in the coming months.

Ms. Barrett: Yes, under the social policy research and development in support of departmental priorities, could the Minister expand on that a little bit?

Mr. Gilleshammer: The items that I listed before for you are ongoing and are the results of some of the activities that have been undertaken in Planning and Research.

Ms. Barrett: Back to a bit on who actually does these things—I am not sure if this is a very clear question or not—but there are 16 professional and technical people in this area. Can you give me a brief overview of the kinds of duties that these people

undertake? Maybe if there are job classifications, or are they all under one kind of classification?

Mr. Gilleshammer: Primarily they are program analyst positions, some of them more senior than others. Others are working on co-ordinating the work for the program analyst.

Ms. Barrett: Over to the next page, the co-ordination of the department's review of Core Area Initiative project proposals, can I have an expansion on that, please? Page 29.

Mr. Gilleshammer: The Member is aware that the Core Area Initiative is a tripartite agreement. It includes initiatives in Family Services as well as Health, Education and others. There are times when we are asked to comment on some of the initiatives and be involved from the Family Services' point of view.

Ms. Barrett: You are sort of a friend of the court rather than commenting from the professional point of view, or are there specific projects that are being asked to be funded by Family Services? What do you do with these proposals?

* (1440)

Mr. Gilleshammer: When projects come forward where the provincial Government has to respond, some of them would fall within the area of Family Services, and we would be asked to comment on whether this is a duplication of existing services or whether this is something that already is taking place, funded or handled by another agency. We are asked to be involved in terms of commenting or some input on it.

Ms. Barrett: Is it possible to get a list of some of those proposals that the department has commented on?

Mr. Gilleshammer: I think that more appropriately you would seek that from the Core Area committee. We are asked by them to provide some input and comment and we provide it for them. I think it would be their responsibility to provide any information for you on that.

Ms. Barrett: A clarification of the process, where in the process the department comes: A proposal is made to Core Area for funding and Core Area says this has, at least some part of it—the Department of Family Services would be knowledgeable about the utility of this kind of program or its duplication of service, that sort of thing. They bring it to the department, ask for the department's comments

and then the department issues those comments saying, yes, we fund this, or there are X number of agencies currently in the city or the province, or in the city doing this work. Do you make recommendations as to whether you think Core Area should go ahead with this project?

Mr. Gilleshammer: The Urban Affairs Department co-ordinates the provincial input into Core Area, and we may be asked to comment to them on various aspects of a proposal and provide our perspective on it.

Ms. Barrett: One final comment on this. So the proposals go funnelled through the Department of Urban Affairs who then determines that they would like some input from the Department of Family Service. You give that input and it goes back to Urban Affairs?

Mr. Gilleshammer: Yes, that is essentially correct. They may be asking for input from a number of departments on a particular issue, but it is co-ordinated through Urban Affairs.

Ms. Barrett: This, I promise, is my final question. Do you ever make recommendations as to whether you think the project should be funded or not? Is that part of what you are sometimes asked to do?

Mr. Gilleshammer: That decision is not made by Family Services. We are simply asked to give some information, and the decision on whether programs, projects put forward is made elsewhere.

Ms. Barrett: You may upon occasion recommend that a project be approved, is that correct?

Mr. Gilleshammer: We are one voice in the decision making. We may indicate that something is a duplication of existing services, or we may indicate that something would be desirable to take an initiative in that area, but again, we are one voice in the decision-making process.

Ms. Barrett: I have no further questions in this area.

Mr. Alcock: I have a few, but just to follow up on that last one as it is fresh in the Minister's mind. You are called upon to pass a judgment or offer an opinion on a great many projects funded by the Core Area, the Winnipeg Foundation, the United Way and others who would come to you. Your advice I suspect would be more than just incidental, it would be central to whether or not a project gets approval or not.

Mr. Gilleshammer: Yes, we are involved with the Core Area in making recommendations or

suggestions or providing advice, but again, I would emphasize we are simply one voice in the decision-making process.

Mr. Alcock: Can you describe the process that you have for dealing with those requests? You specifically had mentioned the Core Area, but would not the same case be true from, for example, The Winnipeg Foundation?

Mr. Gilleshammer: I am informed that we are not knowledgeable of any requests for recommendations from those other bodies.

Mr. Alcock: We will leave that until maybe Monday, but on the question of the Core Area, what process do you use for evaluating these requests?

Mr. Gilleshammer: They are reviewed with departmental staff and feedback from staff members is received and decisions are made, and recommendations are made.

Mr. Alcock: Are those decisions shared with the groups who are applying for assistance?

Mr. Gilleshammer: The dialogue that the department enters into is with the Core Area when the request comes through them.

Mr. Alcock: I understand that. Now presumably a request comes forward. Some sort of examination is conducted, if I understood the discussion. The department that would be affected by the particular program might be consulted. There might be some examination of how this proposed project would fit into departmental operations. Then presumably some sort of recommendation would be generated and that would be conveyed to the Core Area.

The question is, does the department share those recommendations with groups making the application?

Mr. Gilleshammer: No, the information is shared with the people who have brought it forth from the Core Area.

Mr. Alcock: Would the Minister have an objection to sharing those recommendations with the groups making representation?

Mr. Gilleshammer: The process is that the groups making the presentations make them to Core Area. Core Area will go out and seek advice and seek recommendations. Our relationship has been strictly with the Core Area and the officials who make the request to us.

Mr. Alcock: Okay, well, let us come at it from the Core Area's perspective then. If the Core Area were

to receive a request from a group to share with that group the recommendations from the Department of Family Services, would you have any objection to that information being released?

Mr. Gilleshammer: I am not sure how Core Area gives feedback to the various groups that come forward to it, whether there has been a lack of information, but we feel that the responsibility to pass on that information is with the Core Area.

Mr. Alcock: The question was if a group were to request through the Core Area for a copy of that recommendation or the substance of the recommendation, would the department have any objection to that information being shared?

Mr. Gilleshammer: We are one piece of the pie, so to speak, in the decision making process. I am not aware how Core Area relates to the groups that come forward and approach it for funding or make their requests of it. I think it is important that the feedback they get is from a central authority that has all of the facts and figures before them.

Mr. Alcock: I understand the Minister's response in terms of the broader response the Core Area might make to a group, but let us just speak about his piece of the pie for a moment. If a group wanted just his piece of the pie, would the department be prepared to make that information available?

Mr. Gilleshammer: The responsibility would be with Core Area. If they wanted to release information, we have not voiced any objections to that.

Mr. Alcock: I am pleased to hear that. I think that is a responsible position to take. If a group were to come forward to the department through freedom of information and request that information, would it be available to them?

Mr. Gilleshammer: We would have to look at it on a case specific basis, but we would have to comply with the law of the land.

* (1450)

Mr. Alcock: Well, let us leave that one for a moment. Just a couple of quick questions on the budget as it is presented here, the issues manager that is seconded from this department to the Minister's office, does funding for that show up in this salary line?

Mr. Gilleshammer: It would not show in this year's budget. This budget, as the Member is well aware, was prepared prior to some of the staffing changes

that he has inquired about. It will show up in next year's budget.

Mr. Alcock: Presumably, the staff person in question though is not volunteering until the end of March, so where is that money being drawn from?

Mr. Gilleshammer: As I have indicated before, it was vacant term time that we have applied to this position.

Mr. Alcock: But part of the overall \$945,700 that is allocated against this division?

Mr. Gilleshammer: Yes, that is correct.

Mr. Alcock: So presumably the managerial position is adequately filled. The 15 or 16 professional technical positions, one of them is youth programs for Decade of Disabled Persons, I presume. Then this position is part of the other 15 positions, some part of some vacant position there that has some time available?

Mr. Gilleshammer: That is correct.

Mr. Alcock: How many of these professional and technical people function as issue managers?

Mr. Gilleshammer: It is the overall responsibility of the branch to co-ordinate issues, but probably two people would have specific responsibility.

Mr. Alcock: Would both of those people have regular daily or weekly contact with the press?

Mr. Gilleshammer: They do not. That is handled through our communications.

Mr. Alcock: So this person that is seconded to the Minister's office from this department does not have any responsibility for dealing with the press?

Mr. Gilleshammer: Because of her previous position and her relationship with people in the press, there is time to time that she has interaction with them.

Mr. Alcock: Coffee interaction or action under the direction of the Minister or the Deputy Minister?

Mr. Gilleshammer: I am sorry, I could not hear what you said.

Mr. Alcock: I was not certain whether it was an ongoing sort of relationship and coffee-time chatter or whether it was action that was under the direction of the Minister or Deputy. You say the interaction she is having with the press is at the direction of the Minister or simply because she has an ongoing relationship that may result in her meeting somebody in the hall and having a chat?

Mr. Gilleshammer: I would say it is a result of former relationships or friendships that she has made. The job that she is doing is to work with the Deputy Minister and myself under this particular Planning and Research on particular issues.

Mr. Alcock: Finally, to bring this to a close then, what the Minister is saying is that this individual has no responsibility, does not act under the direction of the Minister or the Deputy Minister in a formal way with the press?

Mr. Gilleshammer: We have other staff that perform that function, and this person is responsible for working with the Deputy and myself on issues within the department.

Mr. Alcock: A yes or a no.

Mr. Gilleshammer: The person you are inquiring about is responsible for working with the Deputy and myself on issues, has no responsibility for working with the press.

Mr. Alcock: Thank you very much. Okay, this is an interesting division, this one, and I have always found the work that it has done in the past to be of interest, not always received fondly by other departments, but it certainly does challenge operations in other departments. It forms a major linkage between the province and the federal Government and can, if used properly, form a connection with other departments as we look at some sort of joint planning. We spent almost \$1.2 million on forms of issue management.

I would just like to walk through a number of these things now, because this is in a sense the policy research arm of the department. I presume this is the group that the Minister would turn to if he has a concern about an emerging issue or some operational issue that is raising concerns with the department in a broad sense, as opposed to a specific program sense.

The Member from Wellington (Ms. Barrett) mentioned the issue of the goods and services tax. This is an issue I realize is not within the purview of this Minister to enter into negotiations with the federal Government on this issue, but there has been a great deal of concern expressed by not-for-profit agencies. In fact the Minister of Finance (Mr. Manness) and I discussed this at some length between the finance Estimates, but not-for-profit agencies, and this Ministry has the major relationship with not-for-profit agencies of any

agency in the province, will be very seriously impacted by the goods and services tax.

There is, according to the Minister of Finance as recently as a week ago, yet to be established rules for these agencies. I mean this thing will become a reality if the Honourable Allan MacEachen fails in his valiant attempts to protect us from this. It will become a reality in six weeks. I am wondering what work has gone on between the department and presumably this division and those not-for-profit agencies that received funding from this department to prepare them for their management of this particular new tax.

Mr. Gilleshammer: Yes, as you point out, the Department of Finance will be taking a lead in this particular area of the GST. It is an issue that cuts across many departments. We are cognizant of the fact that it is going to have some impact but at this time do not have the information or the experience to be very definitive on that. We are aware that there will be some rebate, an offsetting of some costs, but it is difficult to be any more definitive than that.

Mr. Alcock: I am not by any means expecting the Minister to advance or defend any of the arguments about the worthiness of this tax. I am much more interested in the operational side of it as far as this department goes. How many not-for-profit agencies relate to this department?

Mr. Gilleshammer: There would be in excess of 200.

* (1500)

Mr. Alcock: So there are in excess of 200 agencies which rely largely in the most part I suspect on this department for funding, 200 agencies that will be impacted by the goods and services tax, 200 agencies that will have an increase in their operating cost and yet to be determined clarity about what things—whether they are zero rated, whether they are tax exempt. There is a whole series of questions when it comes to the status of not-for-profits. I know the day care association, the trucking association has done a rather detailed study of it, as has the National Association for Not-For-Profits.

There are serious problems arising now. I would like to know what studies the department has conducted to determine the impact on these 200 agencies that they fund.

Mr. Gilleshammer: We have not conducted any direct studies on that. The Department of Finance is taking the lead in this area, and is co-ordinating a

Government-wide look at the goods and services tax. In saying that the Department of Finance is taking a lead on it, we have provided information and data to the Department of Finance to assist them in their work.

Mr. Alcock: There have been no people from this department working with the Department of Finance on this? I see one of their roles here is to co-ordinate interdepartmental activity.

Mr. Gilleshammer: Yes, there have been staff working with the Department of Finance and providing information for them.

Mr. Alcock: Assuming this tax comes into effect when it is planned to come into effect, given that could happen six weeks from now and that agencies are getting into their end-of-year cycle and that they are going to have to start writing cheques that will or will not include GST, and are writing cheques for certain items right now that may or may not include GST, and they may or may not have inventory adjustments to make, what advice has this department offered to this date to assist them with those decisions?

Mr. Gilleshammer: This is one of the variables that we are all going to be facing and agencies are going to have to take that into account in doing their budgets. It is something that I have indicated the Department of Finance, as far as our Government is concerned, is taking the lead on. We will be working closely with finance but also monitoring the situation carefully and seeing how it turns out.

Mr. Alcock: Then perhaps I misunderstand the role of this division. Does this division of this department not see itself as having a responsibility to work with those agencies that are going to be so dramatically impacted by this new tax, agencies which it funds largely? Is it not your responsibility to do something with them?

Mr. Gilleshammer: Our Planning and Research people are working with the Minister of Finance (Mr. Manness) and Finance people. They are taking the lead on the Government-wide response to the GST. Certainly we will be working with the agencies, but we all have to make the best decision that we can, given that this will impact on budgets in the next few months.

Mr. Alcock: Perhaps then the Minister can tell us what recommendations this division has made in the work that it has done as to the cost impact on

services that the full implementation of the GST will have. I am sure he can tell us that.

Mr. Gilleshammer: This was an area that was not provided for in this particular budget, but this department and this branch of Planning and Research will be working with Finance and a Government-wide response to GST. We will certainly be taking that into account with the next budget. If there have to be corrective measures taken at that time, it will have to come into consideration with the budget that we table in the next budget year.

Mr. Alcock: Help me understand this. We are six weeks away from it, and you have not yet determined any kind of indication of what the size of the impact this is going to have on services?

Mr. Gilleshammer: The Government made the decision to have this co-ordinated by Finance. I think that Governments across this country, agencies across this country, are still in the process of trying to predict what impact GST is going to have. We do not have any more definitive answer than that at this time. The Department of Finance is currently working on this, and I would suggest it would be a more appropriate place for the Member to get his information.

Mr. Alcock: Well, the Department of Finance referred me to the Department of Family Services in fact, so there was a bit of confusion in that.

We are talking about this year's budget. We are talking a budget that is to fund services through to the end of March, so that includes one-quarter of this fiscal year. These agencies will be paying GST on some things. One-quarter of this year you will be paying, in your departmental operations, GST on some things, or you will not be paying GST on some things.

I realize that some of these things are yet to be clarified, but surely, given that this thing has been two and a half years in preparation and there have been mountains of paper produced on it, you have some idea of what is going to happen six weeks from now. Surely you know something about it.

Let us start off with a simple question. Will people pay GST on day care rates?

*(1510)

Mr. Gilleshammer: I would tell the Member that we are being pro-active as far as the GST is concerned in areas where it will impact basic needs. I would

give you an example of that in the area of social assistance where a decision has been made not to reclaim or regard GST rebates as additional income.

I think that certainly other areas are going to have to live within their budgeted allocations, and if we have to make corrective steps within the next budget, that is a decision that has yet to be made.

Mr. Alcock: Well, let me deal with both of those issues, because I noticed a week or 10 days ago that the Government did make a decision not to include GST rebates in the calculation of income. I noticed the amendment to the regulation that went through in the O/Cs. I commented on that to the Minister of Finance (Mr. Manness) and I will do the same to this Minister. I think that was the right thing to do. I think that was a progressive step and something that not all provinces have chosen to follow. I regret that because all of the studies suggest that this tax is going to have a very negative impact on the lowest income group in our community and that rebate is to offset that. To have included that in income would have been a very regressive thing to do, and I am pleased you did not. I think you are to be complimented for that.

I am somewhat concerned that we are now six weeks away from the day that this thing becomes reality, that people are currently undertaking expenditures and prepaying tax on certain things, and you do not even know what the impact is going to be on the services that you fund. That strikes me as a very serious problem. There are day care rates, there are foster care rates. Are the non-profit agencies going to pay the GST? Can they collect it back? There are all sorts of questions that are simply technical in nature, and I think they deserve answers. I would have thought that a planning and research division would have answers to those questions.

Mr. Gilleshammer: The answers in many cases that you are searching for are not available and are currently being studied by Finance. When these answers are available, we will certainly make them public.

Mr. Alcock: You do not know what the answers are, but despite that, agencies have to live within their budgets and try to deliver services with budgets that are already seriously constrained, absorb the GST, and still deliver the same level of service in the hopes that you will make a decision in another year to help them out with this. It is that very hope that

has got them into trouble already, in the hopes that you would pick up expenditures that you have not subsequently picked up.

Mr. Gilleshammer: I would indicate the hopes that the Member talks about are often raised by him.

We all are anticipating the GST, and agency boards will have to do some anticipation as well in terms of their costs.

Mr. Alcock: I believe the Member for Wellington (Ms. Barrett) has a question or two on this.

Ms. Barrett: I would like some clarification from the Minister on this area. I mentioned it earlier in the context of the Communications and Other Expenditures items that we have been discussing where no departmental changes in funding have been looked at vis-a-vis the GST, and I am understanding why now.

I know that the Minister and his staff are in negotiations currently with all the Child and Family Service agencies in order for them to be able to access the \$2 million emergency relief funds that were promised by the previous Minister in February of this year.

I will not comment yet again on the definition of emergency that allows for eight months to go by before any of this money flows, nor the costs that are being incurred by those agencies in paying bank charges and other expenses based on the understanding that this money would flow.

However, carrying along with a concern raised by the Member for Osborne (Mr. Alcock), what directions are the Minister and his staff giving to these agencies when they are talking with them about producing a balanced budget for the next fiscal year when the Department of Family Services and the Department of Finance do not have their own sense of priorities or their own sense of where this GST is going to be felt, what kinds of services the GST is going to have an impact on?

What directions is the Minister giving to these agencies for presenting a balanced budget? I understand that they have met with several of the Child and Family Service agencies who have presented a balanced budget. Do these budgets include some sort of expansion of costs to take into account the goods and services tax? Have these agencies themselves presented budgets which take into account the goods and services tax impact?

Mr. Gilleshammer: In working with the Child and

Family Services agencies that the Member talks about, there are a number of variables in their budget. We are asking them to take those variables into consideration whether it be utilities or other expenses. Department staff are prepared to work with the agencies on those budgets to bring in a balanced budget, and one of the variables could well be some GST costs.

Ms. Barrett: Could well be. Can the Minister state that these agencies are being asked to calculate potential—let me back up just a moment. We all understand that one of the main problems with the goods and services tax, apart from its basic unfairness which I will not go into, one of the major problems with it, is that nobody knows exactly what is going to be taxed, what the impact is going to be.

Given that, we all do know that barring some action by the federal Senate, the goods and services tax will be in place. The Minister has kept talking about the need to provide balanced budgets to take into account all kinds of variables to plan efficiently and effectively. It would appear that perhaps his own Planning and Research Department is unable to do that.

Is the Minister asking for these Child and Family Services agencies to include in their variables a certain amount of estimated cost increases to take into account the goods and services tax implications?

Mr. Gilleshammer: We are talking about the '90-91 budget and that has not been built into the budget. We are not sure at this point what offsets there will be, but we are looking at perhaps two or three percent of the budget; we are also only looking at a quarter of the year. So we are asking them in terms of next year to look at all of the variables, but we are wanting them to live within a balanced budget. We have been very clear about that.

Ms. Barrett: So the department is asking the agencies to bring down a balanced budget for '91-92, taking into account all of the variables which we anticipate will include the goods and services tax?

Mr. Gilleshammer: That is correct.

Ms. Barrett: However, in response to questions by the Member for Osborne (Mr. Alcock), it would appear that neither the Planning and Research division nor the Department of Finance have yet come up with any kind of guidelines or any kind of suggested percentage increases for suggested

types of goods and services which these agencies might be looking at, either making cuts in their expenditures or making realistic additional requests.

There is no set of guidelines or assistance at this point in helping those agencies bring down a balanced budget?

Mr. Gilleshammer: At this time we do not have any specific numbers that we can give them. When we have more specifics on GST and how it is going to impact their budgets, we may have to take some corrective action.

Ms. Barrett: When you say corrective action, am I correct in assuming that means if the goods and services tax comes in by the time these—the implications are that, by the time the actual '91-92 budget year begins—or prior to that if possible—the Family Services Minister and staff will take cognizance of the impact of the goods and services tax on these budgets of these agencies and will say that, given that you were unable to provide assistance in the planning and preparing of these budgets previous to the goods and services tax coming in, you would then take into account the impact that it has had, and make budget adjustments for those additional costs for those agencies once they are known?

* (1520)

Mr. Gilleshammer: This is one of the variables in their budgets, and let me just say it is a possibility that we are going to have to make adjustments if the impact of GST is really dramatic.

Ms. Barrett: Okay, just to clarify, you are now asking the agencies to take into account the GST variable when making their '91-92 budgets. You are also not providing any guidance or assistance to them in that regard. They are still dealing with their '90-91 budgets and major cost overruns and major deficit problems that they are dealing with. So this is an additional concern that these agencies have, with no support at this point from the Department of Family Services.

You are then suggesting the possibility that some additional funding might be made available when the goods and services tax comes in, if the costs are determined to be extensive. I cannot remember the exact words you used.

When you were talking earlier about Communications and some of those operating expenses in your department, I got the impression

that there was a great deal of flexibility that was built in, because we did not know what the impact of the goods and services tax was going to be. I agreed with that at the time and said I hoped the same degree of flexibility would be apparent when discussing the budgetary requirements of Child and Family Services and other agencies funded by this department. I am afraid at this point I am not hearing that kind of flexibility out of the Minister.

I would like to ask either that there be professional advice given to these agencies when they are planning their budgets so that they can attempt to live within them, or if the understanding is that the department does not have the ability to give that kind of professional advice, that will be automatically taken into account when the impact of the GST is better known on these agencies. Can the Minister give us that assurance?

Mr. Gilleshammer: We have not asked them to take the GST into consideration for their '91-92 budgets at this point. A number of their major expenditures such as the flow-through money to foster parents and salaries are not impacted by the GST. It is premature to say at this time what impact the GST is going to have. We have not asked them to factor that into their '91-92 budgets. We may have to go back and revisit that if the impact is greater than we anticipated.

Ms. Barrett: "If the impact is greater than we anticipate," the Minister just stated. Could the Minister give us a figure or an estimated percentage increase that corresponds to "is greater than we anticipate?"

Mr. Gilleshammer: No, I cannot give you a figure. I am saying that a lot of the money in the agencies goes to salaries and the payment for foster parents. I cannot give you a definitive figure on the impact of the GST. I think this is something that our Finance Department is struggling with. I think this is something all the provinces are struggling with. We do not have that definitive information at this time.

Ms. Barrett: I understand and agree and have no quarrel with that, and that is something that we all in our personal lives, as well as our professional lives, are dealing with. It is an enormous problem. I do not want to belabour the point, but I do feel that it is important that we have, not only in the Estimates process, but that the message is as clear as possible to the agencies that are being asked to produce budgets to be funded.

Granted that the largest amount of money spent by these agencies is for salaries for staff who actually provide the services, as we have said in the House before, and for some flow-through monies that are not impacted on by the GST, but there are also substantial monies that these agencies are required to expend on items such as Other Expenditures that are in this budget. Those do impact and they will have an impact on these agencies' ability to produce a balanced budget.

My concern is that if they are not being asked now to factor in the goods and services tax, and even if they do factor in a certain percentage increase, it turns out that the percentage increase is greater than that.

I am hearing that there is not a commitment on the part of the Government or this department to say yes, we will help you. We will make sure that the budget figures that we are asking you to prepare now, when none of us know what is happening—you will not have to take again money out of the bottom line that we give you because nobody knew what the impact was going to be of the GST, and therefore you are going to have to take out of your bottom-line expenditures those additional costs.

I think that is not the way we should handle the situation, particularly in a transition year such as we are going to be going into with the goods and services tax.

Mr. Gilleshammer: As I have indicated, it is one of the variables in their budget that they are going to accommodate. If the impact is very serious and very negative, it is something that this department is going to have to revisit and act accordingly.

Ms. Barrett: I have just a final comment. I certainly hope that the department will be as flexible, as I have said before, with its agencies that it funds and understanding that everybody is doing their best in a situation that nobody knows what is going to happen, as they most likely will be in their own departmental Estimates.

Mr. Alcock: Mr. Deputy Chairperson, can the Minister tell us, in all this time and all the work that has gone on, can you tell us whether there is a single study extant in this division that even overviews the issues? Is there a background working document on this issue as it impacts on social service agencies?

Mr. Gilleshammer: Not in this department. It is in the Department of Finance, and we have provided input to the Department of Finance.

Mr. Alcock: Does the Department of Finance share that information with you?

Mr. Gilleshammer: It is in a working document stage at this time and we do not have the details of the review.

* (1530)

Mr. Alcock: Six weeks before this thing is to hit, you are not even sharing the information between departments. Is that what the Minister is telling us?

Mr. Gilleshammer: I am telling you that it is not in the final form at this time. We have been working with the Department of Finance on the issue of the GST. The Department of Finance is taking the lead role in determining the impact of the GST.

Mr. Alcock: Has the Department of Finance shared any of their conclusions with you at all?

Mr. Gilleshammer: They are still working on it; they have not given us any final conclusions on it as yet.

Mr. Alcock: It is six weeks away and you do not know whether day care rates are taxable, foster care payments are taxable. You do not know what the impact is going to be on budgets. You do not know whether the fees people pay at workshops are taxable. You do not know whether the transportation costs that children and families are incurring are taxable. You do not know what the impact is going to be on the living allowances of dependent adults. Have you not done anything on this?

Mr. Gilleshammer: The department has done a considerable amount of work with the Department of Finance. They have not arrived at conclusions at this time that we can present to you.

Mr. Alcock: If you have done this work, can you share any of it with us?

Mr. Gilleshammer: It is still in a working document form. We are one of 15 or 18 departments that have shared this information with the Department of Finance, and it is not in a final form at this time.

I have indicated with the agencies, a large portion of their budget is salaries, foster payments, and there will be some—we expect some rebate on some of the items. We do not have a definitive answer for you at this time.

Mr. Alcock: I frankly do not know what to say on this particular issue. It just astounds me that we could be this close to a decision that is this major and is going to impact as many people as it will impact, and you do not know what is going on. You cannot even share a thought on that, other than to say, well, we

will look at it down the road and maybe we will pick it up.

That is what has got these agencies into the kind of budget difficulties they are in right now, is exactly that kind of policy and that kind of operational policy on the part of this department. I think it is time you changed some of that, you started being a little pro-active and you started looking at issues again—I mean, this is not a surprise.

We did not just learn last week that there is going to be a goods and services tax. We have known it for two years. The thought that you have not done the background work necessary astounds me frankly. I would have assumed there would have been some kind of working document, some plan to have a workshop with these agencies or some plan to issue a guideline to them. I cannot believe that we are this close and you do not know what the hell is going on.

Mr. Gilleshammer: The Member is drawing the GST into the problems that agencies have had with their budgets. This particular budget that we are discussing for '90-91 covers the entire year, and you are emphasizing the last three months of it.

The GST is something that is being studied across this land. There are a lot of questions that have not been answered on it yet. We are working actively with our Department of Finance to give a Government-wide response to the GST.

That information is still in the Department of Finance and will be shared with you when it is in a more finalized stage.

Mr. Alcock: It is not so much the GST I am commenting on, Mr. Deputy Chairperson. It is your policy of funding these agencies which time after time comes after the fact, once they have run up huge interest costs, once they are in trouble. Then you come along with some sort of noblesse oblige approach to bail them out, force them onto their knees and force them to come begging to you all the time for something that you should have taken into consideration before it hit them. These agencies simply do not have the flexibility to carry the kind of load that you continue to put on them. You know that. You see that all the time.

I will give another question unless the Minister would like to respond.

Point of Order

Mrs. Rosemary Vodrey (Fort Garry): Mr. Deputy Chair, on a point of order, the Member for Osborne (Mr. Alcock) using the phrase "what the hell" in this committee.

Mr. Alcock: I could correct that. I said you do not know what the hell you are doing.

Mrs. Vodrey: I would like to raise a point of order on that.

Mr. Deputy Chairman: I will take a look at it, and I will give you an answer to it in just a minute.

* * *

Mr. Gilleshammer: The Member wants to get into the discussion of agency budgets. We have indicated, and this budget will show, a 15 percent increase year over year with last year's budget. The Member here in committee and elsewhere wants to indicate that we are cutting back.

The increase for agencies has doubled in the last five years. Government is trying to respond as best it can within the limited means that we have. We are responsible to the taxpayers of this province. We have given the largest increase across Government to this particular department, an increase of 8.2 percent. We are asking agencies to make management decisions, and we are working with those agencies at the present time to come up with balanced budgets. The Member well knows that there is deficit relief that will be flowing when balanced budgets are arrived at between the department and the agencies.

* * *

Mr. Deputy Chairman: I will just answer back on that point of order. On the point of order, it was not a point of order. I would like to thank the Honourable Member for bringing it up.

I would also like to ask the Member for Osborne (Mr. Alcock) to try and choose his words a little more carefully. Thank you.

Mr. Alcock: Thank you, Mr. Deputy Chairperson. I appreciate that admonition.

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Mr. Alcock: You are asking the agencies to review their management practices. You are asking them to manage better, and you cannot give them a single

piece of advice on an issue that has been at the front of your management for two years. Now I think it is about time you tried to work with these agencies in some facilitative manner to help them deal with the circumstances that confront them so that they can get down to the business of delivering services instead of fighting with you guys all the time.

Mr. Gilleshammer: I would hasten to point out that we are working in a facilitative manner. It is the Member for Osborne that keeps raising this in the newspaper and making this a confrontation. Agencies are working with this department on the balanced budgets. There is some tough work to do. There are some tough decisions to make, and those are being made.

Mr. Alcock: I would remind the Minister that it was his Premier Mr. Filmon) that questioned the competence of agency management, not this side of the House. I do not think that represents an attitude of working with people.

Mr. Gilleshammer: It is the Honourable Member's comments that we see in the paper day after day on the issue of the relationship between the department and the agencies. I can tell you that we are working with the agencies. I met with the agency presidents and their director some two weeks ago. We had a very good meeting in terms of working out some partnerships. I think that the Member has to know that there is a lot of work going on behind the scenes between the department and the agencies to resolve this problem.

Mr. Alcock: A lot of work going on behind the scenes. When I ask you to share a simple working document on the goods and services tax, you cannot produce it, despite the fact you have had two years to do it.

Mr. Gilleshammer: I have indicated to the Member that we do not have that document. The documentation for the goods and services tax is in the Department of Finance.

Mr. Alcock: Let us not belabour this one. Do you want to ask more questions on the goods and services? Let the Member for Wellington do it.

* (1540)

Ms. Barrett: I would like to state that I have also made comments about the concerns raised about the management skills of Child and Family Service agencies, not raised particularly by this Minister, but by his Premier.

However, I think that it may be going around and around Robin Hood's barn to continue to belabour the fact that six weeks before the goods and services tax is in, agencies do not have a clear understanding of what the impacts are going to be. The departments do not have a clear understanding of what the impacts on their budgets are going to be. That is a given for whatever reasons, and I am not completely sure that it is a total departmental responsibility.

I have been at workshops where people who spend their entire time dealing with the goods and services tax cannot answer the questions. I think it is their responsibility, and the onus is on the people who put together this tax and put together the documents that were supposed to help all of us do it who should bear a good deal of the responsibility and the blame.

Given the fact that we are looking at the probability of the goods and services tax, given the fact that none of us have a really good idea of what the impact on these goods and services that agencies provide is going to be, again my concern is that agencies who are doing their best to comply with the directives of the department when they are working with the department, that the department not—I am using the word punish, and I think that is too strong a word. I do not mean to use that, but I cannot think of another word—six months down the road when the impact of the GST becomes clearer, that the department does not say: Well, yes, we passed your balanced budget; we have approved it. Oh, dear, the goods and services tax is having a 5 percent impact on this part of your budget and we only—both the department and the agency working in conjunction—worked out an impact of 2 percent, and there is that extra 3 percent impact that is going to be handled.

My concern is that those agencies are going to be told by this Government: Too bad, you have to find ways within your budget that we passed to take up that extra 3 percent that nobody knew was going to happen. We all acted in good faith. We all passed this budget, and this is not an act of God that is going to come down on us in six months. We know there is an impact. We also know we do not know what that impact is going to be.

I would like assurances from this Government that having gone through all of that in good faith the Government will not say: Fine, you have this extra money, these extra expenses, find it from within.

I would take very great exception to that, because that is not the fault of management practices. That is not the fault of service delivery. That is a completely external factor that we know is going to have an impact, but nobody knows what that impact is going to be. I think it would be reprehensible for those agencies to bear that extra burden.

I am concerned because I am not hearing from the Minister, that yes, that is the way this Government will go on this when the impacts of the GST are known.

I would like to ask the Minister if he could give us that guarantee.

Mr. Gilleshammer: First of all, I appreciate the Member's comments and I think putting some of the comments on the GST into perspective. That is the sort of thing that we would be prepared to review.

We are not sure what the impact is going to be, but I think it is something that this department and Government is going to monitor, and Governments across this country are going to have to monitor I would say that it is something this department would certainly review and see what sort of an impact the GST will have on agencies.

Ms. Barrett: I accept the need to review and monitor. I would like again that additional step and yes, review and monitor the effects of the GST and assure agencies that having operated and acted in good faith on the part of everybody concerned, they will not have to take on the additional responsibilities that this goods and services tax may have on them.

As you mentioned earlier, when the amalgamation of the two departments took place you were in a transition period, that there were some adjustments that had to be made, some figures higher, some figures lower, everybody understands that that requires flexibility and budgeting for a period of time because it takes time for those things to sort themselves out. I am suggesting that this is for each agency an even greater concern and that ought to be taken into account, and I would like to have it very clearly stated that it will not only be monitored and reviewed, but that agencies will not have to take that additional responsibility on themselves.

Mr. Gilleshammer: You are asking us to project into the next budget year and answer questions on the '91-92 budget and we simply cannot do that. I am afraid I have gone as far as I am going to go, that we are prepared to monitor it and review it, and just

as the GST when it comes into effect, if it comes into effect, is going to impact on all of us, it is certainly going to be something that all Governments, all agencies, all families, all individuals are going to have to look at and adjust to.

Mr. Alcock: There are some givens in it. We know it is going to be on legal fees; we know that it is going to be on psychologists' fees, et cetera, so there is some ability to calculate those impacts today. Let us move off that one for a minute and let us talk about another related policy. What level of support does the department currently give agencies to pay the payroll tax?

Mr. Gilleshammer: I think that would be better discussed when we get to the budget lines on the agencies.

Mr. Alcock: I just wanted to ask you though, is there a departmental policy? I am not talking about any specific agencies, just any of the 200 agencies that the department funds that have a sufficiently large staff that they have to pay the tax. What is the support policy? What level of support is given to pay that tax?

Mr. Gilleshammer: There is no overall Government policy on support for the payroll tax with the Child and Family Service agencies. They are supported at the rate of 1.5 percent.

Mr. Alcock: I appreciate the Minister clarifying that particular section of it because that has been an item that has been in dispute.

The Minister is saying that the agencies are supported to the level of 1.5 percent but expected to pay 2.25 percent. I will leave the discussion about the correction of that to that particular line, but I think at the policy end of it, I asked that same question of the Minister of Finance (Mr. Manness). The Minister of Finance said the policy was to support agencies to 2.35 percent, one-tenth of 1 percent above the taxable rate, to cover some of the administrative costs. You can check the Hansard. You will find it in the public record.

* (1550)

He indicated to me at that time that if agencies could substantiate that they were not being supported to the full two and a quarter, possibly 2.35—I will not dispute the other tenth of 1 percent—but the 2.25 level which is the level that you are clawing back from them, that he would hear a presentation on that and see if that was adjusted. I would urge that the Minister undertake to do that.

I would also ask the Minister to look into the question of the additional one-tenth of 1 percent because there are compliance costs involved in preparing and paying that tax. It is something that has accumulated ever since the tax was raised to 2.25 percent. They have been paying three-quarters of 1 percent on their payrolls from that day on.

That is another piece that has accumulated and not been, as the Minister suggested—it was his suggestion that this would then create a deficit and that deficit would be picked up. This has been specifically excluded from that deficit recovery, and I understand the instruction to the agencies right now is that they are not allowed to include that three-quarters of 1 percent in their budget calculations for this year.

Mr. Gilleshammer: We will certainly review this. My information is that agencies are supported to 1.5 percent.

Mr. Alcock: We will leave this item until we get into specific agency lines. I would like to return to it then. I do want to sincerely thank the Minister for clarifying that because that has been an issue of dispute for some time. I think it is important that we deal with the substance of that particular issue rather than the questions about the management abilities of certain agencies.

I would like to move on though in this whole area that this division is responsible for, this whole area of federal-provincial negotiations. I understand that the CAP agreements, the CAP funding discussions are under way right now. I understand from a member of the Federal-Provincial Relations Division in Finance that he was at a meeting in Halifax, I believe just recently, to begin a preliminary look at the negotiations relative to future programs under the Canada Assistance Plan. I wonder if this department has been involved in those discussions.

Mr. Gilleshammer: Not at this time at a formal level.

Mr. Alcock: CAP provides a very considerable amount of the funds that are administered by this department. In fact, I would think other than for some bits and pieces, virtually all of the CAP money coming into this province would be spent by this department. Would that not be the case?

Mr. Gilleshammer: The majority of CAP funds are spent by this department. Also, I think Education and Health are recipients of some CAP funds.

Mr. Alcock: Yes, it is my understanding that one of the agreements, the CAP agreement, I believe from

the Ministry of Finance, is renegotiated every five years, and that agreement is coming to an end in 1991. Is that the case?

Mr. Gilleshammer: I am told that CAP is ongoing and is not negotiated every five years.

Mr. Alcock: Then can the Minister tell us to what end these negotiations are taking place right now?

Mr. Gilleshammer: As the Member is probably well aware, the federal Government is concerned about a number of its expenditures, one of them being CAP. I believe they have initiated the discussions on CAP at this time and I believe have the initiative where they are going to reduce the CAP funding in three of the provinces, or they are negotiating that.

Mr. Alcock: Yes, just for purposes of clarification here, the Canada Assistance Plan provides at the current time in the Province of Manitoba dollar-for-dollar funding of certain programs, so that when you are undertaking a certain program if the province spends a dollar the federal Government will spend a dollar. Not all things are shareable under the Canada Assistance Plan but the majority of core services are. Of the \$535 million that this department is spending this year, what is the global term for CAP recoveries against that budget item?

Mr. Gilleshammer: It is slightly less than half of that budget, in the neighbourhood of some 48 percent.

Mr. Alcock: Roughly \$260 million? I am not pinning you down to a particular number.

Mr. Gilleshammer: Probably around \$220 million.

Mr. Alcock: I do not mean to scramble to get the figure now. We can get the exact figure on Monday. I will probably have it by then myself. There is a really interesting issue that is emerging here and one that I think is certainly of great concern to those people who examine social policy, and I expect it must be of vital concern to this department. The federal Government many years ago moved to change health and post-secondary education funding from a similar 50 percent cost-shared basis to a block-grant basis that resulted in some very significant decreases in the overall level of support to services and to a situation where in health care this province will end up by the year 2000 with no federal cash going into the provision of health care services, which I think is quite an astounding situation to be in.

Recently, in the last budget, the federal Government made a move to cap two things—well,

they ran up against a cap on equalization, so now equalization payments are not escalating in the way in which they used to respond to economic conditions in the country. They also placed a cap on I think it was—the Minister can correct me—a 5 percent cap on Canada Assistance Plan payments to the three what would be determined as “have” provinces, Ontario, Alberta and British Columbia, but “have not” provinces such as Manitoba, Quebec and others were still allowed to recover fully 50 percent of approved programs. Is there anything taking place in these negotiations that would suggest that the federal Government is preparing to change the sharing agreements?

Mr. Gilleshammer: There is a concern that they are trying to cap the CAP expenditures in those three provinces and again the Member is well aware that the federal Government is concerned about expenditures. We would be concerned if there was any further escalation of that.

Mr. Alcock: Has there been any discussion of this issue among provinces in preparation for these discussions with the federal Government?

Mr. Gilleshammer: Yes, there has been at the officials level a discussion of the relationship with the federal Government. Deputy Ministers will be meeting some time in December, and I am sure that will be on the agenda.

Mr. Alcock: Have there been any working papers prepared or impact studies, or is there any sense of what some of the options are we may be faced with?

Mr. Gilleshammer: Yes, there has been some analysis done. They are in the working paper stage. There is not any final document on it at this time.

Mr. Alcock: It is an interesting problem. I have some sympathy for the Government as it tries to deal with the impact of federal decisions on what are provincially administered programs, but we have seen successively on the part of the federal Government in successive budgets, cutting back on social forms of spending. I am wondering, is there any sense on the part of the department that we might see a change in policy relative to these programs, with some further limiting of expenditure under these programs in the coming federal budget.

Mr. Gilleshammer: We are, obviously, concerned about that. As you pointed out, a good portion of our provincial budget in this department comes from the federal Government, but we are not privy to any decisions that they have made. We are concerned

with a number of the initiatives the federal Government has taken. We certainly hope that there is no reduction of funding in this area, because it would impact tremendously on this province.

Mr. Alcock: I am sure the Minister is concerned. I hope and would certainly be prepared to be as helpful as we could be in making that case because it would have a devastating impact on services across this country.

Just a final comment then, because I do note that the Deputy Chairperson is looking at the clock, and the time is drawing near. -(interjection)- I am prepared to go to five. I was told four. I am just warming up, Jimmy. I can go all night.

The final question would be related to another area that has been of significant negotiation between the province and the federal Government in the past, the one of the tripartite agreements. I know the Member for Wellington (Ms. Barrett) asked some questions about that earlier, and I know that there have been negotiations ongoing, but I also am aware that the federal Government has refused to move, on at least, in the recent past, renegotiating new agreements and I think have been offloading some of their legitimate expenses in the support of these agencies onto the provincial Treasury.

I wonder if the Minister would like to close with a comment on that.

Mr. Gilleshammer: We are anxious to continue with the tripartite negotiations and are concerned with any offloading by the federal Government.

Mr. Deputy Chairman: In accordance with the agreement of the House today, the time being 4 p.m., committee rise.

SUPPLY—CULTURE, HERITAGE AND RECREATION

Madam Chairman (Louise Dacquay): Would the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Culture, Heritage and Recreation. We are on item 1. Administration and Finance, (b) Executive Support: (1) Salaries, page 33.

By agreement, it is my understanding that the critic from the official Opposition, the Honourable Member for Wolseley (Ms. Friesen), has been given leave to make introductory remarks.

Ms. Jean Friesen (Wolseley): Thank you very

much, Madam Chairperson, and thank you for the opportunity to make these remarks. I was not here last night for the multicultural part of the portfolio which we have assigned to a different critic. I am going to be dealing with Culture, Heritage and Recreation.

I wanted to emphasize first of all that Culture, Heritage and Recreation is a department which is significant to every Manitoban wherever they live, whether they live on a reserve community, whether they are in northern Native communities outside of reserves, whether they are in the core area of Winnipeg or whether they are in the small towns of Manitoba.

The department helps us preserve our collective memory and our collective conscience. It offers us through its granting programs, through its peer evaluations, the goal of excellence in performance, in arts and in cultural presentations. It helps us find our communal voice. It fosters creativity both individually and collectively, and it helps us express who we are. It is in fact the department which both helps to shape our identity by its selection of programs and its allocation of resources, and through its communication programs also reflects back to us who we are. It is a department, I think, where one would expect to find innovation and creativity to reign.

I would like to note, first of all, that many of the programs that the department is following were those that were introduced by the NDP over the previous 10 or 15 years. I am glad to see that The Heritage Act is in operation and that it has been extended in some areas to municipalities. I was pleased to see the expansion of the Community Arts Programs and particularly the granting programs and Community Places Programs.

I think the grants and support to the variety of arts festivals in Manitoba, particularly the folk festival and the children's festival which were begun under earlier Governments, are also very laudable, and I am glad to see that they are still with us. The Prix Manitoba, again another innovation of the NDP Government, is something which I think recognizes not only performers, but recognizes the educators, the volunteers and the many individual Manitobans across the province who contribute to presentations of culture, heritage and the arts.

The ERDA agreement I think the Minister has spoken of many times and recognized the social and

economic impact that it has had on the province, and I am glad to see that there is some commitment to retaining that, but obviously its loss is going to be felt very severely in parts of our cultural life.

The aid to publications, in particular I think to writers and the literary scholars of Manitoba, has been very important and very useful, and we are going to miss some of those programs.

Over the last 20 years, I think there has been general community support for state cultural activities, which is what we are talking about, for aid to facilities and to the dissemination of cultural opportunities, particularly outside Winnipeg and particularly in the North. I am glad to see that many of these programs have been enhanced, some of them expanded, and in the area of recreation, new ones initiated. I think all Manitobans appreciate that expansion of those earlier NDP programs, and I look forward to examining some of them in detail and to learning more about them in my first examination of Estimates.

Obviously I have some regrets. I would be remiss in my job as a critic if I did not, and I think my overall regret is that I see a department which is standing still, marking time. I do not see very many new programs; I see very little innovation. Even in times of economic crisis, which I think we are entering, I think one can still expect in departments, particularly of culture and heritage, to find those kinds of innovations and new ways to use declining funds.

I think the department may have fallen into the trap which often happens to departments which have extensive grants programs, of becoming responsive, that is, of responding only to those programs which are put before it rather than maintaining in all areas—leadership, leadership in innovation, leadership in new ideas and in expansion of old ones.

* (1310)

There are other areas, obviously, where I think we would have philosophical disagreements with the Government. I do see in the DeFehr report and in other initiatives in the department a tendency, well more than a tendency, an intention to rely much more on private sponsorship of cultural and heritage activities. This is very consistent with federal Government programs, particularly the Bovey report, and with a general overall market philosophy of Conservative Governments around the world.

There is a clear philosophical distinction here I

think. I do not think our party would be opposed to private support. It is where you put the emphasis, and I think we see the danger in leading particularly arts and culture and heritage into an area where the marketplace philosophy will rule. I do think that it will affect the selection of plays, of music, of what we are in the end permitted to see, so it is a dangerous tendency I think. Although one would not reject private funding out of hand, one has to be very careful about the guidelines and the general philosophy that the department has.

I noticed in my budget speech that the so-called "hard dollars" to the department have declined, and I am sure the Minister has regrets and disappointments in this as well. I do notice the increased reliance on Lotteries monies, which seems to me to be in contradiction to the general thrust of the DeFehr report which her own department commissioned, and I think with which she is in general agreement.

I do not see much in the overall Estimates of the department that will mitigate the impact of GST on arts organizations, and I think that will be a matter for some regret for communities right across the province.

I think one final thing that I would say is that there seems to me to be a tendency at least within those people who write the departmental reports, and perhaps within the Ministry as a whole, to look upon the arts as culture. I wanted to remind the department, and perhaps present our perspective that the arts are only one part of culture, but one of the reasons that we have culture and heritage and the arts in one department is to remind ourselves that culture is the overall collective expression, the collective memory and the collective conscience, and that the arts are only the performing arts, the visual arts are only one part of that.

I think it is perhaps time the departments had a wide range of activities, to look back to reflect on the activities of the department to see if it is, to see if we are as a community, reflecting on the significant cultural changes of our generation.

If we look back on the activities of the Department of Culture, Heritage and Recreation, say 50 years from now, will we see in there a department which is meeting the challenges and the needs of Manitobans at the end of the 20th Century? I think in some areas, particularly in the recognition of an aging population and in the recognition that we are

going to have increasing leisure, some of it enforced, some of it voluntary, the department has made some planning strides and I commend the department on that.

I am not sure that the department as a whole over the last few years has taken account of the great technological revolution of computers and of new means of communication.

I think in particular as we look at Manitoba being swamped as it has been for many years, but certainly increasingly swamped in a new global environment, with the dominance of American television and films, as is the rest of the world, I am not sure that I see in the department a real push, a real desire to meet that challenge.

I think if we look at culture generally in the sense of cultural expression over the last part of this century, one of the things that we will look back on is television. When we think of culture, in the end we are going to be thinking of television, and the department really has not addressed that. This is where the majority of people are getting their information, they are getting their sense of culture, their sense of identity.

We are doing good things on the fringes, but I am very much convinced that these are increasingly becoming the fringes, not that we should ignore them. We should remember that the central focus of people's cultural activity is increasingly television.

I think with the decline of the Canadian Broadcasting Corporation, and particularly its regional programs, that there is a great need for Manitoba, and particularly Manitoba culture and heritage, to look again and to look at ways in which the department can meet those challenges of the means of communication of culture.

I would like to see out of this some new areas, some new initiatives the department should take, particularly perhaps in relations with the Department of Education and educational TV. I think we have an opportunity there. I do not see directly in the programs where those links are being made, and I know informally and some staff members are, but where is the policy thrust that would indicate that?

I think finally one of the challenges of Manitoba, if we are going to look back over 50 years from now, is that these are the years in which we become a multicultural society. These are the years in which we are going to see the decline of the small towns

of Manitoba and a rapid increase in aboriginal communities, both in Winnipeg and elsewhere.

It is I think the mainstreaming, the cross currents of communication and of cultural identity that have to come from the various communities of Manitoba, that have to become part of a new overall Manitoba culture that we have to address as a Department of Culture, Heritage and Recreation.

So I would like to see the department lead again I think in multicultural and aboriginal programming. I would like to see Manitoba take account of the initiatives of UNESCO and of international organizations and to begin to place ourselves in that global context.

It is a department which, as I said in the beginning, has a tremendous impact on the lives of most Manitobans. It is one where the opportunities for leadership in a centralized planning role are really very, very large. The department has met them in the past, and I would like to see them address that in the future.

Madam Chairman: I would request now the staff of the Department of Culture, Heritage and Recreation.

We will continue with the Culture, Heritage and Recreation, item 1. Administration and Finance 1.(b) Executive Support: (1) Salaries \$331,400—shall the item pass?

Ms. Frlesen: Madam Chairperson, I am new to this process, so please correct me if I am on the wrong line. Is this the section where we would discuss the salary of the Deputy Minister?

I have a question for the Minister on a statement and a letter to the Free Press that was published about a statement of the Deputy Minister on the public input into Manitoba art collections, where it says that if it were up to the public, we would have nothing but grain elevators and sea gulls in our collection. I wonder if indeed that is a true statement the Deputy Minister made and whether the -(interjection)- I am not accusing the Minister at all. I am asking whether this is a true statement and whether it reflects departmental policy.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Madam Chairperson, it is my understanding that statement was taken out of context, and it was not meant to imply anything about the public's point of view or perception of art.

* (1320)

Ms. Frlesen: I am glad to have that cleared up. It puts my mind easier to know that is not the policy of this department.

If I can pursue, however, the activity that the Deputy Minister was involved in—I do not know if this is the right time to pursue it—that is the collecting of material for the art bank, which I gather is paid for by Government Services but selected by this department. Is that the case?

Mrs. Mitchelson: Until this present year, the art purchase has been done from the Department of Government Services, and there was a committee in the Department of Government Services. Last year we took a look at moving it over to the Department of Culture, Heritage and Recreation. We are in the process of making that happen right now, but it always has been the responsibility in previous times of the Department of Government Services.

Ms. Frlesen: So at the moment it resides within the department and you are, I understand, developing some policies for that particular program.

I wondered if I might take this opportunity to suggest that part of that program development include exhibition and cataloguing so that over the years the public of Manitoba has a cumulative list of what has been bought by the Government, and that it has an opportunity to view these. It seems to me that is one form of peer evaluation and will certainly, I think, eliminate the idea that the public is only interested in sea gulls and grain elevators.

Mr. Kevin Lamoureux (Inkster): We all know full well, Madam Chairperson, that the reason why the Department of Culture and Heritage is able to do the work that it does is because of the work of many volunteers. If we take a look at the organizational chart, we get a better idea in terms of the number of volunteers who put in many hours.

My question to the Minister is in accordance with the organizational chart. Could she give us an update on the corporate board members and elected officials from different communities? It might take her a few minutes to go through each and every one of them, but I would appreciate it if she could.

Mrs. Mitchelson: If I could just get some clarification. When we are looking at the organizational chart, is it all of the councils and advisory boards that are responsible to the Minister? Is the Liberal Critic wanting a list of names of people who are presently sitting on the boards?

Mr. Lamoureux: I am looking more for vacancies than anything else.

Mrs. Mitchelson: I will try from memory to do this, if I can. The Manitoba Centennial Centre Corporation is a board that is appointed by Government, and I believe it is full. There is an ongoing process within Government where members of boards and commissions councils are appointed usually on a one, two or three-year basis so that there is some overlap. Some of the one-year terms might be up, and that is a process whereby my staff will bring to my attention that there are some vacancies. We either reappoint people or look for new people to sit in those spots. Some people do resign, and then that leaves a vacancy that is filled. I just do not know how much detail . . .

Mr. Lamoureux: That is virtually exactly what I am looking for and if she could just go through the centre culturel franco-manitobain there are about eight or nine of them there, if she would not mind.

Mrs. Mitchelson: I certainly could get a copy of how many vacant positions might be available. Some of the boards have a limited number of people that can be appointed through legislation, other boards are set up by Government and some have no limit on the number of people that can be appointed to the board. In those instances, there may have been 12 at one time, there may be 14 now, there may only be 10 now depending on whether there is any statute limitation to the numbers of people that can be on boards.

I can get that information and share it with the critic.

Mr. Lamoureux: I would appreciate that. As I say, I am not looking for names as much as just what positions are vacant, and possibly if she can, criteria that she uses in order to fill them.

Madam Chairperson, I want to go on to the lines, in terms of the number of staff years. If we take a look at it we will see a decrease in the total salary to \$331,400 from \$362,100, yet we have had the same number of staff people.

Is it safe then to assume that there were some new people that were brought in and others that were let go or decided to quit on their own?

Mrs. Mitchelson: If you will look under Managerial Salaries, there is a fairly major decrease from a budget of \$115,000 last year to \$78,600 this year and that was because in last year's budget there

was a provision for severance pay for a former Deputy Minister.

Mr. Lamoureux: In the Activity Identification that goes along with this particular line, it reads from the last supplement: the multicultural co-ordinator who has responsibility for the review of provincial programs and policies with the view of raising the profile of multiculturalism within Government planning.

That no longer exists under Activity Identification with this supplement. I am wondering, if there is no change in the staffing, and that was obviously a major objective for the department, is there something that has been put in its place to compensate what could be extra time or was the work that they were doing previously, demands were that high that they needed an additional staff person back then?

Mrs. Mitchelson: I think last night in the Estimates we discussed the Multicultural Secretariat at great length, and the position of the multicultural co-ordinator within my office. That position has been transferred over to the secretariat, so instead of a multicultural co-ordinator now, we have an executive director of the Multicultural Secretariat.

Mr. Lamoureux: It would still be safe to assume that the Deputy Minister works in hand with this new Outreach Branch in Multicultural Secretariat so its Activity Identification, to some degree, would include that deletion, would it not?

Mrs. Mitchelson: Madam Chairperson, yes, there is still some co-ordination within the department and the secretariat, as there was with the multicultural co-ordinator.

Ms. Friesen: I wanted to ask what special assistants and executive assistants the Minister had and what their particular roles were.

Mrs. Mitchelson: Madam Chairperson, I have a special assistant. Would you like the names? Her name is Jackie Beaton and she has been my special assistant since I became Minister some two and a half years ago. She has an office within my office and works with my office staff and co-ordinates the Minister's office with the department and the Deputy's office.

* (1330)

I have two executive assistants, who job share. One is Becky Adams and the other Judi Parry. It is somewhat of an unique situation throughout

Government. There is more and more job sharing going on, but I feel that it is a great opportunity to provide work and allow those who are looking to get back into the work force an opportunity to develop their skills.

Madam Chairman: Item 1. Administration and Finance: (b) Executive Support: (1) Salaries \$331,400—(pass); (2) Other Expenditures \$77,900—(pass).

Item 1.(c) Communication: (1) Salaries.

Ms. Frlesen: Madam Chairperson, I am interested in the first line here, the managerial salary. It seems to have shown an increase, that I thought at first must be a typographical error, for one person from \$45,800 to \$70,000.00. Is there some explanation for that?

Mrs. Mitchelson: The managerial staff who was in that position went on maternity leave and had to be replaced so the salary is \$25,000 for maternity leave replacement.

Ms. Frlesen: It seems to me in the organization chart that this is an anomalous kind of position. It does not seem to have any branches reporting to it. It just reports directly to the Minister and does not supervise any other branches.

Can you explain to me how communication in the department co-ordinates and works with all of the other communication budget lines in every other section of the department?

Mrs. Mitchelson: The other part of communication within my department is central co-ordination of communication for Government. This is strictly communication for the Department of Culture, Heritage and Recreation.

This branch reports directly to the Deputy Minister so that any initiatives that are going on throughout the department would be co-ordinated through communications, and that would be speech writing, news release preparation, editing of departmental brochures, co-ordination of Manitoba Day activities, co-ordination of the Prix Manitoba Awards, the annual report, and advice and consultation throughout the department.

Ms. Frlesen: Madam Chairman, could you explain to me the situation vis-a-vis the Prix Manitoba? Has it been expanded to include all areas of the department yet, or is it still at Heritage and Culture?

Mrs. Mitchelson: Not the arts, or culture as yet, but I am pleased to say that we are going to have our

first Prix Awards for recreation within the next month. We have multiculturalism, we have heritage, we have recreation, and the arts will be the last category to come on stream.

Ms. Frlesen: Do you have any deadlines or any plans for the timing of that arts award?

Mrs. Mitchelson: Madam Chairperson, we are hoping to have the final detail and the plan ready this fiscal year to implement next fiscal year.

Ms. Frlesen: I am glad to see that. It has taken a while to get everything together in that program.

I notice that the primary activities of this section of the department is to increase public awareness of Manitoba's culture and heritage. Can you give me any idea of what kind of evaluation programs have been put in place on this? How do you know how well they are doing it?

Mrs. Mitchelson: Just within the last month or so there has been a review of the process, and we will be evaluating the effectiveness of publications that are going out through the department.

Ms. Frlesen: You indicated that one of the responsibilities of this section of the department is speech writing, and I know that you have a lot of speeches to give. I wonder if you could indicate what proportion of resources are allocated to speech writing?

Mrs. Mitchelson: Madam Chairperson, it is about 50 to 60 percent of the responsibility of the Communications department.

Ms. Frlesen: Could you put a dollar figure on that? How much would that cost?

Mrs. Mitchelson: Madam Chairperson, I guess it is staff time, approximately the salary of one staff person.

Mr. Lamoureux: Madam Chairperson, I am interested in terms of how this departments gets the public awareness of culture and heritage. It was pointed out how you hold it accountable, if you will, to ensure that it is in fact getting the message out. I wonder if you can say some of the things that it does to get the message out?

Mrs. Mitchelson: Madam Chairperson, I guess through our annual report we get information out to the community on what is happening in the Department of Culture, Heritage and Recreation. The branch co-ordinated the mailing of material on the Arts Policy Review Committee and the new Multicultural Grants Advisory Council to 1,000

groups and individuals throughout the province. The branch also assisted regional offices in designing and initiating regional bulletins which communicate information to client groups that are served by those regional offices.

In 1989-90, the branch co-ordinated news conferences and prepared 152 news releases, 175 ministerial speeches, 25 ministerial greetings for printed programs and 88 ministerial letters. They provided consultation editing and writing services for branch publications. Through all of those measures there is communication with the community of Manitoba.

Mr. Lamoureux : What do they communicate in terms of—with different groups or associations or make presentations to different ethnic groups, different arts groups or anything of that nature or is that more so in a different line in appropriations?

Mrs. Mitchelson: Madam Chairperson, that is a program responsibility within the branches. Consultation and advice would be given by the Communications Branch, but each branch within the department has the responsibility for promoting their branch.

Mr. Lamoureux: Madam Chairperson, it says that they review or submit the annual reports through this branch. Would that include then reports from outside organizations such as the Manitoba Arts Council, the Manitoba Grants Advisory Council or do they have any submissions on their behalf either through information services or reports?

Mrs. Mitchelson: No, Madam Chairperson, those are the responsibility of the external agencies or organizations.

* (1340)

Mr. Lamoureux: The last question is in regard to Manitoba Day celebrations. I noticed that it used to be under Historic Resources that organized that particular event. I would ask why the switch over?

Mrs. Mitchelson: Madam Chairperson, that is a shared responsibility. The Historic Resources Branch does the programming part and Communications sponsors the event and does the communication around Manitoba Day.

Ms. Frlesen: I wanted to ask about Manitoba Day as well. Could you tell us what proportion of monies are coming from this section of the department compared to the amount of money that the Heritage Branch is spending on Manitoba Day?

Mrs. Mitchelson: Madam Chairperson, about \$4,700 comes from Communications and \$13,800 from Historic Resources.

Ms. Frlesen: If I could make a comment, Madam Chairperson. For a department that has one, two, three, four, only five real Activity Identifications, it is spending a small proportion of a rather large budget on an important event. I do not see why you are identifying Manitoba Day co-ordination as one of the major activities of this branch.

Mrs. Mitchelson: Madam Chairperson, there is a fair amount of staff hours put into the co-ordination of that, so when we are talking about \$4,700 that does not include staff time.

Ms. Frlesen: Do we have any estimate of the number of staff hours in the Communications Branch which are going into Manitoba Day compared to the number of staff hours in the Heritage Resources Branch?

Mrs. Mitchelson: Madam Chairperson, it takes about two months of staff time in the Communications Branch. I cannot give you a comparison at this point to the Historic Resources Branch.

Ms. Frlesen: We will look at it when we get to Historic Resources then. I would like to thank you for tabling the Annual Report of the year before last and before this presentation, but I am wondering when we can look forward to last year's Annual Report given that it is one of the major activities of this particular branch.

Mrs. Mitchelson: That should be ready by the end of December of this year.

Madam Chairman: Item 1.(c) Communication: (1) Salaries \$144,500—pass; 1.(c)(2) Other Expenditures \$68,700—pass.

Item 1.(d) Financial and Administrative Services: (1) Salaries \$720,100—pass; 1.(d)(2).

Ms. Frlesen: I wanted to ask some questions about 1.(d). It seems to me that there are some large shifts in the Other Expenditures. In Capital, for example, from 77 to 33, and Other Operating an increase from 40 to 67. Could the Minister explain what changes are happening there?

Mrs. Mitchelson: This is computer changes from hardware to software. I am not terribly computer literate, but I believe that it is a reduction in hardware costs and an increase in software costs.

Ms. Frlesen: The Capital is declining because you

are introducing new software programs, and the Other Operating is increasing because you are introducing new hardware programs? Interesting.

Mrs. Mitchelson: I think I have the answer, and it is that we have the computers. Now we are developing the programming with software.

Ms. Frlesen: I wanted to ask about an earlier line there, Communication, which has increased considerably. I wonder if you could explain to me what that is being used for.

Mrs. Mitchelson: That is increase of telephone and computer lines.

Madam Chairman: Item 1.(d) Financial and Administrative Services: (2) Other Expenditures—pass.

Item 1.(e) Human Resource Services: (1) Salaries \$180,100.00.

Ms. Frlesen: I wanted to ask about the Affirmative Action program, if you could give me an update on how that is in the department.

Mrs. Mitchelson: We are doing quite well in the Department of Culture, Heritage and Recreation. There are a few shortcomings, but I will give the percentages. For Government targets, the target for women is 50 percent, and we are at 64 percent. The target for Native is one area where we are down. The Government target is 10 percent, and we are at 2 percent. The Government target for disabled is 7 percent, and we are at 4 percent. The Government target for visible minorities is 6 percent, and we are at 6 percent. We have 60 percent of our division heads are women, and 52.9 percent of our branch heads are women.

Ms. Frlesen: Do you have any explanation of why you are so far from the target on Native employment, and what plans do you have to reach the target?

Mrs. Mitchelson: Madam Chairperson, we do recognize and realize the need to reach out into these communities more, and we have made improvements over last year. We were at 1 percent last year, and we are at 2 percent this year so there has been improvement, but there is more work to be done and more outreach to be done.

Ms. Frlesen: Could you expand upon that? I am not sure what you mean by outreach in personnel terms. This is a personnel department.

Mrs. Mitchelson: There does not appear to be as much of a problem through the selection process if in fact those from target groups do apply. The

problem is that they are not applying so there is a need to reach out. I think all Government departments are trying to take the initiative to reach out through Native organizations, through special media publications and to the communities so that we get more Natives applying, so they have the ability to be hired.

* (1350)

Ms. Frlesen: So it is not a Government policy rather than a departmental policy? There is no specific departmental initiative to encourage the application of Native people? It seems to me that in a department of culture, heritage and recreation, and one which is going to have to meet the new population of Manitoba, that this is a very important part of your hiring policies.

Hon. Harry Enns (Minister of Natural Resources): I would be interested in entering the debate of my colleague's Estimates at this juncture, and ask her if in fact there is a policy problem in this instance for this department to respond to those applications she speaks of, simply because of the long established and very clearly defined policy of the federal responsibility with respect to Native affairs?

If you are talking about aboriginal people with reserve status and at reserve locations, I ask the Minister if in fact her department is actively responding to applications dealing solely with reserve status aboriginal people?

Ms. Frlesen: I am waiting for a response to my question. I am not sure of the point of order here.

Madam Chairman: I am aware of that. The Honourable Member did not have a point of order. I misinterpreted his standing. He had a question for the Minister as well.

Mr. Enns: I accept the fact that the Member experiencing this is new, but every Member can ask the Minister all questions he wants, including Executive Members of Council. It is kind of a pattern that we have allowed ourselves to get into that critics for particular departments, in fact only critics attend the departments involved. It should be stated for the record that certainly Members of the Government, as all other Members, afford the courtesy to the critics of a department that they take lead roles in the questioning of the departmental Estimates, but no other Members, by any means, are excluded from asking or seeking information at this

opportunity that is made available to us when the Minister is present and her staff are present.

Madam Chairman: The Honourable Minister of Natural Resources (Mr. Enns) does not have a point of order. The Minister of Natural Resources indeed has the right to question the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson). However, I feel it is only responsible that he permit the Minister of Culture, Heritage and Recreation to respond to the previous Honourable Member's question first.

Mrs. Mitchelson: Madam Chairman, after all that I am not quite sure if I remember the question, but I will attempt to answer it and seek some clarification if I am not on the right track.

We do have an Affirmative Action program that does specifically target affirmative action groups. I have indicated that there are concerns that possibly not enough Native people are applying, and we have to reach into those communities.

I do want to indicate that we have made some positive changes in our department. Even though it may not show up in our numbers, we have initiated or instituted a \$500,000 two-year program to hire recreation directors for northern and remote Manitoba. That will deal with 13 Northern Affairs communities and 13 reserves.

We are in the process right now of training recreation directors, many of those who will be Natives, who will go back and work in their own communities. I think this is a positive move in the right direction.

Those will not show up as a result of our initiative or in our department because in fact it is a joint initiative with the Department of Northern Affairs, and they are taking the lead responsibility for working with and dealing with the communities to hire those recreation directors.

It is a positive initiative from the Department of Culture, Heritage and Recreation that is going to employ Native Northerners to work in their own communities, but it will not be reflected in our numbers and our targets.

Madam Chairman: Does the Honourable Minister of Culture, Heritage and Recreation wish now please to respond to the Minister of Natural Resources' (Mr. Enns) question?

Point of Order

Mr. Enns: On a point of order, if the Minister wishes to respond to me, she may. It is really not at the request of the Chair that she should feel any obligation to do so.

Ms. Frlesen: I would like to pick up on the hiring policies in the Recreation department although we could perhaps leave it to another time, but since you introduced it here. You talked about the hiring of northern people. Do you have a target? Do you have an estimate of how many of those people are going to be aboriginal peoples in that recreation program?

Mrs. Mitchelson: Madam Chairman, we are working on it with the Department of Northern Affairs. That might be a good question for the Minister, but I do know that the communities are part of the selection process.

Mr. Lamoureux: Can the Minister tell me what her staff complement is currently at?

Mrs. Mitchelson: 325.

Mr. Lamoureux: How does that compare over the past couple of years? Has there been an increase or decrease?

Mrs. Mitchelson: Madam Chairperson, we are just looking for the exact number, but we are down marginally over the last couple of years.

Mr. Lamoureux : Madam Chairperson, if it is marginally, I do not need to know the concrete number. I understand that the department hires or fills vacancies 20 to 30 a year. I would ask the Minister, does she have any breakdown in terms of visible minorities that would now be within the 325 in terms of percentages?

Mrs. Mitchelson: The number of visible minorities percentage wise is six percent, which is the target for overall Government.

Mr. Lamoureux: So it has met the Government's target then? That is good to hear.

In terms of the co-ordination of training, of activities, of departmental staff, I wanted to get into something that I made mention of yesterday and that was the MIC's recommendations. Part of MIC's recommendations was educating people, politicians, bureaucrats if you will, as many people as possible.

Has this department come up with any plan on

how they are going to tackle racism from within her own department?

Mrs. Mitchelson: Madam Chairperson, the one specific initiative that has happened through our department is that we have seconded to the Manitoba Federation of Labour a staff person from the Department of Culture, Heritage and Recreation for a two-year period.

She has been over there now for about a year—almost a year. I have received an update that they are moving ahead on an antiracism initiative that will be able to be used, a model that will be able to be used in the work force, in the work place and also in other areas.

* (1400)

We will be anxiously awaiting a report on what type of a model this might be and whether it might be able to be used. So we have had a specific and a genuine interest in dealing with racism and that one person will be able to bring back to Government the expertise that she has developed in working with anti-racism initiatives over there.

Mr. Lamoureux: Madam Chair, this is the first that I have heard of that particular idea or concept. When was that initiated and when can we anticipate some type of report?

Mrs. Mitchelson: Madam Chairperson, it was announced about a year ago. There was a news release and it was a joint initiative with the Federation of Labour and the provincial Government. I think there are other levels of Government involved also, and we are expecting an interim report some time in January.

Mr. Lamoureux: If we are expecting an interim report in January, will the Minister make any type of commitment in terms of when she sees a program of this nature coming into being, whether it is this one or it is the recommendation that she might want to delegate out to MIC or any other organization?

Mrs. Mitchelson: Well, Madam Chairperson, if we do receive that report in January, and I have every reason to believe that it should be ready, I know that through the Manitoba Federation of Labour there is going to be this training module, or this module will be piloted, and we will have to take a look at that module and see whether it is pertinent to any areas that we want to take some initiative within Government.

Ms. Friesen: Thank you, Madam Chairperson. On

a personnel matter, I understand that you have recently lost your Chief Archaeologist, and I wonder, given the significance of archaeological work in the province, not just in the Rural Municipality of Arthur, but elsewhere, how soon you are going to replace that position?

Mrs. Mitchelson: We are working on getting that bulletin out for competition very quickly.

Ms. Friesen: Thank you, I am delighted to hear that. Could you give me a date on the expected appointment?

Mrs. Mitchelson: Through the normal process it usually takes about three or four months to go through the screening and the interviews and make the final decision.

Madam Chairman: Item 1. (e) Human Resources Services: (1) Salaries \$180,100—pass; item 1. (e)(2) Other Expenditures \$17,400—pass.

Item 1. (f) Manitoba Film Classification Board: (1) Salaries.

Ms. Friesen: Thank you, Madam Chairperson, I notice that this section of the department is declining in its funding. In '89-90 it had \$310,000, and it is now down from \$154,000 to \$152,000.00. I am wondering if there is a decline in the service to the community, or whether there is a decline in the requests. I notice that there have been fewer features examined by this committee, but certainly the rest of the workload seems to be very similar. Are they in Speed-up, or are they just viewing them faster?

Mrs. Mitchelson: There was in the past an inter-provincial agreement between Saskatchewan, Ontario and Manitoba to classify video. There were two staff that were associated or related to that, and there were increased costs. That agreement fell by the wayside, so we are classifying videos here alone in Manitoba. That is the reason for the decrease in the cost.

Ms. Friesen: So you are doing it more cheaply with fewer people?

Mrs. Mitchelson: It sounds like it might be more efficiently with fewer people, Madam Chairperson.

Ms. Friesen: Given that the Minister several times announced a classification program for videos, I was expecting to see some appropriation here for that new program. Where should I be looking for it, because this is going to be a major issue for the department?

Mrs. Mitchelson: The first full year costs will be shown in next year's budget. There is a minimal amount of cost here, but there will be licence fees for retailers and for distributors that will make a lot of the new initiative cost recoverable.

Ms. Frlesen: It is within this branch, then, that are you are going to be licensing and inspecting video distributors across Manitoba? This branch will also then be classifying all commercial videos shown in Manitoba?

Mrs. Mitchelson: The inspection of retail stores will be done through the Department of Finance by the retail sales tax inspectors. There are some 40 of them within the Department of Finance right now. We are looking at cost-efficiencies when we are utilizing or working together with other departments.

Mr. Lamoureux: There is quite a variation in terms of the number of films that are being classified. One is down by 60, another one is up by 50, another one is down by 75. Those are the ones with variance, and I am wondering if the Minister can tell me, are there backlogs in terms of classifications? Are we virtually up to date and we are getting them as they enter into the province for classification?

Mrs. Mitchelson: There is no backlog. We are up to date.

Mr. Lamoureux: It was very encouraging to see the Minister enter into an agreement on video classifications. When you look at the line, you see there is no increase in staff years. I do not know what number—I would imagine you are looking well into the thousands of video classifications that need to be done out there. I am wondering how she expects to be able to do those classifications if there is no increase in staff, assuming, of course, that they have to sit down and watch these shows.

* (1410)

Mrs. Mitchelson: We are looking at an additional 40 to 45 new films coming into the province per month that do need to be classified, so we are talking about new product. A lot of the product that is on the shelves right now has been classified already, and we will have a catalogue that is available with the classifications from films that have been previously classified. That will be available in all retail stores, so they will have that information. The new films will be about 40 to 45 per month. It is the Film Classification Board that is appointed by Government that does view and classify the films. There will be, of course, increased time spent by

those members viewing films, but that is what the license fee for the retailers will do. It will provide additional revenue, so that it will make the increased viewing costs cost-recoverable.

Mr. Lamoureux: Joint data banking amongst different provinces is a good way of becoming very efficient or trying to save taxpayers money. I would ask the Minister if other provinces, in particular Saskatchewan, Alberta or Ontario, have classification systems. If they do have classification systems, what is this Government or Minister doing to enter into a joint data base, so that we can save taxpayer dollars?

Mrs. Mitchelson: Long, ongoing discussions have been happening between provinces, and probably a national system would be the best system and possibly the most efficient system, but the provinces cannot agree. There is no agreement between provinces on what kind of a system there should be in place. Talks are ongoing, and there are indications that if a national system was to be put in place, it would be three or four years down the road, and I think that there is enough of a public concern here in Manitoba right now that we do classify videos and allow parents to have the opportunity to know what is being rented, what is coming into their homes, or what to rent to take home for their families to watch.

We are moving ahead with our classification and labelling system here in Manitoba, and it would be wonderful if across the rest of the country they looked at our model and thought it was a good one, and we could adopt that, but we will continue to work with other provinces in view of trying to establish a national system, but we believe three or four years down the road is too long to wait.

Mr. Lamoureux: I would concur that ideally it would be nice to have a national classification. Ultimately that would be the most efficient way of doing it and ensuring that you have one standard across the country, so I would support that 100 percent.

Failing the federal Government, or a national Government bringing in a classification, there is an opportunity for this Minister to discuss the matter with some of our neighbouring provinces and I would ask, has she herself had any conversations with any of her counterparts in other provinces regarding film classification?

Mrs. Mitchelson: No, I have not officially met with any of my colleagues in the neighbouring provinces.

I do know that staff in my department have; we just hosted a meeting here, an interprovincial meeting and I was there for a few moments to meet people from across the country before they got into their meetings.

Also, we have here a chairperson of the Film Classification Board who is appointed by Government, who is my representative on the Film Classification Board. She does have regular ongoing consultation and communication with other provinces.

Mr. Lamoureux: Finally, I did not want to spend too much time on this but the Minister is well aware of the fact that the respective Ministers of Culture and Heritage meet on an ongoing basis throughout Canada. I would suggest to her that she, at her next opportunity, have that particular item put on the agenda, because as I say it is something that should be done and it could be very easily accomplished, one would think.

Mrs. Mitchelson: If I might just comment that not all film boards or classification systems fall within the Departments of Culture under the Ministries of Culture across Canada. Some are in the Department of Justice and some in Consumer and Corporate Affairs. It makes it a little more difficult to have it on an agenda unless the Departments of Culture in specific provinces have that specific mandate.

Madam Chairwoman: Item 1.(f)(1) Manitoba Film Classification Board: Salaries \$62,100—pass; (2) Other Expenditures \$90,300—pass.

2. Culture, Heritage and Recreation Programs \$12,405,900; 2.(a) Executive Administration: (1) Salaries \$272,100—

Ms. Frlesen: I notice that in these salaries there is a \$5,000 increase in Managerial and considerable increases in the Professional and Technical as well from three people at \$83,000 to three people at \$122,000.00. Is there a particular reason for this?

Mrs. Mitchelson: For the Professional Technical the increase was a reclassification of two positions because there was some restructuring and we had a person that was put in charge of liaising with the major agencies that our department deals with. So there was an added responsibility and a reclassification of that position. For the managerial, it was a new employee, a new ADM for Cultural Resources who was hired, and that was the financial agreement when she was hired.

Ms. Frlesen: So as I understand it then, a new Assistant Deputy Minister was hired at a salary \$5,000 more than the experienced Assistant Deputy Minister who just departed.

Mrs. Mitchelson: Madam Chairperson, there was no one in that position before the new ADM was hired, so it was just a lump sum of money that was sitting there for budgetary purposes.

Ms. Frlesen: Then what was the salary of the previous Assistant Deputy Minister, of the person in that managerial position?

Mrs. Mitchelson: Madam Chairperson, there was somebody in there on an acting basis for over a year, and I would have to go back. I can provide that information for the Member.

Ms. Frlesen: I am looking now at the increase in the Supply and Services budget and wonder if you could explain what is happening there—\$7,000.00.

Mrs. Mitchelson: Madam Chairperson, that is a fee for service line. There is more research going on, and the research component of the department was moved in under the ADM. So there was some money from Regional Services moved into this line for fee for service work in the regions.

* (1420)

Ms. Frlesen: Does this represent then one contract, or does it represent several contracts?

Mrs. Mitchelson: Madam Chairperson, this is many policies. There is the recreation policy that we are working on, the multicultural policy; there is a research agreement with the University of Manitoba on recreation, consumer profile.

Ms. Frlesen: I am interested in the cost of the Arts Policy Review. Can you give me an estimate of how much it has cost, not just this year, but in earlier years and how much you expect to spend on it in the future?

Mrs. Mitchelson: I believe—and I know there is a figure somewhere—I believe \$106,000 was the cost for the policy review.

Ms. Frlesen: Is that just for one year, or is that \$100,000 in each year? I thought I had seen it listed twice; it is not in here.

Mrs. Mitchelson: That is under the Cultural Resources, Grant Assistance line further on. The cost of doing the policy review was \$106,000, but there is another \$100,000 in the budget this year for any work that might need to be done as a result of

restructuring, reorganizing and implementing the recommendations from the policy review.

Ms. Friesen: So I am right in that the policy review then, by the end of this year, will have cost \$200,000.00.

Mrs. Mitchelson: The policy review by the Arts Policy Review Committee has been completed with the \$106,000.00. The \$100,000 will be any spinoff, any work that the department has to do to enable it to implement the recommendations when we are looking at restructuring and developing an arts branch, when we are looking at consultation with the Arts Council on how we are going to deal with funding.

All of those types of initiatives will have some costs if there is research and that kind of thing that needs to be done, but that will be done within.

Ms. Friesen: This is the section of your department which presumably is the lead department in developing new policies and innovative approaches to the delivery of existing programs.

Can you tell me what innovative programs, new programs they are suggesting? It seems to me that a lot of this, except for the arts policy, is an extension or continuance of existing programs.

Mrs. Mitchelson: We are, Madam Chairperson, still in the process of developing our recreation policy. We have developed the Recreation Innovation Fund. We have developed the recreation directors' program for northern and remote communities in Manitoba. We have a library pilot project at Norway House. The Public Libraries Advisory Board was re-established under this Government after many years of being inactive. They have done consultation throughout the province. There are many new initiatives that are taking place.

Ms. Friesen: What new initiatives will this department be looking at in the area of heritage and particularly in archives?

Mrs. Mitchelson: Madam Chairperson, we are working right now with the federal Government on a registry for heritage buildings, which is a new initiative.

On the archives side of things, it would be conservation, use of paper that is acid free, which is more stable, more alkaline, less acid, is more stable paper. It would be able to be preserved more readily by the archives.

We are looking at a new museum policy within the

department that has been undertaken. There is an evaluation of the old policy.

Ms. Friesen: It seems to me, when I hear you talk about the new programs, that these are the kind of things that should be done within each branch. For example, the archival program that you are talking about or the liaison with the federal Government to create a register of heritage buildings, this is the normal activity of regular departments. Why do we have this particular section of the department? Are the programs really being initiated from there, or is it simply another layer of bureaucracy on top of the line departments themselves?

Mrs. Mitchelson: Madam Chairperson, within this line, there is an ADM; there are two financial analysts, one policy analyst. There is a need to have some co-ordination between the branches, the Department of Culture, of Heritage and Recreation. That is exactly what this is. It is the co-ordinating.

Ms. Friesen: This was more of a think tank and initiator of policy.

I wanted to move on to the decrease in the communication budget here. It is a relatively small decrease compared to some decreases, but I am concerned about its impact on the delivery of community heritage outreach and awareness initiatives.

Mrs. Mitchelson: Madam Chairperson, this is just the office's internal communication for postage, phone lines, fax machines, courier.

Mr. Lamoureux: I would ask the Minister, in regard to the multiyear plan for the library development, in terms of what stage it is currently at.

Mrs. Mitchelson: The Public Library Advisory Board has developed a paper. That paper is presently out for consultation within the community.

Madam Chairperson: Order, please. Can I just get clarification? Are you asking questions on 2.(d) Public Library Services?

Mr. Lamoureux: 2.(a). We are on 2.(a).

Madam Chairperson: We have not passed 2.(a). That is correct.

Mr. Lamoureux: So I can continue with my questions?

Mrs. Mitchelson: Madam Chairperson, I guess we are dealing with (XIV) 2., which is talking about the branches that fall under the ADM of Culture, Heritage and Recreation programmings and libraries, Regional Services, libraries. All of that falls

under this ADM, but there are specific branches. There are Public Libraries, Culture, the arts, Heritage, Recreation. This is just the co-ordinating body with four staff years in it. If we could pass this, we could go on to the other lines that would deal specifically with Culture, then with Heritage, with Recreation, with Libraries, Regional Services.

* (1430)

Mr. Lamoureux: We are not on 2.(a) right now?

Madam Chairman: We have not passed 2.(a).

Mr. Lamoureux: Well, Madam Chairperson, if we are not passed item 2.(a), I would suggest then the question is indeed in order to take a look at the expected results and see that in fact there is a multiyear plan for library development. So the question remains. What is the Minister—and I have lost track in terms of the answer because of the interruption, but I would ask the Minister once again in terms of what is the current status. She had mentioned that there is a report. Is that report public? If it is public, would it be okay, would she table a copy of that report?

Mrs. Mitchelson: Madam Chairperson, yes. That was just mailed out to the community. Certainly, we can make copies of that available. It is a public report. It was developed by the Public Library Advisory Board, and now it has gone out to the community for their input.

Mr. Lamoureux: Madam Chairperson, I would assume that the report deals with the whole question of the community libraries, the need for community libraries, and I am curious to know what the Government's position on community libraries is.

Mrs. Mitchelson: Madam Chairperson, when we took over as Government, Manitoba was I think 12th out of 12 in library development and service to Manitobans in the way of libraries which was a sad situation. That was one of the reasons we did reestablish the Public Libraries Advisory Board with representation from across the province, so that we could attempt to improve the situation and serve more Manitobans with libraries. That is the process we are in right now. We have had the Public Libraries Advisory Board develop a paper that has gone out to the community, and we are asking for the community's input to see how in fact we can improve.

Mr. Lamoureux: Madam Chairperson, can the Minister tell me in terms of the number of community

libraries in rural Manitoba, prior to taking office, and how many community libraries are currently in rural Manitoba?

Mrs. Mitchelson: Madam Chairperson, we have just established four new libraries in rural Manitoba in the last year, and I believe it was two the year before.

Mr. Lamoureux: Madam Chairperson, the Minister seems to be recognizing the need for expanding libraries to all communities. The largest community we have in Manitoba is, of course, Winnipeg. I would ask her what the Government's position is on community libraries—I understand, actually, Winnipeg has a great number of libraries in the different communities—and what her position would be on that.

Mrs. Mitchelson: Madam Chairperson, for the last number of years we have been at 11 percent of the City of Winnipeg's library budget and we have maintained that with major increases. The City of Winnipeg does have to determine in their overall budget how much they are going to spend on libraries, and we have committed to maintain our 11 percent share of their budget.

Mr. Lamoureux: Madam Chairperson, every year we seem to hear from City Council the need to limit the number of libraries in the City of Winnipeg. I had raised the issue, I guess it would be close to a year ago, with the Minister at which point in time I had represented Brooklands, and Brooklands Library was one of the libraries that they were looking at closing down. I am wondering if the Minister might just want to make some comments on the record regarding the closing of libraries.

Mrs. Mitchelson: Madam Chairperson, I guess, you know the City of Winnipeg I hope would accept the responsibility for their library system and for serving the people in the City of Winnipeg to the best of their ability. I believe I have seen some ads in the paper and I have received some correspondence that, in fact, the City of Winnipeg through their library system is holding public meetings throughout the City of Winnipeg to discuss with residents the need and the service requirements for community libraries. So it looks like they have put a process in place whereby they are examining what is happening to determine what the needs are and what direction they should take.

Mr. Lamoureux: Does the Government, through

the Minister, have a direction that she would like to see taken on these libraries?

Mrs. Mitchelson: Madam Chairperson, I would like to see the citizens in the City of Winnipeg and throughout the Province of Manitoba served well with a good library system. It is not something that can happen overnight and I think that the City of Winnipeg—libraries are both a municipal and a provincial responsibility. In the rural areas of Manitoba we cost-share, we provide a per capita grant for library funding and we have provided, well, a 13.3 percent increase for the City of Winnipeg library system in the last two years. It is not something that we are ashamed of, and we do want to see good library services, but the City of Winnipeg does have to deal with their own library system.

Mr. Lamoureux: Madam Chairperson, given the remarks made by the Minister, I would be curious to know if she would look at the possibility of—because we do fund the libraries, both rural and urban libraries, would she put, for lack of a better word, caveats on some of the grant monies going to ensure that community libraries remain open?

Mrs. Mitchelson: Madam Chairperson, no, I would not even contemplate that, the reason being, if we started putting caveats on every cent that we gave to every municipality, they would not need a city council or municipal councils. They might as well just have a provincial Government. It is their responsibility municipally.

I am certainly not about to start putting caveats on that, because in fact you would be electing a city councillor who would have absolutely no say on what types of things should be developed within their own jurisdiction or their responsibility.

Mr. Lamoureux: Madam Chairperson, through the last throne speech and, actually, I believe both throne speeches had touched upon the importance of literacy. This particular library—and I cite the Brooklands as an example because I know of it best—is a library that is well used in combatting illiteracy. It is something that the city or possibly this Minister is overlooking. I am wondering if it would be then the Government policy to live with whatever decision the city comes up with?

Mrs. Mitchelson: I think, Madam Chairperson, it is very important that we do not just look at libraries as buildings, because a building itself full of books is not going to make us a more literate society. There have to be literacy programs in place in combination

with books that are available to make it a workable situation. They have to be readily and easily accessible to the people of Manitoba.

I might just indicate that I guess the pilot project we have developed at Norway House is both a library and a literacy project. We are trying to combine the service with the programming that will provide for more literate people in the Province of Manitoba.

Ms. Friesen: I had understood we were going to discuss library programs at a later date. Since we do seem to be into library policy here, and you are planning library review on a multiyear plan, could you give some idea of how that plan is taking into account the growing young population in aboriginal communities, particularly in reserve communities, the majority of whom have no libraries, and how the plan is going to address this particular situation?

* (1440)

Mrs. Mitchelson: Madam Chairperson, as I indicated with the pilot project that is going on in Norway House presently, I think that we have to take a look at these on a pilot basis. If in fact it works well, we will expand that. It is a test. It is something that has not happened before. We have summer students who are actually going out and bringing children into the libraries in these areas so that they have access and exposure.

Ms. Friesen: I am sure that will be an interesting pilot project. I am really getting at a different structural matter. Are you looking at the Norway House Native community, or are you looking at the reserve community? Of course, the issue is reserve communities and the provision of funds and services to reserve communities.

It is something that I think many Governments are struggling with. Meanwhile, the growing population of young people is going without books.

Mrs. Mitchelson: Madam Chairperson, the reason that Norway House was picked was because it was a reserve and community, and it is dealing with both.

Ms. Friesen: The information from this pilot project then will be able to address the structural issue of dealing with Manitoba's reserve communities and their lack of libraries.

Mrs. Mitchelson: Yes, definitely.

Madam Chairman: Item 2.(a) Executive Administration: (1) Salaries \$272,100—(pass); item 2.(a)(2) Other Expenditures \$100,000—(pass).

Item 2.(b) Grants to Cultural Organizations
\$5,251,300.00.

Ms. Frlesen: I am interested in the grants to the Museum of Man and Nature and the Winnipeg Art Gallery. The Museum of Man and Nature charges quite hefty admission fees at the moment, and the Winnipeg Art Gallery is about to charge admission fees.

What provision has the Government made for accessibility, particularly for core area residents, to both of those institutions? Are you, for example, enforcing the free day once a week, once a month in granting these public monies to these institutions?

Mrs. Mitchelson: Madam Chairperson, we are encouraging that at the Museum of Man and Nature. I believe that when the Art Gallery starts to charge admission—I think it is Wednesdays, is it? -(interjection)- There was some indication that maybe Wednesday would be a free day, but that is still in the formative stages. They have not begun to charge yet, but they are looking at a free day.

Ms. Frlesen: I would like to pursue the issue of the Museum of Man and Nature. As I understand it, they do have provision for a free day, but there is no advertising of that free day. It seems to me as though they might be considered to perhaps have some encouragement in that area from the department that grants a large portion of its money.

Mrs. Mitchelson: Yes, Madam Chairperson, I believe it is their policy, but that is certainly something we can discuss with the museum.

Ms. Frlesen: The Community Initiatives line here, could you explain to me why the decrease and how that has an impact on the departmental policies?

Mrs. Mitchelson: Madam Chairperson, last year in the budget there was allocation for the 75th anniversary of the Royal Winnipeg Ballet and the \$100,000 for the European tour of the ballet, so that is why the change.

Ms. Frlesen: Could you also explain the increase in the Skills Transfer Program and the impact on the departmental services?

Mrs. Mitchelson: Madam Chairperson, as we go through the Estimates of my department, when we look at the grant programs throughout, which are funded with Lotteries dollars, we are going to find major discrepancies.

I will try to explain, because somehow when the book was printed, in the first line, we have the

actuals that were spent. We do not necessarily have what was allocated in the budget last year to be spent.

It is in essence comparing apples and oranges. So what you have in the one line, in the Adjusted Vote for '89-90 end of Lotteries, is actuals. What you have for the year '90-91 is actual estimates of expenditures. So you are going to see some differences, and I will attempt to explain them, but you are going to see some discrepancies. It was not necessarily what was budgeted or allocated last year versus what was budgeted this year, which would be the normal.

Ms. Frlesen: Could the Minister tell us what was estimated for that area and what the amount of underspending is here?

Mrs. Mitchelson: What was budgeted last year—we are talking public events sponsorship now?

Ms. Frlesen: Skills Transfer Program.

Mrs. Mitchelson: Skills Transfer, I am sorry. Ninety-six was budgeted last year and 96 this year. What happened was \$57,000 actually flowed, but that does not necessarily mean that there were not the commitments, but the money will flow in the next year.

Ms. Frlesen: It seems to me then, Madam Chairperson, that there is a considerable underspending in that area. You estimated 95 and you only spent 57.

Mrs. Mitchelson: My understanding is that it was slightly underutilized last year, but all indications are that the use of the program has increased this year.

Ms. Frlesen: A program which is underutilized by that amount I think bears some examination. Has the department made any efforts to expand knowledge of that program? It is an important program, I think, one which helps train people in many areas of the department's activities and one which enables cross-fertilization across the province. So what steps have you taken to ensure that the full amount will be used next time?

* (1450)

Mrs. Mitchelson: Yes, we have been making the community more aware this year through the arts councils and through public awareness and that is why we will find at the end of this year that it has been better utilized.

Ms. Frlesen: I am glad to see that. I noticed that the

Hospitality Grants have tripled. Is there some particular reason for that? Which organizations have benefited from this hospitality?

Mrs. Mitchelson: The budget last year was \$15,000 and the budget this year is \$15,000; only \$7,500 of that was spent last year—\$6,500? Oh, I am sorry, I am on the wrong line—\$6,500 was spent last year. The full amount is expected to be spent this year.

Ms. Frlesen: Can the Minister indicate why again there is significant underspending in this category? I would have thought that Hospitality Grants would be ones that would be actively sought by people throughout the province. Were they not aware of them?

Mrs. Mitchelson: Madam Chairperson, that is a line that responds to application, so you do not actively go out and recruit people to apply for Hospitality Grants, but if there are applications that come forward, then we deal with them on an individual basis. Some years the need is greater than others and there are more requests.

Ms. Frlesen: Could the Minister then give us an indication of perhaps the history of the past five years of these grants, if the needs are greater in some years than in others? Is this an extremely abnormal year and, if it is not, why have you estimated \$16,000 for next year?

Mrs. Mitchelson: Madam Chairperson, I will get the figures on year-over-year allocations of grants under that line and provide them.

Ms. Frlesen: I wanted to look at the allocation of operating grants to the institutions which are listed here under footnote (a). Could you give me some idea of the historical reasons for the selection of those particular institutions?

Mrs. Mitchelson: At least since the centennial year these have been our major agencies, with the addition of course of the Manitoba Intercultural Council more recently.

Ms. Frlesen: Does that include the Centre Culturel Franco-Manitobain, which I do not think was built at that point?

Mrs. Mitchelson: It was built as a centennial project.

Ms. Frlesen: Are there institutions which apply to this grant program or to the second one listed under your objectives which do not receive financing, and how many of them are there?

Mrs. Mitchelson: My understanding is that it is not

a program that you can apply to to become a major agency.

Ms. Frlesen: What I am concerned about is the funding of the West End Cultural Centre. Is this the appropriate place to discuss that?

Mrs. Mitchelson: It seems to be, Madam Chairman, that the West End Cultural Centre, which not only serves my riding, but also serves the people of Manitoba and Winnipeg in particular fits all of the criteria of the department in terms of its expansion of audiences, its education of audiences in the bringing together of international and local artists and the professional development of a variety of artists, whether from the fields of literature or music or theater. It has developed a number of unique programs—the Words on Stage, which has recently received national attention, one of the few writers' festivals in the country.

It is a community facility which, I think, brings it into line with many of the goals of this department. It has a very large attendance—35,000 people last year, certainly larger than the Folk Festival. It serves a variety of organizations, groups who cannot afford the rates of many of the other cultural facilities in Winnipeg. A hundred and sixty community organizations have been served by the West End Cultural Centre, many of them Native and women's organizations. It offers particularly good facilities and programming for them, as well as providing an attractive downtown location.

They have produced over 200 shows in the last year, and they enable people to use their facilities for a variety of unique and lively programs. Can you explain to me why the West End Cultural Centre is not funded by your department?

Mrs. Mitchelson: Madam Chairperson, there was never an intent, even by the former administration when the West End Cultural Centre first started up, to provide an ongoing operating grant for the West End Cultural Centre. I do know that the former Minister sent a letter out to the West End Cultural Centre when they received a start-up grant indicating that it was a start-up grant only. It was not to be perceived to be ongoing operating funding.

So that was the intent when the West End Cultural Centre first started, and we do, and we have, funded them on a project-by-project basis. As they apply, and if they fit into the guidelines or the criteria of some of our project grants, we have funded them.

Ms. Frlesen: Madam Chairperson, I am aware of

that letter that was sent by the former Government. My understanding is that the understanding of both the recipients and the sender was that was a one-time only grant until the agency had proved itself. It seems to me, over the last few years, that agency has proved itself to thousands and thousands of Winnipeggers, year after year, largely at the cost—I would emphasize—of the performers, and the producers, and the workers in that particular agency. Many of them now are running without salary. They are doing it on a volunteer basis with no other income support.

It seems to me, Madam Chairperson, that this is an institution which fits every criteria of this department. Is there some way, some particular program, other than the specific grants program which often takes six to eight months to proceed through the department, that we can provide some assistance to this very important cultural agency?

Mrs. Mitchelson: There are ways that the West End Cultural Centre is funded through. It might not be direct Government money, but I know the Manitoba Community Services Council, which is an umbrella group that distributes Lotteries funds on behalf of Government, does fund the West End Cultural Centre to the tune of \$30,000 to \$40,000 per year, has over the last few years. I do know that there are employment grants through Government that do go to the West End Cultural Centre also. So I know that they are receiving some funding. As I said, they have received some project funding from my department.

* (1500)

(Mr. Jack Reimer, Acting Chairman, in the Chair)

Ms. Friesen: Mr. Acting Chairman, so I understand you then that, from the perspective of the Department of Culture and Heritage and Recreation, there is no avenue other than project grants in which you are prepared to support the West End Cultural Centre, its hundreds of programs, its thousands of people who see it as an audience, and you are not prepared to support the role that it plays in the constituency of Wolseley and the City of Winnipeg.

Mrs. Mitchelson: Mr. Acting Chairperson, at this moment there are not resources to fund them in any different manner.

Mr. Lamoureux: Mr. Acting Chairman, I have just a few questions on this particular line. One is in regard to, once again, accountability and the operational

grants that are given to the different organizations. I would ask the Minister, what does she receive back from the organizations in terms of what they are doing with the monies that have been allocated out to them?

Mrs. Mitchelson: Mr. Acting Chairperson, we get detailed budgets and financial reports from these organizations, and we do flow their money on a quarterly basis and expect accountability.

Mr. Lamoureux: You will have to excuse me if I do not know this particular answer. Are those documents public information?

Mrs. Mitchelson: Mr. Acting Chairperson, not normally, but their audited statements would be public information most likely.

Mr. Lamoureux: I would ask the Minister if she would make them public.

Mrs. Mitchelson: They all do have annual reports and those all are public documents.

Mr. Lamoureux: In the annual reports then, it is safe to assume they have the financial statements. I see you nodding your head.

Next, moving on to the Grant Assistance in terms of capital, there is a significant increase from \$1.6 million to \$2.5 million. Of course, if you look under the paragraph, it will say that it was for the capital funds for Centennial Centre Corporation, Western Manitoba Centennial Auditorium and Manitoba Museum of Man and Nature. In brief, can she say what kind of capital work that entailed?

Mrs. Mitchelson: Mr. Acting Chairperson, I do not know if I heard the whole question, but you were asking about the increases in capital?

Mr. Lamoureux: Yes, what was the work? Major renovations, was it additions in space?

Mrs. Mitchelson: Just while we are getting the specifics of that question for you, I am very pleased to indicate that we have a lot of facilities, centennial facilities, facilities in the Province of Manitoba that over the last 20 years or so were sadly neglected in the way of upgrading of those facilities so they could meet present-day standards. I am pleased that we were able to commit, as a Government, money in the last two budgets to upgrade our major capital facilities. There has been a major increase; 3.2 budgeted last year and this year in each of those fiscal years for the upgrading of our facilities.

We will get it for you.

Mr. Lamoureux: Mr. Acting Chairperson, I am

curious as to what process these organizations have to go through in order to receive capital improvements.

Mrs. Mitchelson: Mr. Acting Chairperson, one of the criteria for looking at increases to capital funding was that all of these institutions do some long-term planning based on what their needs might be over the next five years or so. Then we ask them to prioritize those needs, and when we had that information pulled together, there were some feasibility studies done that indicated what the needs were. It is based on need, what the needs are to improve them and bring them up to standard. We embarked on a program where for two years we have been able to make fairly substantial commitments to upgrading.

Mr. Lamoureux: As it has been brought up earlier, the Winnipeg Art Gallery is going to be starting to charge in order to gain entrance. Has the Winnipeg Art Gallery made application for any capital improvement?

Mrs. Mitchelson: We have been discussing with the art gallery what their capital needs might be, but there has been no decision as yet on funding for them.

Mr. Lamoureux: Mr. Acting Chairperson, is it safe to say that had capital funding been there for the Winnipeg Art Gallery, that they would not be looking at the fee increase? Can the Minister tell us why they are looking for a fee to be charged at the Winnipeg Art Gallery?

Mrs. Mitchelson: Mr. Acting Chairperson, the art gallery has been operating in a deficit situation, and they are looking at increasing some revenue in some way. It is the only art gallery across the country that does not charge an admission fee.

Mr. Lamoureux: I guess that is really what makes Winnipeg in some sense different from any other city across this country. You can go to the Winnipeg zoo and it does not cost you anything. You could have gone to the Winnipeg Art Gallery and it used to not cost you anything in terms of gaining entrance.

I am wondering if this Government was approached prior to the fee being suggested, and if they were approached, what were their comments? Did they know in advance that had they not received more money they would have to resort to charging?

Mrs. Mitchelson: Mr. Acting Chairperson, a fair amount of the problems at the Winnipeg Art Gallery come from changes in funding from the federal

Government. We have maintained our commitment as a province to the art gallery, and quite frankly I believe that the decision to charge admission has to be their decision. I do not have a major problem with it if in fact it is going to generate more revenue for them so they can be a very viable art institution in our province.

Mr. Lamoureux: Mr. Acting Chairperson, we can pass this line and the Minister can get back to me on the earlier request at a later point in time. Thank you.

The Acting Chairman (Mr. Reimer): Shall Item 2.(b) Grants to Cultural Organizations: \$5,251,300—pass.

Item 2.(c) Cultural Resources: (1) Salaries \$395,900.00.

Ms. Friesen: Just a clarification, Mr. Acting Chairman, are we looking at Cultural Resources Grant Assistance here, 14.(2)(c), or did you go straight to Salaries?

The Acting Chairman (Mr. Reimer): Yes, we are on item 2.(c)(1) Salaries \$395,900.00.

* (1510)

Ms. Friesen: One of the obvious problems with this department is the loss of the ERDA agreement and the various Cultural Enterprises Agreements, which had been supported by this program and which have made such a difference to the opportunities available for workers in cultural industries and to the expansion of audiences in Manitoba.

The department has said a number of times that it is committed to this program. Could the Minister explain in what ways and how much money she has committed to the continuation of these programs?

Mrs. Mitchelson: Mr. Acting Chairperson, we have committed \$1.8 million to our Cultural Industries this year.

Ms. Friesen: Can the Minister give us some indication of what the impact of that decline and the loss of federal funding is going to be on each of the cultural industries affected?

Mrs. Mitchelson: We still have a commitment of between \$700,000 and \$800,000 from the federal Government this year. They decided in their generosity to flow half of the amount of money that was left unspent at the end of the five-year agreement this year. So we have our \$1.8 million plus their \$700,000 to \$800,000, which will not be the same amount of money that flowed in the year

before. We have no further commitment from the federal Government. We do know that we will be in as a province over the long haul for Cultural Industries. We believe they are of great benefit to our Province of Manitoba.

I cannot, today, indicate exactly what the implications are going to be. We are going to have to look at a new structure, a new way of funding. I have not given up working on the federal Government. I am still in communication and asking that they reconsider. I have tried to point out the benefits of the program; I am sure they must know. It is also a diversification initiative for our Province of Manitoba.

We found that the film industry has done great things for our province, and I have had comments even from the business community that it is nice to have the expertise here in the Province of Manitoba. Hopefully, we might be able to start filming some commercials for some of our businesses right here in Manitoba rather than having to go out of province to do that, because we do have the expertise and the technicians here in the province. There are benefits, there are benefits culturally also, to us, as a province.

We are committed and we do know that we will have to down-size staff over at the Cultural Industries office. We will not have a Locations Program, we will not have Equipment Grants and there will be reductions in training, but we are going to try to maintain as much as we can and prioritize what can be done as a result of the reductions by the federal Government.

Ms. Frlesen: So as I understand it, you will be cutting staff, there will be fewer grants for locations and no grants for equipment.

Could you indicate what your priorities will be for the remaining monies, which areas of Cultural Industries are you going to prioritize, in which order?

Mrs. Mitchelson: All three areas will be looked at, and we will be determining the funding, but they all are priorities.

Ms. Frlesen: Could you give an indication of what relative weight you would give to film production versus audio production, which of those has the higher priority in terms of dollar allocations?

Mrs. Mitchelson: Film has always been three to four times the size of funding to sound.

Ms. Frlesen: Could the Minister indicate why she is

going to continue that program when there are fewer dollars? Could she indicate what the community benefits are from the film program vis-a-vis the recording program? In the case of the recording artists, many of them stay in Manitoba and continue to produce their work here.

Mrs. Mitchelson: Just for clarification, is the Member saying that we should be decreasing funding to film and increasing funding for sound?

Ms. Frlesen: No, I am trying to get a sense of where your priorities are and trying to get across the idea that audio recording has particular benefits to this community in terms of the number of recording artists who do stay here and do continue to do their work in the community, compared to film which, when you are successful, the tendency is to remove yourself from Winnipeg.

Mrs. Mitchelson: The reductions will initially be proportionate across all three areas, and we will have to determine based on need if there is a change needed towards the end of the fiscal year. There will be some flexibility, but we are looking right now at proportional reductions.

Ms. Frlesen: Can I turn to look at the Grant Assistance programs then under item 14-2C? I notice that the Regional Juried Art Shows has doubled in cost, and that sounds like good news. Could you tell us something about that?

Mrs. Mitchelson: This is the same Lotteries actual versus budgeted issue that runs throughout the grants. It is a carry-over of \$2,500 from last year into the next year that accounts for some of that.

Ms. Frlesen: Does that mean that there was underspending in this area again, or does it simply mean—perhaps I should leave it at that. Was this underspent last year?

Mrs. Mitchelson: \$10,600 out of the \$11,000 budgeted—there was a budget of \$11,000 last year and a budget of \$11,000 this year, but what we are showing is a carry-over. That is why there is an increase from \$11,000 to \$14,100.00.

Ms. Frlesen: How much was actually spent last year?

Mrs. Mitchelson: Last year \$10,600 was committed, \$7,500 flowed, and \$3,100 was carried over into the next year.

(Madam Chairman in the Chair)

Ms. Frlesen: Is that the same thing then for the

Cultural Councils program and for the Linguistic Support program?

Mrs. Mitchelson: Yes.

Ms. Frlesen: Can you indicate the specific amounts there?

* (1520)

Mrs. Mitchelson: For community arts councils—is that 201?—\$201.5 was committed in '89-90; \$199.1 was spent; carry-over was \$2.4; and committed for this year was \$221.1. That was provision for a new arts council in Shoal Lake.

Ms. Frlesen: Madam Chairman, under the Linguistic Support Program, could you tell me how many aboriginal languages are being supported under this program? -(interjection)- aboriginal languages.

Mrs. Mitchelson: We will have to get that information for you and get back to you.

Mr. James Carr (Crescentwood): Madam Chairman, I am pleased to participate in the Estimates debate of the Department of Culture, Heritage and Recreation. It is even more of a pleasure when I look up and see so many former colleagues who are still with the department, which gives me great confidence that the department is still in good hands.

I would like to engage in a debate with the Minister on the Cultural Policy Review which took place last year. Members may know that I have a particular interest in this, because I was very much a part of the review that happened a decade ago.

Let me begin by asking the Minister if she was generally pleased with the work that was done, and just how many of the recommendations of the report have been implemented to date?

Mrs. Mitchelson: Madam Chairman, yes, I believe I am fairly pleased with the report and the recommendations that have come forward. I will just indicate too that I know the Arts Policy Review that was done some decade ago, when the Member for Crescentwood (Mr. Carr) was involved, was an experience. We had lots of very positive comments about the contributions, for the Member for Crescentwood, at that time. It would have been very nice if we could have had him involved in this last step Arts Policy Review.

The priority recommendations are the ones that we accepted for immediate implementation—I will just outline—for the development of an arts Act, and

we are going to be in the process of that. Clarification of the roles and responsibilities of the branch and the Manitoba Arts Council, and discussions have been initiated with the Arts Council to start clarifying our respective roles.

We have a process in place whereby we are trying to simplify the current funding process for rural and northern community arts councils. Hopefully, that will reduce the administrative workload for those councils and they will be able to provide better service to the community. We are in discussion with the Department of Education on setting up a working group on arts education.

Mr. Carr: As I recall, one of the recommendations of the report encouraged the Government to move to a certain percentage of total global funding of the Province of Manitoba.

Could the Minister tell us what percentage of the province's budget in this fiscal year has been devoted to the Department of Culture, Heritage and Recreation and how that compares to the percentage of the total last year?

Mrs. Mitchelson: Madam Chairperson, I will get that figure.

Mr. Carr: Without asking the Minister on the spot to come up with specific details, is the percentage of the provincial budget higher or lower this year than it was last year?

Mrs. Mitchelson: Madam Chairperson, I believe it is higher; I cannot tell you by how much.

Mr. Carr: Well, I would like to have that verified, because the increases for the department seem to be minuscule this year in comparison to total growth of Government spending. I would like the Minister to show us that we are moving in a positive direction. My sense is that we are static at best.

What were the recommendations of the Cultural Policy Review Committee as to the percent of total provincial expenditures that ought to be devoted to culture? How does that compare to where we are now? What is the Government's commitment, over the medium term, to take us from the current status to the recommendations contained within the report that the Minister apparently accepts?

Mrs. Mitchelson: Madam Chairperson, I believe in the report it indicated that we should be, as a province, at .7 percent of funding. In the report it was indicated that we were at .37 percent, presently, at the time the report was done. Those were the figures

that were produced. I think it is a laudable goal over the next decade to attempt to reach an increased funding for the arts, but I cannot commit today to any major increases in arts funding.

Mr. Carr: So the Minister is saying that she cannot begin to follow the road recommended by the Arts Review, which is perhaps the most important recommendation of all.

Is the Minister saying she now can confirm that the percentage of the provincial budget devoted to cultural activities is .37 percent—did she just say that?—and that is for the 1990-1991 fiscal year?

Mrs. Mitchelson: Madam Chairperson, that was the figure that was quoted in the Arts Policy Review report at the time it was done, so it would have been for the previous fiscal year.

Mr. Carr: Well, via the back door, we may be able to find the answer to my first questions. What is the percentage of the current year's budget devoted to cultural activity?

Mrs. Mitchelson: Madam Chairperson, that is the figure we do not have, and we will get that detail.

Mr. Carr: Could the Minister remind Members of the committee what the Arts Policy Review recommendation was vis-a-vis Lotteries revenues?

* (1530)

Mrs. Mitchelson: I think we are all quite clear on what those recommendations were. They indicated we should be moving away from Lotteries funding into appropriations.

Mr. Carr: Is it the Government's policy to follow that recommendation which may be considered to be perhaps the second most important recommendation of the committee after its general perception that we have to have greater resources devoted to cultural activity, that the Minister has admitted she cannot follow that road, as much as she considers it to be a laudable goal? How about this other major piece of public policy recommended in the report? Is the Government moving toward a reduction of reliance in Lotteries revenue, and if not, why not?

Mrs. Mitchelson: We have had this discussion for the last two years in Estimates, and I guess we are into it again this year. Sure, I believe that we have made a major step forward under the Lotteries Needs Assessment by moving all Lotteries funding into the Department of Finance into a trust account. There is Lotteries money there, and there is more

accountability for that money. There also will be a stabilization fund. There are changes in Lotteries revenue, but the organizations that are presently funded from Lotteries will receive some stabilization. So that is the benefit, and that makes Lotteries revenues more stable than they ever have been in the past.

I think I indicated last year in Estimates that in fact if Lotteries revenues did cease and we had no more lotteries, if the bottom fell out of lotteries, we certainly, as a province and as a Government, would not stop funding the arts and culture in the Province of Manitoba. As I am now the advocate for the arts around the Cabinet table, I would be fighting for my fair share. I am not going to let that happen. So the money that is there, whether it comes from Lotteries or appropriation, is money that is going to be there.

Mr. Carr: Again, I am interested in trends. Can the Minister tell us what the proportional expenditures are in this fiscal year when you compare tax-based appropriation to Lotteries revenues? Which way are we headed? Are we relying more and more on Lotteries? What is the trend of revenue generation from Lotteries? Are we making up any shortfalls through tax appropriation? What is the status; what are the trends; what is the policy?

Mrs. Mitchelson: Madam Chairperson, the departmental budget last year, 53 percent was Lotteries funded; this year it is 57 percent. The increase has been—one of them has been as a result of the Cultural Industries money being transferred into Lotteries from appropriation.

Mr. Carr: Let me do some quick mathematical calculations. I am not one to promote my ability in this sphere, Madam Chair—may I preface my remarks—but if the percentage of the total budget of the department is increased, through Lotteries, from 53 to 57, presumably the tax appropriation has gone from 47 to 43. Am I right?

Mrs. Mitchelson: Madam Chairperson, that is right.

Mr. Carr: So, again, Madam Chairperson, we see that the trends within Government are precisely in contradiction to the trends that were recommended, the policy that was recommended in the Arts Policy Review. My first question to the Minister was: Does she agree, in general, with the work that was done by the committee? She said, yes. Then we begin to probe the major recommendations of the committee and we find that in the first two major areas the

Government is moving in precisely the opposite direction that the report recommends.

I am unhappy with the answers, Madam Chairperson, because two things are occurring. First, the cultural sector is getting a more conservative approach from this Government, that the funds are not being generated at the rate that the Cultural Policy Review had recommended, and what is more, the increases that have been established are coming from the whims of the gambling public rather than from the tax base. So more and more organizations such as the Art Gallery and the Royal Winnipeg Ballet and the Winnipeg Symphony Orchestra and the Manitoba Museum of Man and Nature and all of the wonderful cultural organizations in this province are having to rely increasingly on the Lotteries revenues rather than on the tax base, a direction that the Minister herself proposed was appropriate last year. She repeats again in this Estimates process, but her words do not match the reality.

Can we expect that the Minister is going to be more successful in Cabinet when she argues these two major thrusts of policy in the arts?

Mrs. Mitchelson: Madam Chairperson, I believe that we have made some major commitments to the arts this last year. When our ERDA agreement expired we did not throw up our hands and say, well, the feds are not coming in, we are not going to provide any money for our cultural industries. We have accepted the responsibility of attempting to do what we can with the \$1.8 million that we have put into cultural industries. We have increased capital funding to our major arts facilities over the last two fiscal years, which has been a major improvement and a badly needed amount of money that has been put into the arts.

Madam Chairperson, I believe that those are two positive steps forward. Money is money, and the arts community is receiving valuable money and, to me, Government money is Government money. It is flowing through the Department of Finance and the Member opposite will disagree with me and we will continue to disagree on that aspect, but as long as I can continue to maintain and attempt to enhance, I believe that is the track I will stay on.

Mr. Carr: The report does not say that, the report does not say that money is money. The report says that there is some money that is better than other money. The reports says that tax money is better

than gambling money, and the Minister agrees, but we have 57 percent of the department's budget funded from Lotteries this year as opposed to 53 percent last year. We are trending in the wrong direction.

So I do not really understand where the Minister is taking us. She is agreeing with the assertions of the cultural policy report; she is agreeing with the arguments that are coming from this side of the House, but the reality is in stark contrast to the words coming from the mouth of the Minister.

Now, can she clarify for us just exactly what the policy of the Government is? Is it more reliance on Lotteries, as is indicated in her budget, or is it less, recommended by the report and a recommendation with which she agrees?

Mrs. Mitchelson: Madam Chairperson, I think the Member might be putting some words into my mouth, because that was one recommendation that during my initial response to the Arts Policy Review indicated that it was a recommendation that came forward. It was possibly one of those recommendations that we would not be moving on as a Government. I think it was clear, and it was reported in the media that way.

So these are recommendations that have come forward from the Arts Policy Review Committee. They have talked about after a decade that funding for the arts, should it be a certain percentage of the provincial budget? I indicated that was a laudable goal. I do know there are not going to be major increases to the arts over the next short period of time.

I know that our Government priorities have been health and education and social services and family services. In the economic realities of today, if I can maintain and enhance wherever possible funding for the arts, I will continue to push and promote for that, but for me to stand up here and say there are going to be major increases, I do not believe I would be doing anyone a service.

Mr. Carr: So the Minister is now saying that she disagrees with the recommendation of the Arts Policy Review, that there ought to be less reliance on Lotteries monies than is currently the practice? So therefore, the Minister is being consistent. The Minister is, through the appropriation in the Estimates, giving more reliance on Lotteries money than she is on tax appropriation, which runs contrary

to the recommendations in the report. Have I got that right?

Mrs. Mitchelson: I think what my friend across the way is indicating is what he would like to see. I think we have talked about this before. He would like to see all Lotteries money go into appropriation and then have -(interjection)- Well, maybe that could be clarified for me. In fact, unless we take Lotteries dollars and put them into appropriation or right into the general revenue pot, the Department of Finance, and divide them up, we are not going to move towards less reliance. We are not going to tax the people of Manitoba any more money to take Lotteries dollars out of the system.

So, Madam Chairperson, that is a reality of today. I am not going to go out to the general public and say to them, we are going to charge you more taxes so that we can provide these kinds of services and remove Lotteries dollars from the system.

Mr. Carr: Madam Chair, who does the Minister think we are taxing when we generate Lotteries revenues? Lotteries revenues are generated generally—and most studies will prove this—from the working poor and the unemployed which results in a transfer of money from the working poor and the unemployed to those who take advantage of cultural institutions, which are generally, alas, not the working poor and the unemployed.

* (1540)

That philosophical debate out of the way, the Minister knows what our position is. Our position is that Lotteries monies ought to be put into endowments, and the interest of those endowments ought to be used for one-time, non-recurring cultural activities, perhaps capital, perhaps touring of some of our major arts organizations, but not to sustain the ongoing operations of cultural institutions through the whims of the gambling public.

Now we understand that you cannot do that overnight. We understand that the Government cannot change what is now—the Deputy Minister will know, what 1970, was that the first year that Lotteries revenues flowed—the last 20 years of policy. Maybe the Minister would want to be reminded that the initial intent established by the former NDP administration when Larry Desjardins was Minister responsible for Lotteries, that they ought not to be used to sustain ongoing cultural activity.

Now in this Government we see that there is yet

more reliance on the whims of the gambling public. Would the Minister say in her approach that a buck is a buck, that we ought to support our educational system, that we ought to support universities, that we ought to support hospitals, through gambling revenues? So I am not sure -(interjection)- Well, that is right. My colleague reminds me that the casino revenue actually does go to promote health care, another policy with which we disagree.

I just wanted it clear and on the record that the policy of this Government, contrary to the recommendations in the review, is to increase, in fact, reliance on Lotteries money. If the Minister wants to contradict me, let her do it now.

Mrs. Mitchelson: Madam Chairperson, there have been a lot of interesting comments just made and observations by the Member opposite. I think I might first of all start off by saying, the Member opposite is very critical of Lotteries dollars being tax dollars in some way. Yes, they are voluntary taxation.

I guess I would like to ask the Member opposite what his Party's policy is. If, in fact, they were Government, would they ban lotteries in the Province of Manitoba? I would like him to put that on the record today, what his Party's policy would be, because if he bans lotteries and gaming or gambling in the Province of Manitoba, how does he propose to raise that voluntary tax? How much is he going to charge the taxpayers of Manitoba out of their pockets involuntarily to make these programs exist?

So that is the first thing I would like the Liberal Party to put on the record, because I have heard, you know, tax on the poor and those that are not working and earning an income and that it is a vicious cycle. So, if that is their philosophy and their belief and their understanding, I want them today to put on the record whether, in fact, they would discontinue gaming in the Province of Manitoba and where they would propose to generate that revenue that goes not only to culture in the Government of Manitoba, but it goes to sport, to recreation, to heritage, to multicultural activities.

When he is talking about possibly \$6 million in Lotteries that goes to funding the arts or whatever that dollar figure might be, he has to multiply it by what goes to sport, what goes to heritage, what goes to recreation, what goes to multiculturalism and what goes to the Health Services Development Fund. He is saying that we are going to take some \$50 million and put that into endowment funds and

then we are going to have to find \$50 million somewhere from the taxpayers of Manitoba throughout to fund the arts, and sports, and recreation, and heritage, and multicultural programs.

He says we could phase that in, so I would like to know how much more he wants to tax individual Manitobans this year and next year and the following year in order to phase that out. If he can give me those figures and tell me what the Liberal Party would do to the people of Manitoba and how much more tax dollars they would take out of their pockets to implement this system. I would like it if he could provide a practical solution for us as Government, I might take a look at it.

Mr. Carr: Regrettably, the people of Manitoba did not, this time, give the Liberal Party an opportunity to implement its set of progressive, innovative and liberal ideas. We will work harder yet between now and the next election to convince the people of Manitoba that that is in their best interests. One of the planks in our platform at the time when the people are yet again asked to decide which political Party is best suited to serve the interests of the people, we will repeat a campaign commitment that we made in 1986 and that we made in 1988, and I think we made again in 1990, that we would reduce reliance on gambling revenues for those things that we believe ought to be funded through the tax base in Manitoba. I am not telling the Minister anything new. We had this debate in 1988; we had this debate in 1989.

What we have established in this debate is not what Liberal policy is, or ought to be, because that is not the purpose of the Estimates process. We have established what the policy of this Minister and this Government is, and that is a policy to take us down the wrong-headed road of increasing reliance on gambling revenue by the Winnipeg Symphony Orchestra, by the Royal Winnipeg Ballet, by the Winnipeg Art Gallery, by Contemporary Dancers, by the Prairie Theatre Exchange, by the Manitoba Theatre Centre, and I could go on and on and on. As the Minister knows, we have a very rich cultural life enhanced by the wonderful dulcet tones of the Minister of Natural Resources (Mr. Enns), I might add.

Just one last question on this, Madam Chair, and then I will let others continue. Could the Minister give us a schedule, a timetable of implementation for the recommendations within the art's policy review?

Mrs. Mitchelson: The recommendations and the mandate of the art's policy review was to recommend to Government a policy direction that Government might take over the next decade. That would be my answer.

Madam Chairman: Item 2.(c) Cultural Resources: (1) Salaries \$395,900—pass; (2) Other Expenditures \$133,400—pass; (3) Canada-Manitoba Communications and Cultural Enterprises Agreement \$188,500—pass.

2.(d) Public Library Services (1) Salaries \$676,200.00.

Ms. Frlesen: A couple of areas in this appropriation I think deserve comment on, both of them in a favourable light. I think there are some very good initiatives in this area, particularly the pilot project at Norway House, and we will be looking forward to seeing the results of that particular project.

Second of all, I would like to commend the Minister on the acquisition of 1,000 French language books and 150 video cassettes. That is listed here as a goal. I assume that is or has taken place. I think that is again another excellent area for improvement and one I think we would like to see built upon as well.

I wanted to ask the Minister, however, about the provincial library system. What we seem to be in is a system of funding a variety of public library systems on different bases and with different percentage allocations. I wonder if the multiyear plan has addressed the comparable situation in Saskatchewan, where there is a provincial library system for example where you have one library card for the entire province of Saskatchewan. It allows you to access libraries anywhere in the province, to pick up books in Regina, drop them off in Saskatchewan and gives a much more, it seems to me, equitable accessibility to provincial library systems and to the books.

* (1550)

I wondered, did the library committee look at this and, if so, what are the obstacles to establishing a program like that in Manitoba?

Mrs. Mitchelson: Yes, they have looked at the Saskatchewan model. We are not yet in a position whereby we are going to have any major changes overnight. They have made some recommendations. They put a questionnaire out to the community, and I will get both critics a copy of that. There will be a public consultation process, and

my understanding is that there is a very good system in Saskatchewan. Yes, I certainly think that would be one thing that would be looked at in the overall contest of trying to develop a better system.

Madam Chairman: Item 2.(d) Public Library Services: 2.(d)(1) Salaries, \$676,200—pass; 2.(d)(2) Other Expenditures, \$328,000—pass; 2.(d)(3) Grant Assistance \$1,532,300—pass.

2.(e) Historic Resources.

Ms. Friesen: I am interested in the objectives of this department, which are to promote strategic planning in the public and private sectors. Could you indicate what areas of the private sector this department is involved in, with this branch rather?

Mrs. Mitchelson: Madam Chairperson, we have a consultation process with the private sector in regard to restoration and preservation of heritage buildings.

Ms. Friesen: So that is on an ad hoc basis rather than a consultative basis.

Mrs. Mitchelson: That is on a project by project basis. There have been major increases since the historic resources Act has been put in place on preservation and cost-shared grant programs to restore and preserve historic buildings.

Ms. Friesen: I notice that one of the expected results is to conduct 45 workshops to municipal heritage advisory committees under The Heritage Resources Act. I was not aware that there were 45 municipal heritage advisory committees. Could the Minister perhaps table a list of them?

Mrs. Mitchelson: Sure, I will do that.

Ms. Friesen: I wanted to inquire what the stage of the departmental burials policy is. I understand that the department has been working on a policy to protect particularly aboriginal burials. I wonder what the state of that is, and have there been public consultations on it?

Mrs. Mitchelson: There has been consultation with the Native community, and that consultation is still ongoing. We are not going out to the general public until the Native community and the department can agree on what direction to take.

Ms. Friesen: Can the Minister indicate when that process would be completed?

Mrs. Mitchelson: Madam Chairperson, I cannot give an exact date. It is dependent on the consultation with the Native community and our preparedness to move together.

Ms. Friesen: What emergency plans does the Minister have then, in the absence of burial policy, should burials be discovered in any of the continuing excavations of the department?

Mrs. Mitchelson: If there was an emergency situation where something was uncovered, we would immediately put a stop work order and have an assessment done of what community the remains might belong to and then deal, through consultation with the community that would be involved, on a procedure for burial in an alternate site.

Ms. Friesen: Are those principles then the ones that you are going to incorporate into the provincial burials policy?

Mrs. Mitchelson: The policies that were in place when we became Government have been reviewed and approved by Government, so they remain.

(1600)

Madam Chairman: The hour being 4 p.m., committee rise. Call in the Speaker.

IN SESSION

Madam Deputy Speaker: This House is now adjourned and stands adjourned until 1:30 p.m. on Monday.

Legislative Assembly of Manitoba

Friday, November 16, 1990

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