



Third Session - Thirty-Seventh Legislature

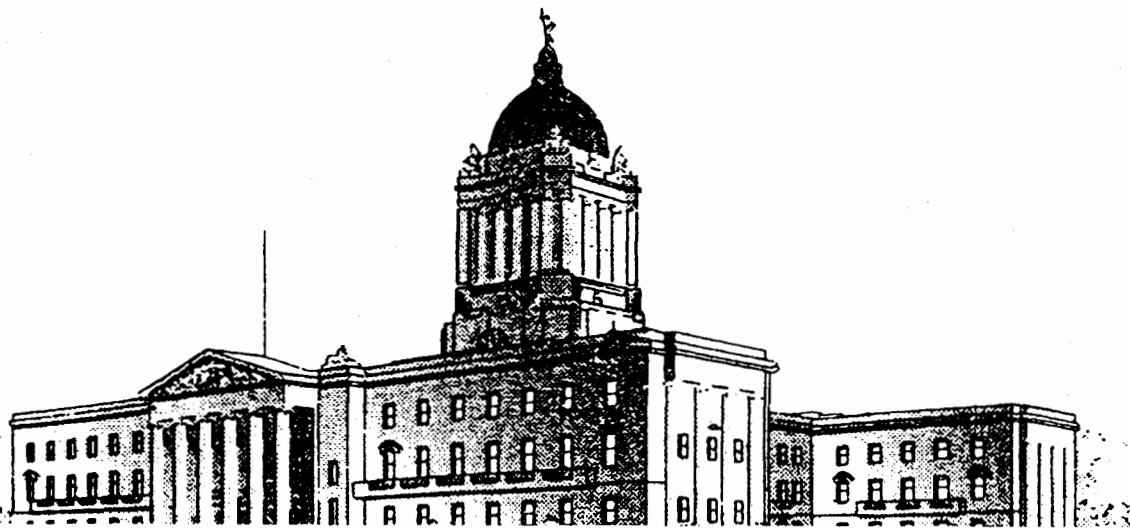
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, August 6, 2002

The House met at 6:30 p.m.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

Mr. Chairperson (Harry Schellenberg): Good evening. Will the Committee of Supply please come to order? This evening, this section of the Committee of Supply meeting in Room 254 will be considering the Estimates of the Department of Health. It has previously been agreed to have a global discussion in all areas, and then proceed to line-by-line consideration with the proviso that if a line has been passed, leave will be granted to members of the Opposition to ask questions in past areas. The floor is now open for questions.

Hon. Jon Gerrard (River Heights): My question to the minister, the first one deals with a proportion of positions in the Health Department which are not filled at the moment.

Hon. Dave Chomiak (Minister of Health): Mr. Chairperson, did the member say proportion of physicians or proportion of positions? *[interjection]* Positions unfilled at this point in time.

Of posted positions, it is 7.5.

Mr. Gerrard: It is 7.5 percent, I presume. That sounds like quite a number of positions. Roughly, how many would that be?

Mr. Chomiak: Mr. Chairperson, it would be something like 75.

Mr. Gerrard: Is there a particular reason why there are 75 posted positions not filled at the moment?

Mr. Chomiak: I do not think so, Mr. Chairperson. I do not think there is a particular reason. I think there is a variety of reasons.

Mr. Gerrard: I want to ask the minister some questions about the relative roles of the Manitoba Health versus the regional health authorities. This was an issue which Paul Thomas raised, the relative roles and responsibilities. I wonder if changing circumstances and the work that the minister may or may not be doing in terms of clarifying what the role of the Manitoba Health is versus the regional health authorities may have something to do with the positions being unfilled, and maybe the minister could provide a perspective on what is happening.

Mr. Chomiak: As I have said earlier during the course of these Estimates, the Sinclair-Thomas report has been a significant driver across the Department of Health with respect to how we manage and how we organize our Department of Health now and into the future, in the hope that the lessons learned can be translated into activity across the system. In plain terms, the Department of Health has moved from a deliverer of programs to being a policy setter, banker/funder, if one wants to put it in those conceptual terms, a qualitative body. That is what we are moving towards. That was generally what was recommended in Sinclair-Thomas.

Accordingly, the reorganization of the department in the spring of 2002 is along those lines. The reorganization is not complete, which accounts in some part for some of the vacancy numbers. The member characterized the vacancies, I think, as high. It is a relative term. The key factor is the type of positions. We are moving the department towards qualitative, analytical and far less a deliverer of programs.

There are two significant areas where we still deliver programs directly out of the Department of Health. One is the Selkirk, and

secondly is the Cadham Provincial Laboratory. I believe those are the two largest employers outside of the Department of Health, outside of the other functions.

Mr. Gerrard: Is it the long-run plan for the department to keep managing Selkirk?

Mr. Chomiak: Selkirk has been looked at at various forms and various permutations over the last several decades, I dare suggest. At this point the department is continuing to evolve Selkirk. For the immediate term, that is what we intend to do. We are paying special attention to the redevelopment of Selkirk in a long-term sense, so that fits in with the overall review and changes in the mental health field.

Mr. Gerrard: Let me take this as an example of where you see the role of Manitoba Health. In MacGregor there was a hospital. The plan has been, going back several years, to convert that to a health care centre from a hospital. As I understand it, though it is now no longer a hospital, the plan to convert it over to a health care centre has moved very slowly. From my understanding, things still stand to some extent in limbo. Here is an example where I suspect the primary responsibility would be with the Central Region RHA, but what is the role of Manitoba Health relative to moving toward the use of health centres as was part of this original plan in this area?

Mr. Chomiak: The member did not mention a specific location. MacGregor is the location that has been cited by the member. If one wants to use that example, or, conceptually, another example, the health regions put together plans through the overall prioritization from the Department of Health. The plans go back and forth with respect to developments across the province. The ideal situation is to situate within a region, within an area, the most appropriate form of health care for that particular region or that particular area, whether it be a primary health centre, a hospital or some other type of facility.

The jurisdiction with respect to making an actual determination, in the final analysis the actual decision is recommended generally by the regions and it comes up to the Department of

Health for review. It goes through a number of permutations, be they budgetary and/or policy-wise before a decision is made.

I do not have the specific regional person here in terms of the specifics on MacGregor, so I am not going to deal specifically with the MacGregor situation at this juncture, but I am prepared to deal with the MacGregor situation when I have the appropriate assistant deputy minister here.

Mr. Gerrard: The minister indicated very early on in his tenure that he was not going to tolerate deficits. It is my understanding that the Winnipeg Regional Health Authority has done reasonably well in this regard, but that there are a fair number of rural RHAs which are running deficits at the moment. I wondered what the minister's plan is, and, again, in terms of the relative roles of the Manitoba Health versus the RHAs, what his approach is going to be to this.

Mr. Chomiak: A couple of points. First off, we have managed to cut in half the deficits in the region since the time we came to office, which is a significant accomplishment across the health care field. What we are trying to do in working with the regions is to work collaboratively on solving the issue of continuing deficits. It is certainly a relative issue. It is one that has improved quite dramatically and has gotten better since we have come to office. We have expectations that it will continue to improve.

Mr. Gerrard: I would ask, in relationship to the relative role of Manitoba Health and the RHAs, that setting goals, outcomes, standards, processes within the health care system could be done individually within RHAs or there could be an approach across the province, what is the minister's view of this circumstance?

Mr. Chomiak: There are a variety of factors that go into the establishment of budgets and priorities and the determination of how resources are allocated. Part of the direction we have been moving on since we came to office is less of an intrusive matter of earmarking all expenditures line by line, which was a previous practice, and moving more towards global funding based on certain core services and bottom lines that must be adhered to across the system.

* (18:40)

There are priorities set by Manitoba Health in conjunction with the specific regions. We must remember in this discussion that the purpose of regionalization was to allow for specific needs to be met based on population health needs, et cetera, in various regions based on the needs of those particular regions. Collaboration with the regions in that regard is one that takes place. The budgets are worked through collaboratively through a process of working with the regions. Ultimately, Manitoba Health determines the actual funding to each region based on the allocation that is provided centrally by the Government.

Mr. Gerrard: I would revisit this question related to goals, outcomes, standards and processes. When we are looking at health outcomes, for example, is there a view that, when it comes to health outcomes, the goals should be set and the standards should be set provincially or should be set region by region?

Mr. Chomiak: The Department of Health was not previously in a position to develop those particular standards and particular outcomes. It certainly is an area that we are moving toward on a province-wide basis, keeping in mind the various permutations and developments in each particular region.

Mr. Gerrard: The establishment of not only health outcomes but quality processes for taking care of patients with particular conditions: Is that something which should be set at a regional level, or something which the goal is to set at a provincial level?

Mr. Chomiak: I think the member ought to be more specific. I will try to ascertain or try to answer if the member would be more specific.

Mr. Gerrard: Well, one of the common conditions in Manitoba would be diabetes. For example, we would have patients with diabetes hospitalized all over the province. Is it the goal that regions would look after standard processes for looking after patients with diabetes in hospitals, or whether, in fact, there would be some provincial establishment of processes?

Mr. Chomiak: There is a diabetes program, a diabetes plan that has been put in place by

Manitoba Health with respect to diabetes control and management, with various components of it being provided to the caregivers across the system. With respect to some components of the diabetes program, for example dialysis, dialysis is a province-wide program operated by the WRHA.

Mr. Gerrard: For example, a patient who is in hospital for diabetes, but does not need dialysis, that would be then up to the standard of care or process of care, be primarily the responsibility region by region.

Mr. Chomiak: I do not think we could establish that specifically isolated to that particular region-by-region analysis.

Mr. Gerrard: I am not exactly clear on the meaning of the minister from the way he worded that answer. Maybe you could clarify your response a little bit.

Mr. Chomiak: Obviously, the goal is best practices across the region. That is the direction Manitoba Health is proceeding in with respect to regions. Obviously, given the diverse nature of this community, one, for example, cannot isolate those particular standards from across the province necessarily, although those are obviously goals that are achievable. Because of capacity, because of infrastructure in some regions versus other regions, there will be variations across the province with respect to the specific application of standards in terms of the actual dealing with a specific case in a specific region.

Mr. Gerrard: I would now turn to the minister's view on the relationship between the health care and First Nations communities, in regional health authorities and Manitoba Health. In a community like Sandy Bay, for example, who has primary responsibility, who pays and for what components?

* (18:50)

Mr. Chomiak: One cannot make a general or generic answer to that particular question. When we came to office, there had been a pretty rigid line of the alienation between the federal government and the provincial government

services. We tried to ignore a lot of those lines and a lot of those artificial barriers, in terms of supplying health care. So we have crossed the boundary and done things that have not been done in the past, by putting services on reserve that formerly had not been under provincial jurisdiction, and vice versa, in providing those kinds of services.

I am not certain whether or not that has served us as well as we would like. I have been looking for reciprocation in kind from the federal government, and I keep hoping that there will be more reciprocal arrangements; but I am not going to point fingers at this point. With the former Minister of Health, we had some very useful collaborations in working towards some significant common goals. With the present Minister of Health, we are working towards that, and I hope we are able to achieve some continued success by working collaboratively and not paying as much attention to jurisdictions.

Now, having said that, it is more complicated than simply that, Mr. Chairperson, because it depends on where one is. For example, we are in mediation with respect to the—*is it the 65 agreement?*—and we are in various forms of negotiations with various centres concerning other matters. So, as a general rule, we have tried to work with the federal government and First Nations to deal with the issues, regardless of location, regardless of type. Now, we do not have infinite capacity financially, and it sometimes is difficult to do as much as we would like to, but we continue to explore various options and ideas.

Mr. Gerrard: The minister referred, I think, to 65 agreement. Does he want to just elaborate a little bit on that reference?

Mr. Chomiak: There was an agreement entered into between the federal government and First Nations community in the North and the Province with regard to the delivery of services on and off reserve, which has been challenged by a First Nations community, and was in a deadlock situation between the federal government, the Province and the First Nations communities with respect to how resources would be allocated in that regard.

We—and I am working from memory here—put in place a process to work with First Nations communities, in terms of mediation to try to resolve the issue and just get on with providing the services and that process became unstuck, as complicated as it is, because on top of the fact that there are different negotiations, there is also the view of the First Nations communities involved that they have an inherent right to self-government. It is a process that we are trying to break down, in the sense of getting issues resolved without resorting to courts. The point is that it would have been in the courts and had been deadlocked for some period of time until we went into mediation.

Mr. Gerrard: The relationship between First Nations communities and RHAs, where the First Nations communities fall within the boundaries of RHAs, I wonder if the minister would comment on how he sees it presently and what he sees for the future.

Mr. Chomiak: We have tried to be sensitive to the needs of First Nations communities by including representatives from First Nations on the boards of directors of regions. We have, also, worked with other organizations to listen and to translate their representation.

Obviously, given the significant impact that the Aboriginal First Nations community has on Manitoba population, it is incumbent upon us to do this and, in addition, because of the much worse health status of First Nations community, it is our duty to work with First Nations communities and the federal government to try to achieve better health outcomes across the board. To that end, we have not been overly rigid in terms of our dealings. We have had bilateral dealings, dealings through RHAs, dealings with RHAs, dealings with the federal government, discussions about different forms of administrative structure across the board with the bottom line of delivering more and better health services to First Nations communities. That has been our goal, and that continues to be our goal.

Mr. Gerrard: Let me turn to a specific example. The residents of Sandy Bay community historically came to Gladstone to use the emergency room there in the hospital. Clearly,

over the last several years there have been some significant changes. For a while, there was a shortage of a physician, the emergency room was not being used for a lot of acute care and there were fewer physicians for a while. They got up to snuff on numbers for a while on the physicians, but the issue in particular here is an example of a hospital and health facility in Gladstone, which is in the central region RHA, that there is a community of Sandy Bay, which is First Nations community, which is extensively using, at least historically and a little lesser so now, the facility in Gladstone.

When you have the use of this facility by members of the First Nations community, to what extent does the Province versus the federal government pay and what are the sort of long-run plans in this area, as an example, in terms of how health care will be provided for residents of both Gladstone and Sandy Bay.

* (19:00)

Mr. Chomiak: Mr. Chairperson, again going from memory, I think for the most part the Province is responsible for the costs related to that particular community. I think that, if memory serves me correctly, a proportion of that community also goes to Portage as well.

So I am not sure what the member is getting at in terms of that particular issue. There are other issues that are of importance as well relating to that community in terms of health, so I am not sure what the member is getting at.

Mr. Gerrard: Well, let us ask a straightforward question here. What is going to be the future of the Gladstone health centre and hospital? Is that a facility which may be closing? Is that a facility which will stay open? Is that a facility which is going to have emergency services and hospital services? What is the relationship to people in Sandy Bay who have traditionally used that and if it closes, will they have to go to Neepawa, Portage or elsewhere?

Mr. Chomiak: Mr. Chairperson, we have not closed any hospitals and it is not our policy to close hospitals, firstly. Secondly, as I discussed with the community, including representatives from Sandy Bay, when we visited, '97, the ER

was closed by the former government, based largely on the number of doctors and the volume and use of the ER. We have now completed negotiations for a new agreement with the MMA. Issues as to ER and ER utilization can be a part of that issue, but at present the Gladstone situation remains as is.

Mr. Gerrard: When I visited, it was now a few months ago, with people in Gladstone, one of the concerns they had was that without a clear sense of where things were going, sense of direction, what the long-run plan was, their position was somewhat difficult, the reason being, when you do not have a functional emergency room, people go elsewhere. You do not have the hospital used, the net result is sort of a downhill spiral. When you start looking then at occupancy numbers and use numbers, these are going to go downhill.

If that is the long-run plan, to close Gladstone hospital, it clearly would result in things heading in that direction. But if the long-run plan is to keep Gladstone hospital open and functional and serving people not only in Gladstone but in Sandy Bay, then it would seem that one would need to have a long-run plan of how that is going to be achieved.

So I would ask the minister—a lack of a clear sense of direction seems to be a difficulty at the moment, to see if the minister can provide a clearer sense of where he is going.

Mr. Chomiak: Mr. Chairperson, the hospital remains open. The ER is not functioning as a 24-hour ER, based largely on patient volumes.

Mr. Gerrard: The situation with the ER not being a 24-hour ER, is that related to physician numbers, lack of funding? What are the limits there? Is the approach that it would be just a few hours a day ER, part of the day ER, or no ER at all?

Mr. Chomiak: Mr. Chairperson, there was a rural ER on-site plan that was put in place with respect to levels of activity at various centres, based on volume, that was entered into previously by the government, which we have continued. It is based on volume. It is not a

question of cost. It is not a question of not having the financial wherewithal. It is a question of the volumes with respect to visits to the ER.

Mr. Gerrard: When I discussed this with some individuals in Gladstone, the concern that they seemed to have was that when you shut down the ER, you cut down on the volume and the number of people who are coming there. It is kind of a vicious circle. It is less and less likely to be fully operational because once you have cut down the hours, you cut down the number of patients and you generate a cycle where things go downhill. I mean, that may or may not be the intent of the minister, but it seems that that may be what is happening, or at least that was the way it was raised with me.

Mr. Chomiak: The Gladstone ER was shut down prior to our assuming office.

Mr. Gerrard: Yes, but regardless of when it was shut down, the approach here in the long run, I mean, it seems to me, if you are going to have a strategy which looks at when or if you might ever reopen it, what would be the criteria for doing so?

Mr. Chomiak: Mr. Chairperson, the criteria that we use for ERs is the same formula that was utilized in the past at this point.

Mr. Gerrard: Perhaps you could explain how that formula works, because if the number of patients in a 24-hour period does not meet the criteria, and you do not have the ER open for much of the time, then it clearly would be a problem in terms of getting to the numbers that you would seek.

Mr. Chomiak: Mr. Chairperson, I do not think that was the case in terms of Gladstone and in terms of the visits to the ER when it was functioning.

Mr. Gerrard: Okay. The criteria then, perhaps you could just elaborate a little bit in terms of what your criteria would be for having a functioning emergency room.

Mr. Chomiak: Mr. Chairperson, I have to do it from memory, and I cannot do justice to it from memory with respect to the particular criteria, so

I will get back to the member on the particular criteria. It is based on A and B hospitals; rural and volume is based on acute care visits to those facilities.

Mr. Gerrard: One of the things that has been noted by a number of observers is that there is quite significant variation in per capita funding of different rural regional health authorities from, if my memory is right, last year's Manitoba Health report from about \$650 per capita to about \$1,600 per capita. I just would ask the minister what his approach is to this issue and what his long-run view is of this circumstance. Will these historic patterns continue indefinitely or what will funding be based on?

Mr. Chomiak: Mr. Chairperson, I am sure the member would agree that the goal of all health care systems is to base the care and the funding on need, needs of particular areas and particular regions.

Mr. Gerrard: Well, so that the minister would suggest then that the funding to all RHAs be based on a measure of what is the need for care in those areas. I would ask the minister how he would propose to measure the need for care?

Mr. Chomiak: Mr. Chairperson, there is a variety of factors that determine the funding to particular regions. When I suggested to the member it is a goal, I mean, clearly, it is a goal that we are all striving towards, to get the resources up to those who most need it, because, clearly, the health determinants indicate that the more we can provide resources to effect health determinants, the better the health outcomes. In the long term, clearly the funding model that is in place can be analyzed from a variety of factors. In some funding, they use per capita as their recognition that they are not receiving enough funding. To others, they say that they have the highest health care needs and therefore in gross dollars they should obtain the most funding.

We try to fund based on core services. We are well aware of the arguments with respect to per capita funding, particularly as they apply to South Eastman and North Eastman regions with respect to their per capita arguments. We have

had discussions with them and continue to work with them regarding the funding.

Mr. Gerrard: My recollection from seeing the in-house system by the Manitoba Centre for Health Policy and Evaluation and the per capita funding is that there is not necessarily a trend for more funding in areas where people are sicker. I am still not entirely clear when the minister says "based on need" as to how need is measured and how then the need is related to the amount of funding.

Mr. Chomiak: Mr. Chairperson, I think the Centre for Health Policy and Evaluation study generally concluded that the health care was provided relatively consistent with determinants and need across the province, if memory serves me correctly.

Mr. Gerrard: I am not sure that they looked at the direct relationship between cost or dollars provided by Manitoba Health. Indeed, I think that what the Manitoba Centre for Health Policy Evaluation, in my memory, looked at was that, in fact, there was reasonably equitable access to services depending wherever one was in this province. Clearly there are some areas where there are more health care problems and other areas where people are healthier, at least as determined from the Manitoba Centre for Health Policy Evaluation, but, as I recollect it, the North Eastman and South Eastman and South Westman are not all that different in terms of health profiles but quite different in terms of per capita funding levels.

* (19:10)

Mr. Chomiak: I think the member is referring to a couple of different studies with respect to the Centre for Health Policy and Evaluation. There was a study that looked at the accessibility to the health care system based on need. There was also an analysis based on the funding to regions and to areas versus per capita. That was the reference I was referring to. I think the member is referring to the accessibility.

Regardless of which argument or which study is utilized, the bottom line is getting the services to the particular area of need and providing that service to that particular area. The

various arguments that are put forward by proponents of additional funding generally relate to their circumstance.

Mr. Gerrard: I would move now to ask the minister about his approach to health research. I know the Province has programs to support the Manitoba Centre for Health Policy and Evaluation on the one hand and the Manitoba Health Research Council on another, but I would ask what the minister's overall approach and thoughts are related to the role of health research and the funding of health research in the province.

Mr. Chomiak: Obviously the role of health research is of a varied nature, be it applied research, be it medical research, or be it academic research. We continue to support it across the spectrum, whether it is the Manitoba Health Research Council or whether it is the Manitoba Centre for Health Policy and Evaluation. We also look to the federal government to provide us with assistance in this regard. Obviously it is an area that probably returns significant dividends to the province.

Mr. Gerrard: Let me move to an issue which I know the minister is aware of, the concerns in the area of neuroscience. There was an approach a number of years ago, quite a number of years ago, that would have seen the Health Sciences Centre as a major centre for neuroscience development. Clearly one of the components has been the provision of services in a variety of ways for patients with epilepsy. I would ask the minister if he can provide any progress in the situation for patients with epilepsy in Manitoba.

Mr. Chomiak: I wonder if the member might be more specific.

Mr. Gerrard: There, it was my understanding, has been the departure of two adult epileptologists from the Health Sciences Centre. This has resulted in a cutback in availability of services for patients with epilepsy and there has been quite an increase in the number of patients who have had to be referred out of province because the services were not available here.

Mr. Chomiak: Certainly, this is one area that continues to be of concern, as all areas are with

respect to the provision of services. The member has picked epileptologists as an example. It is true that there is some difficulty in this particular area. The thing I am very pleased about is that, overall, in terms of specialties and sub-specialties, we have made significant progress the last three years, the last two and a half years. There are areas we have had some difficulty. One of them is with respect to that particular subspecialty as it deals with people who have epilepsy.

Parallel to that, fortunately we have been able to develop some increased capacity in other areas, neuro areas in the province and as has been indicated to the member previously and continues to be indicated to the member, we are still in the process of trying to recruit an epileptologist to Manitoba.

* (19:20)

Mr. Gerrard: Just glancing at some of the figures, which had nine referrals to out of province from 2000-2001 and up to 41 referrals to 2001-2002, I suspect that a fair proportion of that could be related to lack of services here. When does the minister expect to have some progress in this area?

Mr. Chomiak: Well, clearly the recruitment would be a major factor and a significant factor. The good news is that in a number of areas we have managed to reduce out-of-province referrals. So I am very pleased about that, and the recruitment of a particular sub-specialist in this area continues to be an issue that we are attempting to resolve.

Mr. Gerrard: While we are on the issue of out-of-province referrals, I wonder if the minister could summarize the approach as to when it is appropriate for Manitoba Health to pay for patients to be referred out of province.

Mr. Chomiak: The Sinclair and Thomas inquiry specifically directed Manitoba Health to provide that information publicly, and we have created a pamphlet to be provided to all Manitobans with respect to when it is appropriate to provide that kind of service and coverage. I would be quite prepared to provide the member with a copy of that pamphlet. It is another example of following

up on recommendations from the Sinclair and Thomas inquiry, of which there is considerable and which there has been considerable work.

As I understand it, as it has been advised and provided to me, Manitoba has probably the most generous out-of-province travel arrangements of any province in the country, not withstanding our size, not withstanding the other pressures that we have on us, that Manitoba has the most generous policy in this regard. I certainly will try to, I will not try to, I will provide the member with a copy of the pamphlet for out-of-province patients that is provided by Manitoba Health and was recommended for public consumption by the Sinclair-Thomas reports.

That really does remind me, I do not often put in plugs here for all the work that people do at Manitoba Health, but there are a lot of people doing—and I said that in my opening statement—a lot of people doing a lot of work. That is another example of people working diligently to try to fulfil the mandate that has been provided to people in Health, but I will provide the member with a copy of that pamphlet.

Mr. Gerrard: From time to time, patients are unable to get funding for referrals out of province and there is, I understand, an appeal process. Could the minister tell us a little bit about the appeal process?

Mr. Chomiak: Mr. Chairperson, I believe it is also highlighted in the pamphlet, and if it is not, I will take the member through it.

Mr. Gerrard: One of the issues that has arisen, it is my understanding on the appeal panel there are two representatives from Manitoba Health who were involved in the initial decision making. I wonder if the minister feels this may be a conflict of interest, that the appeal process should have some independence from the initial decision as to whether funding is provided.

Mr. Chomiak: I think the use of the words "conflict of interest," is probably not appropriate. It is not a conflict of interest. Having said that, I appreciate the point the member is making with respect to the issue. I will have to take a look at that particular policy. It is a fairly common practice throughout government. I do not see an

inherent difficulty with it but I will certainly take a look at it.

Mr. Gerrard: I look forward to hearing from the minister in that respect. It has been an issue which has come up, so I think it is worth it. It may not be conflict of interest, but certainly when you have individuals involved in the initial decision and then in the appeal process, that there is potentially inherent conflict in how the appeals are looked at. I would suggest that the minister might look at that and make an assessment.

One of the issues that we have dealt with from time to time in the Legislature, because I have asked questions, and I know the minister has been interested, is the issue of suicides in the Aboriginal community, not just the Aboriginal community, it is a problem elsewhere as well. But certainly the rates among members of the Aboriginal community have, in recent years, been higher. What I would ask is what the minister sees as a role of the Health Department in terms of prevention of this, in essence, a mental health problem.

Mr. Chomiak: We have a significant role, and it is a significant issue with Manitoba Health, which is why we are on part of a steering committee dealing with suicide across the province, why we have sponsored a conference last year, and why we worked with, and as a sub-committee of our committee, the Aboriginal suicide prevention group, Mr. Chairperson, which is why we were concerned when the member went up to a community and chided Manitoba Health for not participating in suicide prevention, when, in fact, the federal government had withdrawn the funding for that particular suicide prevention line.

Manitoba Health has been active in participating with First Nations community and with the federal government in suicide prevention, which is of epidemic proportion in some communities, and is of levels that are far in excess of what we think is appropriate. That is why we are not only working with other departments, but are working with communities and with the federal government in terms of programs dealing with suicide prevention.

Mr. Gerrard: Is it the minister's approach, along with other provincial departments and the

federal government, to have an approach which will be present across Manitoba?

Mr. Chomiak: Mr. Chairperson, I am not sure if I understand the question.

Mr. Gerrard: the numbers of suicides are considerably higher in certain communities than others, but they are present in communities throughout Manitoba. So the issue here: Is there to be a province-wide standard in terms of the approach, or will it be one in which there is agreement to negotiate one by one with each community, as it were?

Mr. Chomiak: Mr. Chairperson, as I indicated to the member in the previous question to last, we are part of a province-wide steering committee that includes representation from other departments and other areas of the province and other groups dealing with suicide prevention. We are also active in different communities undertaking different activities.

Most recently, we have been part of an effort to fund a program in a particular community that has seen some success in other communities, and increasing the presence of that program in that particular community. So there is a variety of efforts that are ongoing dealing with the issue of prevention of suicide.

Mr. Gerrard: One of the health issues with which the minister has been engaged recently is dealing with the presence of the West Nile virus in crows and related bird species in Manitoba. The minister has been involved in the initiation of a city-wide spraying program to decrease the mosquito population in the city of Winnipeg. I wonder, different locations have set different approaches, different criteria for embarking on adulticide programs for killing mosquitoes. What sort of criteria does the minister envision in the future, in terms of when this sort of approach will be used?

Mr. Chomiak: Thank you, Mr. Chairperson. The member might be aware that we for several years now have engaged in a West Nile virus surveillance and monitoring system, anticipating that West Nile virus indications would show up in Manitoba. We have been involved in a planning process, and to that end we have also

passed legislation that provided certain emergency powers to the Minister of Health, to be implemented by the Minister of Conservation (Mr. Lathlin), concerning mosquito-borne illnesses.

* (19:30)

We do have a highly technical committee that has looked at a variety of factors that can be considered with respect to adulticiding related to the presence of a West Nile virus. Those criteria have been communicated throughout the province and generally that is the overall criteria.

With respect to the situation in general, the member may be aware that for the first time in certainly my memory there was a significant larviciding exercise that took place in the city of Winnipeg and surrounding districts this year in anticipation, partially, of things to come. In addition the member might be aware that Winnipeg routinely fogs or adulticides for mosquitoes, based on nuisance. When the West Nile virus showed up in a bird in central Winnipeg, we determined that, given the factors concerning West Nile virus, an additional adulticiding should take place in Winnipeg. We made that determination based on the judgment of an imminent health threat.

Mr. Gerrard: I understand the decisions that the minister has made, and I would ask for the future in terms of standards and when an imminent health threat can be judged to be present. Clearly, it would be logical that if one is to undertake one approach in Winnipeg, that you might take a similar approach in Selkirk if there were an imminent health threat there, or in Brandon, or in Portage or another community.

It seems to me that it is helpful to have some sort of criteria. Is one bird sufficient? Is this a disease that may well be present with us for the future? We really do not know. It is early on, of course, but when is it an imminent health threat now, and when is it not?

Mr. Chomiak: I agree with the member that all regions of the province, regardless of geographic location, ought to be treated in a similar fashion and we, of course, have endeavoured to do that. With respect to criteria, I also agree that clearly

scientific and other criteria ought to be available in terms of determining the decision-making process with respect to any preventative measures that are undertaken.

Mr. Gerrard: I am not sure that I entirely followed the minister's comment that his approach was to treat all communities equally. Does that mean that the minister has advised everywhere where there is an infected crow that there be an imminent health threat and spraying for mosquitoes, adulticide?

Mr. Chomiak: No, because there are different population patterns and other matters affecting the decision. In some cases the adulticiding would have little or no effect with respect to the prevention of West Nile, whereas in other cases, based on a variety of factors, different considerations will enter into the decision-making process.

Mr. Gerrard: Is the density of mosquitoes, the counts of mosquitoes one of the factors that becomes important?

Mr. Chomiak: One of the factors that can be looked at is the density of mosquitoes.

Mr. Gerrard: So the minister would then consider that where mosquito numbers were high that approach to fogging, adulticiding, would be appropriate where mosquito numbers are low, that this would not then be taken as an indication that there was an urgent need to fog. Is that right?

Mr. Chomiak: No, Mr. Chairperson, I would not narrow it down to that level. I said there were a variety of factors and I indicated to the member that density can be a factor.

Mr. Gerrard: It seems to me that in order to get some sort of standard approach so that people can understand how and on what basis decisions are made, that it would be helpful to have a clearer delineation of criteria and the components that make up the criteria. Will the minister be able to provide that?

Mr. Chomiak: Yes, Mr. Chairperson. As I indicated several answers ago, information has been communicated in that regard already. I

think there are a number of factors that ought to be considered when reviewing this particular matter.

First is the fact that in some cases it is a relatively new occurrence, in some jurisdictions, as well as the fact that there still is not a complete understanding of some of the factors influencing either the transmission or the extent of the particular illness.

I note, for example, to the south of us in North Dakota, if memory serves me correctly, something like 13 horses have been infected and only one bird, as I understand it, has been infected, whereas in Manitoba we are at 24, 25 birds and at least to this point have no indication of horses being infected.

Does that suggest a different type of illness? Does that suggest a different type of mosquito? Does it suggest a different type of surveillance, for example, that is taking place in North Dakota vis-à-vis Manitoba or vis-à-vis other jurisdictions?

What we are attempting to do in Manitoba is to work with the federal government and all fronts to be fairly vigilant on the surveillance methodology, be fairly aggressive in terms of the prevention. There was a fairly significant advertising campaign that pointed out protection from West Nile virus to all Manitobans, measures to ensure that the mosquito population was decreased, a larviciding program that we undertook earlier in the year, as I earlier indicated, as well as the fogging in the large urban centre of Winnipeg and additional fogging related to health risk. So there have been a variety of responses, fairly aggressive in Manitoba, based on our judgment of a number of factors.

We have criteria, we have development. We have developed technical approaches to the issue. I suggest that as we evolve and as events evolve over this year and into next year there will be refinement of the process.

There are several factors that still are up in the air in a variety of areas. The first indications were quite early, for example, in Louisiana where they have recently had four deaths. We

are relatively early compared to Manitoba in terms of transmission, in terms of West Nile showing up in the birds. In some jurisdictions such as Ontario, last year, they had over 100 positive birds and no human cases. So I think as we learn more and as we develop more, we will refine our approach to this issue.

Mr. Gerrard: The minister referred to Ontario where there were more than 100 cases in birds and no human cases. Is that human cases with symptoms or human cases based on a rise in antibody and presumed infection which was asymptomatic?

Mr. Chomiak: That is a good question. I am glad the member asked that. When we refer to cases, we refer to identified cases. It could very well be, given the nature of this particular illness and virus, that there could be numerous, many, many human cases that have gone undetected. When we refer to human cases in this context we refer to cases that have tested positive for the virus.

Mr. Gerrard: This is clearly a significant issue with West Nile virus, the question of the ability of a virus to over-winter in any circumstances in Manitoba. Given the nature of our climate, what has been the minister's advice in this area that he has received?

* (19:40)

Mr. Chomiak: Mr. Chairperson, that question has been asked and discussed. I do not have a response for the member on that particular matter right now.

Mr. Gerrard: Given the situation in Ontario with the number of birds and the lack of in fact human cases, it remains uncertain to what extent it may or may not be a threat to people in Manitoba. One of the questions here that has been raised by people, for example, in Wolseley, was we want to make sure we are doing more good than harm rather than more harm than good. When we spray malathion, I understand that there were a number of people in Wolseley who had significant medical complaints.

I would ask the minister whether there was any attempt to understand the extent to which

there were health problems as a result of the malathion spraying and whether he might be able to comment on this good and harm situation vis-à-vis malathion, mosquitoes and the West Nile virus.

Mr. Chomiak: It has probably been the most debated subject in Winnipeg over the past several months, perhaps in the past several years, with respect to this particular issue. Actually, that is probably an overstatement. Nonetheless, it has been a topical issue.

One cannot and should not dismiss the concerns raised by individuals with respect to health difficulties as a result of malathion spraying. Malathion has been used since the early fifties in Canada and is licensed by federal regulators and has been utilized in Winnipeg for a good period of time. In fact, there had been at least one spraying in Winnipeg and numerous sprayings several years ago across the whole city of Winnipeg.

Nonetheless, it is a valid point that individuals raise with respect to their health concerns. I have a good deal of, and we have a good deal of sympathy, for the situation that people find themselves in. Often these issues are a question of balancing the overall health threat with the immediate health threat. All of the factors were considered prior to asking the City of Winnipeg to carry out an entire spraying of the city and to lift the buffer zones.

Obviously, it was not a decision that was reached lightly. It was a decision reached weighing all of the information. It was a decision that was reached looking at the information we had and determining what was in the best health interests of residents of a large, populated area.

It was I who mentioned the Ontario situation to the member, was it last year, where there was plus a hundred birds. As I understand it, in some areas of the Maritimes the mosquito that is suspected of transmitting the particular virus is in abundance, but there have been no human cases that have been recorded. It is very difficult to ascertain when and if human cases can occur. Hopefully we have assisted in preventing any outbreak of human cases.

It clearly is a weighing of the risks associated with not spraying versus spraying.

There was a significant, I think, recognition that the action taken was appropriate. There were some individuals and groups who opposed the spraying. We asked the City of Winnipeg to spray. One would be hard pressed to suggest that people in Winnipeg did not know that spraying was taking place and, hopefully, we have done the best possible to prevent the presence of West Nile virus in any significant numbers showing up at all in human cases in Winnipeg.

Mr. Gerrard: Was there any attempt to monitor, to see whether there were any side effects of malathion?

Mr. Chomiak: The fogging, the adulticiding, was taken by the City of Winnipeg on the direction of the Department of Health.

Mr. Gerrard: Had anecdotal instances of people who reported symptoms after malathion spraying in Wolseley, and I would just ask the minister whether there was any attempt to evaluate, or quantify, or determine to what extent there were side effects in humans?

Mr. Chomiak: We take all health concerns and health issues very seriously, Mr. Chairperson. I might add that 99 percent of Winnipeg generally is sprayed every year. I think it is important to note the effect of any health issue on the health of any individual.

Mr. Gerrard: I take that to indicate that the minister is interested in this area but, in fact, there was no particular surveillance done or attempt to understand, in any quantitative fashion, whether there were any side effects?

Mr. Chomiak: There was no specific program, as I understand it, to monitor any particular effects as a result of the additional spraying, the second city-wide spraying that took place this year.

Mr. Gerrard: I would like now to come back to one of the questions which I had asked earlier, and to which I just felt I did not really get as clear an answer as I was trying to get. This has to do with what criteria would be used in the future to declare an imminent health threat, and to fog for mosquitoes in Winnipeg above and beyond what the ordinary rules have been, as was done, indeed, on this occasion, because of

the imminent health threat deemed to be present in relationship to the West Nile virus?

Mr. Chomiak: As I indicated, there have been criteria that have been communicated because of the nature of the particular issue this year, because we are in a particular period of time where we are on the calendar, because of weather conditions, because of pending test results in a variety of areas, and a variety of geographic locations. I cannot give a definitive answer to the member at this point.

Mr. Gerrard: Does the minister expect to have such criteria publicly available and known before, say, next year's mosquito season?

Mr. Chomiak: For the fourth time, I will indicate that that information has already been communicated.

Mr. Gerrard: Perhaps the minister has said in his last answer that they are still working on what the precise criteria was and this time he is saying he has already communicated, well, next year if there is one bird with West Nile virus is it going to be deemed an imminent health threat and everyone in Winnipeg fogged, whether it be 3 birds, 10 birds, 5 birds, 1 human case? What are the criteria?

Mr. Chomiak: As I indicated to the member, the criteria and the information have been communicated. As I said to the member previously, there is a refining process that we will take into next year with respect to criteria and developments. I have also indicated to the member that a hard and fast commitment, or hard and a fast specific criteria right now is as definitive—the member suggests one bird—well, what is it? One bird in a large urban centre? What is the location? What is the location, vis-à-vis another bird? What is the population count, has there been a human case, has there been transmission, and there are a variety of factors, are there horses involved. I mean there are a variety of factors, numerous factors. So for the member to talk about definitive criteria of a particular bird in one particular area, whether that would be the triggering point next year, I cannot tell him right now at this juncture except that this year, under the circumstances and the conditions that we experienced, we felt it was

appropriate to minimize the risk to the population vis-à-vis mosquito population. What cycle in the year is it? Can one larvicide? Does one have the option to larvicide? Are there cycles of larviciding one can take? What is the type of mosquito, et cetera? All of these factors are important, and there are criteria that have been communicated as I indicated to the member previous.

* (19:50)

Mr. Gerrard: Let me move on to one of the health concerns of today and that is one of the risk factors for cardiovascular disease, which is obesity, and the concern that we may be having more and more children and adults with obesity in Manitoba. Let me start by asking the minister to what extent he has information available as to what the trends are in the province and whether this is an issue of concern.

Mr. Chomiak: Mr. Chairperson, it is an issue of concern for the provincial government. As I recall from memory, I believe it is on my topic of discussion with the federal Minister of Health when we next meet.

Mr. Gerrard: I would ask the minister what his approach is going to be to a situation of obesity, to what extent he feels that this needs to be addressed in Manitoba and how the minister will be trying to address this concern?

Mr. Chomiak: Mr. Chairperson, before I respond, I thought perhaps I will table the out-of-province medical referral guide that I referenced earlier to the Member for River Heights. As I note from the particular pamphlet, which the member will have access to shortly, as I see the member has access to, the appeal process is not delineated in the pamphlet so if the member will just give me a second I will just confirm what the details are with respect to the appeal process, then I will return to the member's question if that is okay.

Two points: We do not have the appropriate officials here tonight to deal comfortably with the appeal issue, and I will try to find out for the member subsequently. As well, I would feel more comfortable if we had the appropriate person dealing with the obesity issue, in terms of programming.

Mr. Stan Struthers, Acting Chairperson, in the Chair

So rather than just give a general response, I will defer, if it is okay with the member, the discussion on the specifics for either a later period in Estimates or subsequently to the member on both the appeal process and how that exactly functions. I am familiar with it, but I would rather have the appropriate person from the department here just to confirm that, and on the obesity issue as well, I would prefer to have someone from that branch of the department in order to give a more appropriate response.

Mr. Gerrard: Perhaps I would come at the obesity question from a slightly different framework which perhaps the minister might be able to answer, and this deals with the role of Manitoba Health in relationship to the regional health authorities. What role does each have in terms of the provincial approach to dealing with a health concern like obesity?

Mr. Chomiak: Well, essentially, Mr. Acting Chairperson, the department choosing one issue or another issue generally would work in collaboration with the various regions to develop a province-wide policy that would be suitable for all of the regions of the province and most appropriately for different regions of the province and proceed from there.

Now obesity is a significant and an interesting example of one particular preventive issue. It ties in with issues concerning nutrition. It ties in with issues concerning physical fitness and awareness. It ties in with school awareness. It ties in with particular geographic locations, particular populations and particular disease groups, which calls for a coordinated strategy that is directed at, I would suggest, particular groups and types of approaches.

* (20:00)

Not all issues of prevention lend themselves to an overall directive from the provincial government. Let me use an example. Screening programs generally are undertaken centrally by the province or in conjunction with one of the various health regions. Education programs with

respect to issues like diabetes, there are general standards from the province and there are different approaches that are utilized in different regions of the province depending upon the population.

With respect to obesity, as I said, I have it on the agenda with respect to discussions with the federal Minister of Health when we next meet. All issues of prevention are of concern. The issue of obesity specifically is one to be addressed in conjunction with the input from the regions and various components of the system.

Mr. Gerrard: The minister talked about screening programs. One of the important provincial screening programs is the pap smear testing for detecting cervical cancer in an early stage. I would ask the minister what his approach is, what his goals are in terms of what proportion of the women who are the appropriate age would be screened, and so on?

Mr. Chomiak: I had the honour of announcing a province-wide cervical screening registry and program recently. I was very pleased to be involved in that program. The registry became operational in April 2001 with pap smear results entered into the database. We amended The Public Health Act requiring labs to report Pap smear results to the cervical screening registry.

We also had to put in place an ability of individuals to opt out if they so desired as well as some sensitivity to particular groups as it relates to pap smears. I understand that three cytology labs are interfaced to the registry and further have been interfaced with the registry related to pap smears.

Mr. Gerrard: What proportion of women of appropriate age does the minister feel should be the provincial goal in terms of screening for pap smears?

Mr. Chomiak: Quite clearly on an initiative of this kind it would be our preference to have a screening program that covered 100 percent of the population. Clearly that is not going to be the case. We are looking at the results of our first-year experience in terms of uptake and in terms of development of the screening program.

Mr. Gerrard: Does the minister have data currently from the first-year experience? My

recollection from some of the CIHI data is that Winnipeg or Manitoba—I cannot remember whether it was Winnipeg or Manitoba that was included in the data—was about average among the provinces.

Mr. Chomiak: I am sorry, I did not hear that.

Mr. Gerrard: Right. One of the indices that I think was part of the Canadian Institute for Health Information was the percentage of women who received pap smears. My recollection is that Manitoba was about average in terms of position.

Mr. Chomiak: It would be very important in this regard to have comparative data. Insofar as data generally from CIHI, if memory serves me correctly, it generally deals with the years of '99 or 2000 or even earlier. The important thing will be to compare CIHI data once our registry, perhaps not even at first year, once our registry is up and running across the province for a period of time, the real test will be the comparison of the uptake vis-à-vis the previous non-registry, or non-province-wide system, and then make a comparison in terms of the validity and the usage of the screening program at that time, although the data, I understand, indicates we are committed obviously to the screening program, but it will be interesting to see what the uptake is once our registry and the data is provided to CIHI.

Mr. Gerrard: One area, which in terms of preventive health has been noted as being quite important, is having programs so that young people going through school learn something about health care and approach to health issues. I would ask the minister: What is his approach to health education in the school system?

Mr. Chomiak: There are a variety of issues that are dealt with in the education system with respect to health. One of the initiatives we have been stressing as significant is the area of mental health within the school system. It is one area we have developed some programs for usage in the schools. When I say "we," I mean the department in collaboration with the Canadian Mental Health Association and other groups. I believe the Teen Touch, if memory serves me correctly, Teen Talk, I believe, are one of the

very useful organizations. So we have a prototype of programs that are available for schools and for teachers in terms of mental health.

In terms of other aspects of public health and health in general, there are components of the curriculum that deal with health in general. Obviously one of the advantages of a province-wide school system is that it enables individuals and it enables the ability to educate, in the best sense of the word, a generation of children. So there are a variety of factors that go into it.

One of the strategies we have worked on as a provincial government, of course, is the question of sport and the impact sport and athletics have on the health of individuals and on children. There has been some interesting work that has been done by individuals with respect to the results of programs in the schools dealing with exercise. So obviously it is an area that is of significance.

At the same time, I also think we have to be sensitive to demands we put on the classroom and demands we put on the education system across the system. I think that is something we have to be conscious of throughout, but certainly the introduction of health related curriculum and advice to children is something that is encouraged and there are components of.

Mr. Gerrard: I just would follow that up with a question to the minister in terms of further clarification of the role of Manitoba Health, of the RHAs and of himself as minister in the development of health education and health programs for schools. Who has the responsibility and who has the co-ordination with the Department of Education in this respect?

Mr. Chomiak: It is a collaborative effort. There are varying levels of involvement, sometimes based on the health needs and indicators of a region. There are some regions that have, for example, undertaken very successful child development programs in the schools. There are some jurisdictions that have developed some significant smoking cessation programs. The success of some of those has resulted in our extending those programs and offering those programs across the province. There have been

programs offered in rural schools and in some urban centres with respect to addictions and the prevention of addictions. So there is a fairly collaborative approach to these issues, and one of the advantages of having the Healthy Child Committee is a collaboration of ministers in regard to a number of preventative matters as it relates to children.

* (20:10)

Mr. Gerrard: One of the issues that we have talked about earlier was the Pap smears. One of the issues that we have talked about now is smoking among young people. What I would ask is to what extent is the data being collected by RHA, so it is possible to provide comparative assessment of the situation in different regional health authorities and thereby be able to address specific areas where there are particular concerns.

Mr. Chomiak: Yes, Mr. Chairperson. As I understand it, all the regions initially did health assessments of their regions in terms of determinants, and those, in collaboration with some of the data from Manitoba Health, are reviewed. There are a number of other initiatives that have been other than looked at and compared, notably information and data from the Manitoba Centre for Health Policy and Evaluation and its related characteristics. There are a variety of tools and techniques that have been utilized to get at some of these issues.

Mr. Gerrard: You know, the minister referred to the health assessments that were done initially as they were ongoing data collection, so there is a standardized approach to assessing the proportion of people with Pap smears, that there is an ongoing approach to assessing the proportion of young people who smoke and various other health-related parameters.

Mr. Chomiak: Yes, Mr. Chairperson. I would not indicate at this point that we have the sophistication of narrowing some of these issues down specifically in terms of region by region on a province-wide basis.

Mr. Gerrard: You know, part of the reason for raising this is that I noted in a number of the comparative analyses that have been done across

Canada is that in Manitoba the Winnipeg region was very frequently included, but other regions were, in fact, rarely included from Manitoba. Whereas in other provinces, there seemed to be many more of the regional health authority sort of areas, or comparative areas included in such evaluations. I wonder if there is, in fact, a lack of satisfactory data-gathering approach in across the province so that one can compare region by region, the whole variety of health parameters and medical outcomes and so on.

Mr. Chomiak: The one data collection that comes to mind is the *Maclean's* survey but I am not familiar with other areas. Heaven knows there is a report done almost literally every day from one agency or the other, be it Stats Canada, be it CIHI, be it the centre, be it various other investigative bodies, be it various commissions. There is almost a report a day. I have not noted that particular observation, with the exception of the reference to the *Maclean's* survey. As well, I am advised that CIHI is moving towards a regional collection capability at this point.

Mr. Gerrard: Does the minister's last comment indicate that in the not too distant future there, in fact, will be a CIHI data broken by region for each of the regions in Manitoba?

Mr. Chomiak: Yes, Mr. Chairperson. That is certainly the intention.

Mr. Gerrard: I would move now to another area of particular interest. I know that the minister has been doing some work here, and that is of palliative care. One of the questions which comes up on a fairly regular basis deals with the relative proportion of patients who are able to get adequate palliative care, the proportion of patients who are able to receive palliative care at home as opposed to having to be in hospital. Perhaps the minister could provide some update on the status of things at the moment in Manitoba.

Mr. Chomiak: I am going from memory, Mr. Chairperson. The last time that I had checked out the statistics, the number of individuals in Winnipeg who were accessing palliative care at home was up something like 12 percent, and I

am just checking my notes now as we discuss this issue. It was a significant percentage increase with respect to individuals in Winnipeg who were accessing palliative care.

Mr. Gerrard: I would follow that up with of the individuals who need it, what proportion are able to get the palliative care at home.

Mr. Chomiak: The question is, of the individuals who needed palliative care, what proportion were able to get it at home? I am not sure if we have that particular definitive statistic for the member because I think there are many factors that determine that particular issue.

I do know that numbers are going up in terms of individuals who have the option to have palliative care at home. I also know that not everyone who wants palliative care at home probably is able to get palliative care at home. I think that would be a fair statement.

In terms of those percentages, I doubt very much that we have those numbers, but I will check with the health authorities with respect to see if they have those numbers.

Mr. Gerrard: One of the issues that I know the minister has given some consideration to is the cost of drugs for individuals receiving palliative care, that under the current circumstances, the cost of drugs can be covered in-hospital but would not be covered at home. What is the minister's view of this circumstance?

Mr. Chomiak: When we announced our palliative care program, it was across the spectrum to cover all of the issues. I indicated that one of the issues we would be dealing with, in addition to providing 24-hour physician care, access to care at home across the city of Winnipeg and ultimately throughout the province, access to institutional beds where needed and a variety of other options, I indicated that we would put in place a program for assisting individuals who are palliative in terms of dealing with the cost of drugs.

It is our intention to do that. We have not at this point implemented that program.

Mr. Gerrard: I am just wondering whether the minister has any particular time line in mind for implementing that program.

Mr. Chomiak: I had anticipated that it would be up and running by this point. I hope that we can have something in the fall. One of the difficulties we are facing is the overall cost of the drug programs in general and their implications on the provincial Budget in general.

Mr. Gerrard: One of the areas that I know the minister has been concerned about is the situation with staff numbers, and I would ask specifically about licensed practical nurses and whether the minister can provide an update on the current situation across the province.

Mr. Chomiak: We are again offering the LPN course outside of Winnipeg this year. We have introduced LPNs back into the acute care setting, most notably at the Health Sciences Centre.

The utilization of LPNs continues to be a strategy of the Province, and we certainly, as part of our strategy, will continue to utilize an enhanced role for LPNs across the province. In other words, the old policy that was seen in the late nineties, a phasing out of LPNs, has been completely reversed.

Mr. Gerrard: I would ask whether the minister sees the proportion of LPNs relative to other health care providers as optimum at the moment, whether it is too high or too low.

* (20:20)

Mr. Chomiak: We are continuing to work with the various groups in the system to reverse the trend of elimination of LPNs and we are reintroducing, as I indicated, LPNs in acute care settings. With respect to proportions, et cetera, I can indicate we are committed to the role and function of LPNs across the health care sector in a variety of settings, not just particular community-based settings but settings across the spectrum of the health care system. The theory in the past, during the nineties, that LPNs ought not to be utilized is not one we accept. We continue to train and educate LPNs and we continue to expand their enhanced role across the system.

Mr. Gerrard: One of the issues with which I know the minister has been engaged is the issue of regional health care centres. In view of the

departing acting chairperson for today's session, I would ask the situation in Dauphin, what the minister's view of Dauphin as a regional health centre is and what the plans for the future are.

Mr. Chairperson in the Chair

Mr. Chomiak: I can indicate the future of Dauphin is quite integral to our planning and has a bright future in terms of our system.

Mr. Gerrard: The approach in general to regional health centres is what, from the minister's perspective?

Mr. Chomiak: We continue to develop and enhance the role of regional health centres.

Mr. Gerrard: One of the aspects I know the minister has commented on has to do with the proportion of health care dollars which are spent on administration. I would ask: What is the minister's view, given there is a fair variation from RHA to RHA in the proportion of dollars that are spent on administration?

Mr. Chomiak: The member is probably aware that within the city of Winnipeg we amalgamated two regions on assuming office. In this most recent Budget, we amalgamated two regional health authorities, reduced two to one health authority.

The proportion of administrative expenditures is one we work on and are attempting to reduce, so more dollars can be in the hands of the providers. The relative proportion is not as simple to compare on occasion because of the different sizes and populations of the various regions around the province. For example, clearly infrastructure in Winnipeg is of a different nature than infrastructure administratively in Churchill. That probably is not a good example because I used two extremes, but there are variations based on geography, population, needs, et cetera. We are endeavouring at all sites and locations to minimize the administrative costs.

Mr. Gerrard: I wonder if the minister can provide an example of an RHA which has done particularly well in terms of operating with a low proportion of administrative costs.

Mr. Chomiak: Low is a relative term. I wonder if the member could be more specific.

Mr. Gerrard: As a proportion of total health care costs, it should be possible to look at the administrative costs as a proportion of the total expenditures by an RHA, and wonder whether the minister has compared RHAs and whether there are certain ones which have operated with a low administrative component.

* (20:30)

Mr. Chomiak: Mr. Chairperson, there are some that operate with lower administrative percentages and ratios than others, but it not necessarily an accurate reflection of the administrative costs vis-à-vis other RHAs, because (a) of size, or (b) because various regions interpret the term "administration" as a different type of activity. Let me give the member an example.

If one goes and visits a particular region, one will find the director of, I am just speaking generally now, palliative care, a director of recreational care, a director of home care being one administrative position in a particular region, three half-time positions. So I am not trying to be evasive. We have administrative costs, but I want to very careful in terms of comparing one region vis-à-vis other regions with respect to their administrative costs.

Mr. Gerrard: Is the minister moving in the direction of trying to have more standardized assessment of what is administrative cost and what is not?

Mr. Chomiak: Mr. Chairperson, yes, we are. It is not that there is not specific line items devoted to administration. I mean, that is trite, that is a given. But I do not want to give the wrong impression that necessarily it is reflective of the, particularly, the administrative cost of a region, because of the diversity in nature of the regions.

So, yes, we are trying to compare apples and apples as much as we can. There are line items dealing with administration, but they do not always reflect the true administrative costs on a comparative basis.

Mr. Gerrard: One of the areas which has received a fair amount of public discussion and comes back to where we were earlier in terms of

neuroscience as an important area for the province has to do with the care of individuals with a stroke. I wonder if the minister could provide an update of where we are at the moment, and what he sees in the future.

Mr. Chomiak: Mr. Chairperson, one of the components of the health care system that was not adequately addressed was stroke and stroke rehab. We announced, in conjunction with the WRHA and St. Boniface Hospital and the Heart and Stroke Association of Manitoba, a comprehensive program to be basically based out of St. Boniface Hospital. That is part of the long-term plan with respect to St. Boniface Hospital. As we evolve the system in Winnipeg and elsewhere, the plans are for St. Boniface Hospital to have a bigger role with respect to stroke and to be a centre with respect to stroke and the rehab in the system.

Mr. Gerrard: Is it the intent that St. Boniface will be the primary location for stroke care in the Winnipeg region? What role will it have in respect to other regions?

Mr. Chomiak: Mr. Chairperson, as I recall, it will be the centre for stroke care, the primary centre, with respect to Winnipeg now. Most of the specialists are located in Winnipeg, if not all the specialists located in Winnipeg, with respect to care in the province, generally.

I will get some of the details. I do not have the specific individuals here with that kind of detail for the member. But if memory serves me correctly, it will be the location of the most significant stroke rehab and prevention in the province.

Mr. Gerrard: What will be the approach, then, for patients with a stroke in other areas of the province: Brandon, The Pas, Flin Flon, Thompson, Dauphin?

Mr. Chomiak: Thank you, Mr. Chairperson. I do not think it would differ significantly from other specialty programs. We try to offer this service in the most appropriate geographic location. The centres of excellence vary around the province. For the most case, they are present in the tertiary care facilities and related activities stemming from the tertiary care facilities.

Mr. Gerrard: So the minister's view would be that stroke care would be primarily a tertiary care activity.

Mr. Chomiak: No, Mr. Chairperson. The specialty of stroke and stroke recovery and various aspects of it, specialists generally, and subspecialists, will be located in the tertiary care facilities. But the other functions, the rehab functions and related functions can and will be located in various regions and locales.

Mr. Gerrard: I know that the minister has an interest in the situation with AIDS in Manitoba. The statistics have shown that the numbers of patients who acquire AIDS on what appears to be a heterosexual basis has appeared to increase. The number of women has increased. I would ask the minister to provide an update on the situation in the province and what his approach is here.

Mr. Chomiak: Mr. Chairperson, there are several initiatives that have been undertaken, as the member is probably aware. There was the collaboration with Nine Circles Health Centre located on Broadway with respect to AIDS. As well, the trend line is not positive in terms of some of the developments with AIDS.

We have developed with the Aboriginal community, and continue to develop, an Aboriginal policy. We are also working with the Métis Federation to develop a policy. Their Aboriginal Health Unit of Manitoba Health is a lead for an Aboriginal HIV strategy with support from other aspects.

We have had intersectoral meetings as recently as the fall with regional health authorities where the goals and principles of the provincial AIDS Strategy and a provincial STD strategy were outlined and reinforced.

We are collaborating with the RHA's Health Canada's First Nations and Inuit Health Branch, which is ongoing in this regard. We have also provided additional funding for the Manitoba AIDS Cooperative to assist them. As well as in recognition of some of the developments that have occurred across the country with respect to prenatal testing, Manitoba has put in place a

policy to strongly recommend that all health care providers provide information and offer HIV testing as part of routine prenatal care to the women of Manitoba.

Mr. Gerrard: One of the issues that has come up in the Legislature is the incidence of tuberculosis in Manitoba. The fact that when one compares, as examples Manitoba and Newfoundland, that the instances in tuberculosis, and Newfoundland has fallen quite considerably over the last 15 years, while on a comparative basis Manitoba's incidence of tuberculosis has remained virtually unchanged.

This is of some concern. Clearly, the tuberculosis in Manitoba is particularly significant both in the Aboriginal population and in immigrants, and in Newfoundland one would have had, one presumes, a high incidence in the Aboriginal population in Newfoundland, but that has decreased considerably.

I would ask the minister what his approach is to this issue and how he proposes to improve the situation in Manitoba.

* (20:40)

Mr. Chomiak: Mr. Chairperson, the member did raise the issue with respect to tuberculosis and across-Canada comparisons in the Legislature, and I did have occasion to review the province-by-province statistics for the past decade.

While I think it is accurate to say that the Newfoundland—if memory serves me correctly—stats did fall, it was statistically not a significant difference vis-à-vis Manitoba. So the Newfoundland comparison, as I recall from the statistics, was not a statistically, in my view, comparative statistic.

Having said that, Mr. Chairperson, generally we have worked with the Sanatorium Board, with the federal government and with the provincial government with respect to dealing with tuberculosis and tuberculosis policies. We are looking at our strategies and refining our strategies and seeing if there is any means by which we could improve the situation vis-à-vis tuberculosis.

Mr. Gerrard: I note that the minister has recently been involved in providing approval for a personal care home for Aboriginal people in Winnipeg, and I wonder if the minister could provide us with an update on his approach to the establishment of new personal care homes.

Mr. Chomiak: Mr. Chairperson, for some time it has been recognized in Manitoba the need for providing personal care, that is, institutional personal care to Aboriginal peoples. It has been recognized in some Aboriginal communities, and insofar as Winnipeg is one of the, if not the largest Aboriginal community in Manitoba, it only makes sense, particularly looking at the pattern of development of our personal care home system in Manitoba which was primarily based on cultural and/or a charitable and/or service organization basis. So for a whole variety of reasons there is and remains a need for a personal care home in the city of Winnipeg.

A process was entered into between the various proponents of a personal care home, the WRHA and Manitoba Health to evaluate all of the proponents of a personal care home for Aboriginal people in Winnipeg. A process was undertaken, a review was undertaken, and the proponent that was judged most appropriate to develop a personal care home in Winnipeg was the Southeast Tribal Council.

Mr. Gerrard: It seemed to me quite a reasonable approach, but I am just trying to get a broad framework for the approach to the establishment of additional personal care homes in the province.

Mr. Chomiak: Mr. Chairperson, it is an interesting issue, because we are now having the issue with First Nations communities and the federal government. We have developed a personal care home on reserve. We have developed personal care homes off reserve. There is the question of funding level one, level two, level three and level four. There is the question of what the future holds in terms of that type of care and the integration with community and home care.

We are having discussions, and there are some significant discussions going on with the federal government about their responsibility in

this area. In terms of the Province, it is a significant issue.

In terms of Winnipeg, it is simply an issue whose time had come. In fact, there was just—*[interjection]* The deputy minister reminded me that there was a call for proposals that preceded the proponents, as well.

Mr. Gerrard: Is the minister proposing to have a call for proposals in similar circumstances for future personal care home development? What is the framework for the future, not just for Aboriginal personal care homes, but for others?

Mr. Chomiak: With respect to Aboriginal personal care homes, as I recall the federal government froze the construction of personal care homes on First Nations reserves and only recently have lifted the ban on construction on First Nations. There is a significant number of issues to be ascertained there. With respect to the construction of personal care homes, both within Winnipeg and outside of Winnipeg, generally the determination is made based on population and population projections for the needs and the requirements of the community.

Mr. Gerrard: One of the issues that the minister has been dealing with is the need for dialysis. I would ask the minister what his projections are and what his approach to the provision of dialysis services is now and is going to be.

Mr. Chomiak: It is not an area that one necessarily brags about providing. We have been forced to provide dialysis, which of course is welcomed by individuals who receive dialysis, but is also recognition of an end stage of diseases that we in the health care system have to recognize. As part of our diabetes strategy we are trying to do that.

I am advised that over the past five years the number of patients on dialysis has increased from 388 in 1996-97 to 611 in the year 2000-01. Hemodialysis is provided at 14 sites: Health Sciences Centre, St. Boniface, Seven Oaks, Brandon Regional Health Centre, Ashern, Dauphin, Flin Flon, Morden, Norway House, Pine Falls, Portage, Selkirk, The Pas and Thompson. The growth is dramatic. The member might be aware that we have recently opened the

dialysis unit at Seven Oaks General Hospital and we have expanded the dialysis capacity at Portage Hospital as well as provided within the last 18 months a capacity at Norway House.

There are a variety of options and alternatives to us with respect to dialysis. We are certainly intent on trying to provide dialysis closer to home for patients to make it easier for individuals. Hopefully, as our diabetes strategy works its way through the system and as we work on a number of chronic diseases and other issues we can decrease the emphasis on dialysis.

Mr. Gerrard: The minister has talked about the strategy for dialysis. Diabetes is one of the major causes for kidney problems and for the need for dialysis. Can the minister provide any numbers in terms of the number of people in Manitoba who have diabetes and to what extent this is changing?

Mr. Chomiak: There are significant studies and analyses that have been done about the number of individuals suffering from diabetes in Manitoba. I will endeavour to provide the member with that information.

Mr. Gerrard: The numbers over the last several years, are they continuing to climb? Is there any evidence that the diabetes strategy developed by the minister is having any effect on the numbers?

Mr. Chomiak: The last time that I looked at the statistics, they had not leveled off. I might add that the strategy with respect to diabetes was developed in collaboration with the federal government. I am really pleased that the former Minister of Health characterized Manitoba's strategy as the best in the country with respect to diabetes.

Mr. Gerrard: What information is the minister gathering on a regular basis in terms of the number of patients with diabetes to be able to track what is happening?

Mr. Chomiak: As I understand that, we do track those kinds of numbers.

* (20:50)

Mr. Gerrard: Does the minister have a breakdown of the incidence of diabetes per

capita in each of the RHAs or the number of cases?

Mr. Chomiak: I will endeavour to see if we have that specific information.

Mr. Gerrard: In the diabetes strategy, in the involvement of the role of the RHAs, which is obviously quite important, what is the relative role of Manitoba Health versus the RHAs in the implementation of the strategy?

Mr. Chomiak: The department had the most significant role in development of the strategy as well as the monitoring, and the implementation generally is the responsibility of the RHAs.

Mr. Gerrard: To what extent does the department get involved in specific funding or other approaches to ensure that the efforts are carried out effectively by each of the RHAs?

Mr. Chomiak: As I indicated to the member earlier in this discussion, part of the role of the Department of Health that we are increasing our capacity, moving towards, is the issue of monitoring the outcomes and the results in the system. Certainly, we are continuing to develop the regional diabetes program. It includes risk factor assessment, identifying individual and community factors that contribute to the development of chronic diseases such as type 2 diabetes, heart disease and other types of diseases. The diabetes care recommendations that have been provided were adapted and have been formally presented provide standards of care for diabetes province-wide, Mr. Chairperson. We have a diabetes education resource program which was established to meet the education needs for all Manitobans. There are 15 community-based diabetes education resource programs around the province and delivery of the diabetes education resource programs is the responsibility of each regional health authority.

We also have the Manitoba diabetes education network, which is an informal network of over 250 diabetes educators, including community health providers and health care professionals who deliver prevention, education, care, research and support services to people with diabetes and their families. The Diabetes and Chronic Diseases Unit of the Department of

Health facilitates the organization of an annual educational workshop for this measure. The Diabetes and Chronic Diseases Unit participates as a member of an advisory committee to the Canadian Diabetes Association, Manitoba Division, on development of prevention and social marketing campaign. We assisted them in doing that and helped fund that.

We also provided a grant to the Canadian Diabetes Association camp for children. We also participated in a partnership with the Canadian Diabetes Association with respect to a forum on diabetes. As well as the other initiatives concerning Aboriginal diabetes prevention together with the Canadian Diabetes Association, we have developed resources in a partnership. I had the pleasure of speaking at one of the meetings of the National Aboriginal Diabetes Association. So in summary those are some of the issues that have been outlined.

While I have a moment, Mr. Chairperson, I will just relate to the member our program with respect to stroke services that we announced six to seven months ago. It is a comprehensive stroke program sharing expertise amongst multidisciplinary care providers across the system. Prevention is highlighted. It is being phased in by the WRHA. We are recognizing that prevention or early intervention coupled with increased stroke rehabilitation will decrease the number of stroke patients in acute care beds and offer patients greater options. There are newer standards that we are putting in place as a result of consultations with community groups, the Heart and Stroke Foundation, health care providers. It is a recognition that stroke is increasing in frequency across Manitoba.

Mr. Gerrard: One of the issues that comes up fairly frequently is the cost of drugs. Clearly we want to be able to provide drugs and medications where appropriate and where they are effective to citizens of Manitoba using the Pharmacare program, and so on. One of the issues which arose, in part because it was highlighted by recent discussion and findings in relationship to hormone replacement therapy, has been the issue of circumstances where drugs are used, and yet in this circumstance for patients who are using hormone replacement therapy for prevention of cardiovascular disease it emerged from this

fairly large study that for those who are using it for this indication in fact there were more people who developed cardiovascular disease on hormone replacement therapy than off.

Clearly one way to decrease costs is to develop effective ways of ensuring that we are not using drugs where they may cause more harm than good. I would ask what approach the minister is taking to ensure we are not providing drugs where they may produce more harm than good?

Mr. Chomiak: There has been a good deal of collaboration both interprovincially and extra-provincially as it concerns the other drug plans, those operated by the territories and by the federal government with respect to drug formulas and drug plans. Obviously we have the Manitoba Drug Standards and Therapeutics Committee that evaluates the effectiveness of drugs and lists drugs on the formulary after the drugs have received the approval of the federal government with respect to notice of compliance.

Follow-up in terms of adverse reaction and related matters are done, as I understand it, by the federal government. We work with the federal government with respect to this. I recall in discussions we had with the federal government several Health Minister meetings ago was ensuring that the federal government provides more timely information with respect to drug information to the provinces.

Mr. Gerrard: Given the presence of the provincial committee and the expertise not only on the provincial committee but in other respects, specialists in the province, it would seem that in many respects there is a base of information and knowledge here in the province that could enable improvements in the approach in this area. In general the federal approach has been more to approving new drugs and not to removing drugs which are no longer seen as effective.

* (21:00)

Mr. Chomiak: Post-market surveillance was one of the initiatives that, as we collaborated as 13 governments with respect to drugs, the

federal government undertook to work on. What we are trying to move towards across the country is common approval processes with respect to drugs as well as, and I am taking a leap of faith on this one, common post-market analysis of the effects of drugs so that we do not have 13 jurisdictions approving drugs and 13 jurisdictions reviewing the effect of drugs. Rather, we are aiming and we are developing—in fact, we have developed a common form of drug approvals, but related to that has been a commitment from the federal government to step up their post-market surveillance. That was a commitment made by the federal government, as I recall.

Mr. Chairperson: Is there leave to have a five minute recess? Agreed, and so ordered.

The committee recessed at 9:03 p.m.

The committee resumed at 9:09 p.m.

Mr. Daryl Reid, Acting Chairperson, in the Chair

The Acting Chairperson (Mr. Daryl Reid): The Committee of Supply will please come back to order.

Mrs. Myrna Driedger (Charleswood): Mr. Chairperson, one off-question just to get started. Can the minister tell us what happened to his election promise to put nurses into schools?

Mr. Chomiak: Mr. Chairperson, it is forming part of the Healthy Child policy and we are working with Healthy Child policy to implement the nurses in schools component.

Mrs. Driedger: I think when the minister promised it in the election, he had a much shorter time frame and it does not appear that anything is happening with his promise. What is his time frame on implementing the nurses in schools?

Mr. Chomiak: Mr. Chairperson, I do not know if the member is aware, but the statistics in terms of nursing numbers were not adequately kept during the member's tenure in office. The

numbers are quite startling in terms of the number of vacate nurses' positions and vacant nursing positions that we are able to ascertain. One of the significant factors on the nurses in schools initiative is the number of vacancies we have with respect to nurses.

Mrs. Driedger: The minister just left out one key component, and that is, that the nursing shortage has doubled under his watch. So I can certainly see why that would be a very difficult promise to fulfil. I would like to get into a line of questioning related to political staff in the minister's office. I wonder if he could give us a run through as to who his political staff are, and their names and their positions.

* (21:10)

Mr. Chomiak: Mr. Chairperson, I just might add to the member just as we close out the nursing component we have expanded, significantly, both the training of nurses and the number of roles and functions for nurses. It is not the era of the nineties when positions are being slashed. We are expanding the positions offered to nurses across the system, which, I think, is welcomed across the system.

With respect to individuals in the minister's office, there are Evelyn Livingston, who functions as the executive assistant to myself; Jean-Guy Bourgeois, who is special adviser; Kim Morrison, who is a special adviser; Scott Harland, who, I believe, is a special assistant. Going from memory, Mr. Chairperson, and I want to make sure that I give totally complete information with respect to the member, so I will check some of my notes to see if I have provided an accurate delineation of the positions. In addition, there are Laura Hare, administrative secretary; Shirley Heppner; Cindy Akerman; all those administrative. Okay.

Yes, in terms of the political people, I guess it depends how one ascertains what political is. I never use that term. I am not sure if that is the appropriate term, but with respect to the individuals, as I pointed out: Evelyn Livingston, Jean-Guy Bourgeois, Scott Harland, Kim Morrison. I think that pretty well covers the direct positions.

Mrs. Driedger: Can the minister please give me the background of his two special advisers?

Mr. Chomiak: Mr. Chairperson, the member is asking for the background of special advisers—

An Honourable Member: In terms of medical.

Mr. Chomiak: In terms of medical or health—

Mrs. Driedger: Can the minister please give me the background of his two special advisers?

Mr. Chomiak: Mr. Chairperson, the member is asking for the background of my special advisers in terms of medical or health care experience? Can the member make clear what her question is? I am not sure what the member's question is now.

Mrs. Driedger: Can the minister please indicate if his two special advisers have a health care background?

Mr. Chomiak: Mr. Chairperson, I can indicate that Kim Morrison has extensive experience with respect to health care, and Jean-Guy Bourgeois has a master's degree in public administration or something along those lines.

Mrs. Driedger: Could the minister be a little bit more specific about what Kim Morrison's extensive experience is?

Mr. Chomiak: Working at Mount Carmel Clinic, working with individuals who are involved in pregnancy, et cetera.

Mrs. Driedger: Can the minister indicate, besides having a master's in public administration, whether Jean-Guy has any health care background?

Mr. Chomiak: I wonder maybe what the member means by health care background. It is just that we all have health care backgrounds, it seems, in the system and everyone has experiences.

In terms of directly working in health care, I do not believe that Jean-Guy Bourgeois worked directly in health care. I know that Kim Morrison worked at Mount Carmel Clinic.

Mrs. Driedger: Can the minister indicate who his communications staff are who are directly

assigned to him, if, in fact, he has somebody directly assigned to him. I understand that Warren Preece was largely involved as the minister's spokesperson many times, and I understand that he is no longer there.

I wonder if the minister could inform us as to who the communications staff are who work closely with him.

Mr. Chomiak: As I understand it, Mr. Chairperson, Cabinet Communications has a list of individuals who are assigned functions with various ministers, which is similar to the pattern, with some exceptions, that was in place when members opposite were in government. So the individual who is now assigned from Cabinet Communications to the Department of Health is Peter Van—I will get the exact spelling of his name.

In addition, there are also IRD functions that are operated as well, that have always been the pattern within the provincial government.

Mr. Chairperson, the individual who was assigned as one of his duties from Cabinet Communications to the Department of Health is Peter Della-Vicenza, and I think it is Della-Vic-something iza. I will try to get the exact spelling.

Mrs. Driedger: I appreciate the minister's offer, but that is fine, I do not need the exact spelling. Perhaps Hansard does, though.

Can the minister indicate whether his two special advisers, his EA and his SA, have been with him this past year or have there been any changes in staffing?

Mr. Chomiak: To the best of my recollection, I do not think that it has changed in the last year.

Mrs. Driedger: Can the minister indicate or is he aware where Mr. Warren Preece went to work?

Mr. Chomiak: I do not have first-hand knowledge of where Mr. Preece went to work. He left Cabinet Communications. I understand he did leave Cabinet Communications, and you will have to determine a specific posting at this point.

Mrs. Driedger: Might he have gone to Workers Comp?

Mr. Chomiak: I think that is it.

* (21:20)

Mrs. Driedger: Is the minister aware of what position he might be working in in Workers Comp?

Mr. Chomiak: No.

Mrs. Driedger: Can the minister tell us when Terry Goertzen left his department?

Mr. Chomiak: If memory serves me correctly, I believe it is January-February 2001.

Mrs. Driedger: Certainly, Mr. Goertzen left and has landed himself a pretty good job as the new director of public relations at the WRHA. Can the minister justify how Mr. Goertzen got that job without any competition?

Mr. Chomiak: I think we have discussed that issue during the course of discussions in the Chamber and the members expressed some strong views in that regard.

Mrs. Driedger: Well, the minister certainly has avoided answering the question. Certainly, he ended up with a very good position over there, and it was not by competition. In fact, it ended at the high end of the salary scale as well. I wonder how can the minister possibly justify something like this when, in fact, he has in the past years been complaining about the number of administrators over at the WRHA, and while there may not be as many VPs, there certainly are a lot of directors and administrative positions over there, which we will get to talk about a little bit later. But how does the minister justify his former special adviser landing such a plum job?

Mr. Chomiak: There is a variety of positions that are hired through regional health authorities, et cetera, Mr. Chairperson. There is a variety of individuals who are employed at the Department of Health who are former special assistants to ministers of Health that preceded me that are employees around the system, and if the member wants me to list names of people like that, I am aware of several.

Mrs. Driedger: During the election the minister promised to decrease the number of bureaucrats in Manitoba Health, and when we look at a comparison in staffing between people in Manitoba Health from last year to this year, in fact, the numbers have increased rather than decreased despite the minister's promise that, in fact, he was going to eliminate the number of people. So we are almost three years into his mandate, and he is increasing the number of staff in Manitoba Health. How does he justify that based on the promise made during the election?

Mr. Chomiak: I wonder if the member might specify the number she is referring to so that I could follow along and be of more assistance and help to the member.

Mrs. Driedger: The total FTEs in Manitoba Health are 1099.19 and in last year's Estimates it was 1097.69. Not a dramatic increase, but certainly in the opposite direction to what he promised in the election. How does the minister justify that?

Mr. Chomiak: So two additional employees at the Department of Health to do all of the additional activities and programs that we have undertaken, including the protection of persons in care, numerous other activities, Mr. Chairperson, between one year to the next. I think that has to be balanced off given the significant impact and information that is provided by the Department of Health.

Mrs. Driedger: Well, the minister certainly made a lot of comments about this issue during the election, indicating that he was going to make some changes and definitely decrease the numbers and, in fact, with regionalization, the intent was to downsize Manitoba Health dramatically so that it could do its role more as evaluators, et cetera, of standards, et cetera, et cetera, as the minister has indicated. Certainly, now that the RHAs are up and running, we should be seeing a downsizing in Manitoba Health, and yet we are seeing the size of Manitoba Health's staff increase. So how does the minister justify that?

Mr. Chomiak: Mr. Chairperson, I think the member found two whole positions that had increased. There is a whole series of activities

that out of over a thousand employees is less than, far less than 1 percent.

I notice quite obviously that the Member for Russell (Mr. Derkach) has joined us. I know he has been busily active in other committees. We welcome his presence here. It is duly noted that his presence has been made in this particular committee.

Mrs. Driedger: Well, it even appears that even from the year before the minister has increased staffing so that in total from when he became the minister the numbers have been going up, which really is going in the opposite direction from what he promised. So why would he make a promise and then not keep it?

Mr. Chomiak: In 1998-99 there were 1787 employees in the Department of Health. This year we are 1099, which is a considerable decrease, and, I might add, that includes an enhanced role of monitoring, et cetera, as a result of the Sinclair and the Thomas committee as well as increased medical officers of health. As I understand, the increase of two staff years from last year, one and a half is drinking water quality, a staff positioning of a medical officer of health. I am not going to apologize for that. I think it is a position well taken. A decrease from the '98-99 figures of 1787, Mr. Chairperson, 1099 in anyone's view is an actual decrease.

Mrs. Driedger: Can the minister tell us, he seems to have the numbers in front of him, what those numbers were for '99-2000?

Mr. Chomiak: The year '99-2000 were 1109. That indicates a decrease of 10 from that period of time, which is five times the increase the member made the point about before. What more can one say?

Mrs. Driedger: I have to assume by those numbers, it looks like the Tories were the ones that ratcheted those numbers down and then the minister can certainly play around with the numbers, but he made a very bold promise during the election to decrease the number of staff in Manitoba Health, and in fact it is going in the opposite direction. So can the minister tell us why he broke his promise, why he did not keep his word?

Mr. Chomiak: As I indicated in the statistics, I do not know how many times one has to—now the member has changed her point. Now she is saying we are going in the opposite direction. First we had broke the promise. Now we broke the promise because we went in the opposite direction. All I know is there were more people working at the Department of Health in '99-2000 than there are today. There were considerably more people in '98-99. I think the member should go to another line of questioning, in my opinion.

* (21:30)

Mrs. Driedger: The minister is probably right because, as usual, he is not answering any questions. There is no point in beating around the bush with him on some of these issues where it is obvious he has broken another election promise. I do not have a problem moving on. I would like to ask him what year was it that he created four positions for assistant deputy ministers.

Mr. Chomiak: I, too, will move on, but I have to leave on the record, with all due respect, humbly, to the member from Charleswood, that the numbers that I gave in response showed a decrease. The member can twist it and play around with it any way she wants, but it is a decrease, which is why I suggested that she go down another line of questioning.

With respect to her most recent question, the question was: What year were four ADMs—

Point of Order

The Acting Chairperson (Mr. Daryl Reid): The honourable Member for Charleswood on a point of order.

Mrs. Driedger: Perhaps a point of clarification. Can the minister explain how going from 1097 to 1099 is a decrease?

The Acting Chairperson (Mr. Daryl Reid): The honourable minister, on the same point of order.

Mr. Chomiak: Yes, it is a dispute over the facts, but the point is, when we came to office, the

numbers were higher, but because it does not work for the member, the member is now trying to pick and choose particular years, which is a common practice, but not accurate.

The Acting Chairperson (Mr. Daryl Reid): To the Chair, it is clear it is a dispute over the facts. It is not a point of order.

* * *

Mrs. Driedger: The question was to the Minister of Health. He has four assistant deputy ministers. What year were four assistant deputy ministers put into place?

Mr. Chomiak: I believe, if memory serves me correctly, it was 2001.

Mrs. Driedger: I believe the minister might be right on that one. Heaven forbid, we agree on something, but, in fact, we only did, I believe, under the previous government, have three assistant deputy ministers. This minister has added one more and now has four assistant deputy ministers. Could the minister tell us what the average pay for assistant deputy ministers might be?

Mr. Chomiak: I do want to point out that we have less employees at the Department of Health than both '98-99, and when we came to office, by considerable numbers. I just want to remind the member of that. That is another issue where I certainly agree on.

We do not have the range in front of us, but will endeavour to provide the member with the range.

Mrs. Driedger: Can the minister tell me if the range is the same for all ADMs in Manitoba Health?

Mr. Chomiak: When I provide that information on the range, it will become evident whether the range is the same for all the ADMs.

Mrs. Driedger: Can the minister indicate whether or not Manitoba Health staff are paid by the WRHA, if there are any Manitoba Health staff being paid by the WRHA?

Mr. Chomiak: There are a range of activities and there are a range of arrangements with

respect to medical officers of health, as well as some other positions. I will try to find out some of the specifics for the member.

Mrs. Driedger: Can the minister indicate whether any of his ADMs are paid by the WRHA?

Mr. Chomiak: Arlene Wilgosh, who is the assistant deputy minister of regional programs and services, is on secondment from RHAM, the Regional Health Authority of Manitoba. Her salary is paid on secondment, I think, from the WRHA.

Mr. Leonard Derkach (Russell): Mr. Chair, I want to ask the minister. He just said something very curious. I am looking at the assistant deputy minister of regional programs and services, and this is not my department, but I am assuming that this deputy minister is responsible for programs that are run by the regional health authorities, and there is a list—but the minister may want to correct me here.

Certainly, I am not implying anything. I am just seeking information. We see that under the assistant deputy minister of regional programs and services, Ms. Wilgosh, we have her responsibilities are for urban regional support services, northern-rural regionalization services, capital planning, emergency services, primary health care implementation, disaster management, French language services.

Now, are these items, under her I guess control or supervision, are these for regional health authorities throughout the province?

Mr. Chomiak: Yes.

Mr. Derkach: So I would like to ask the minister: Is Ms. Wilgosh then also responsible for these programs for the Winnipeg Regional Health Authority?

Mr. Chomiak: Yes, Mr. Chairperson.

Mr. Derkach: So the assistant deputy minister, in this particular instance, is responsible for these programs for Manitoba Health but is being paid by the Regional Health Authority.

Mr. Chomiak: Yes, she is a secondment. Let me explain the situation. Arlene Wilgosh was an

ADM under the former administration and, in fact, set up, was, as I always call her, sort of the midwife of regionalization. She established regionalization.

She was then hired by RHAM, the central organization of regions, to be their chief executive. She is so good and knows the region so well that we seconded her back at Manitoba Health because she is that good, and we need her because of her relationship and her ability to deal with the regions.

Mr. Derkach: Well, Mr. Chair, there is no reflection at all of any kind on my part on the ability of Arlene Wilgosh, because I do know of her abilities. Certainly she is very capable and someone who would warrant a lot of consideration regardless of which government was, I think, in office if we were truly interested in getting the best people that we could in place. My question is: the assistant deputy minister here, as being a former minister, I know what secondments are like. I know who the allegiances are to. So, therefore, if Ms. Wilgosh was an employee of the Regional Health Authority in Winnipeg here, I would think that her allegiance would have to be to the CEO of the Regional Health Authority. I mean, that is whom she would answer to under that employment. Is that correct?

* (21:40)

Mr. Chomiak: No, she was the executive director of RHAM, which is the regional association of all of the regions in Manitoba. She was an employee of RHAM, and the pay goes through the WRHA with respect to the secondment.

Mr. Derkach: As an employee of RHAM, who was the employing body? RHAM is where she was, but RHAM is controlled by the Winnipeg Regional Health Authority. Is that correct?

Mr. Chomiak: All the RHAs.

Mr. Derkach: All RHAs in Manitoba?

Mr. Chomiak: RHAM is the Regional Health Authorities of Manitoba. It is all of the regions. They have an executive director. She was the executive director. They have another executive director who is Randy Lock.

Mr. Derkach: So whom did Ms. Wilgosh report to?

Mr. Chomiak: I believe the executive of RHAM.

Mr. Derkach: But there has to be an employing authority, and who was that?

Mr. Chomiak: The Regional Health Authority of Manitoba is a corporate entity and has a corporate role and a corporate responsibility and is a corporate employing authority. It is funded by the regions and by Manitoba Health.

Mr. Derkach: Correct me if I am wrong. I thought the minister said she was on secondment from RHAM, being paid for by the Winnipeg Regional Health Authority?

Mr. Chomiak: Yes. I am informed that, for administrative purposes, she was paid through the WRHA in terms of her pay.

Mr. Derkach: Can the minister explain that? I am not sure how it is that we have RHAM who have their own budget, have an employing authority, now have the Winnipeg Regional Health Authority paying for a salary who is seconded to the Department of Health?

Mr. Chomiak: It is a payroll arrangement in terms of how it is paid for through the WRHA to RHAM, but RHAM is a separate corporate entity charged with its own ability to employ individuals or, in fact, the legislation, if I remember correctly, they have powers under the legislation to operate and function as a separate corporate entity. The payroll itself was through the WRHA. I am advised it is the payroll service was through the WRHA.

Mr. Derkach: Now the minister is confusing the issue even more because payroll services is one thing, but the minister said that her salary is coming out of the WRHA. Payroll services has nothing to do with where the salary comes from. Payroll services simply means that the services for payroll are provided by a particular institution. It does not mean that the salary comes from there. So I am asking the minister why the salary for Ms. Arlene Wilgosh comes from the Winnipeg Regional Health Authority.

Mr. Chomiak: Ms. Wilgosh was employed by RHAM. This payroll came through the WRHA to Ms. Wilgosh in her employment by RHAM and she has been seconded to the Department of Health.

Mr. Derkach: So I am going to ask the minister: Is Ms. Wilgosh, then, being paid for by RHAM? Is her salary coming out of RHAM or is her salary coming out of the Winnipeg Regional Health Authority?

Mr. Chomiak: She was employed by RHAM and paid by RHAM. When she was seconded to the Department of Health, rather than reimburse RHAM, payroll came through the WRHA and we reimbursed the WRHA. That is how I understand it.

Mr. Derkach: Well, Mr. Chairperson, this does not make any sense. I mean, you have an employee at RHAM, who is seconded to Manitoba Health by the minister, but now instead of her salary coming out of RHAM where she was employed, because this was a secondment, now she is going to be paid by the Winnipeg Regional Health Authority. Now, that is like me saying that I am going to second somebody from the AMM to my department in Intergovernmental Affairs and then having the salary come out of Natural Resources. You cannot do that.

Mr. Chomiak: The analogy does not hold, Mr. Chairperson.

Mr. Derkach: Well, can the minister then explain it much more clearly than he has? What justification is there for the salary for the ADM, Ms. Wilgosh, to come from the Winnipeg Regional Health Authority when, in fact, she was seconded from the Regional Health Authority of Manitoba?

Mr. Chomiak: The Regional Health Authority of Manitoba is the entity created corporately that functions as the body for all the regional health authorities of Manitoba. They employed Ms. Arlene Wilgosh as the executive director. We brought her back to the department, seconded her from RHAM, and, as I understand it, and I will confirm this, with respect to the administrative payments, was via the WRHA as

a payroll service because they were paying through RHAM, and I will confirm the details of that, Mr. Chairperson. As I indicated to the member both previously and otherwise, we were dealing with general policy issues here with respect to administration, and I will endeavour to find out the specific arrangements in regard to that.

Mr. Derkach: Well, I look forward to that response because this is really becoming a very interesting situation. If, in fact, we have an employee who was seconded from one department, or one particular area of health, to the Department of Health, and is being paid for by a specific regional health authority. That begs a lot of questions.

It begs the question of where the loyalties of this person really lie, or what arrangements there are and what kind of paybacks there are for the Regional Health Authority paying for this individual's salary. It also leaves the question about the fact that this person is in charge of significant areas that relate specifically to regional health authorities, including the Winnipeg Regional Health Authority.

* (21:50)

Mr. Chairperson in the Chair

So, when I hear that in the middle of a fiscal year, the Winnipeg Regional Health Authority gets a payment of \$75 million, it really starts to put a lot of question marks in my mind as to why that happens with no accountability and no, even, request, if you have, for that kind of money. It just happens out of the blue, whereas other regional health authorities do not get that same treatment.

Now we see that a person seconded from RHAM is being paid for by the Winnipeg Regional Health Authority. I am going to ask the obvious question: Are there other members on the minister's staff who are on secondment from the Winnipeg Regional Health Authority, or are being paid for by the Winnipeg Regional Health Authority as secondments?

Mr. Chomiak: Thank you, Mr. Chairperson. That question has already been asked and I have

already responded to that question, but let me just point this out to the Member for Russell. Let me point this out to the member. The member seems to see conspiracy. She was paid by the WRHA, as I understand it, when she worked for RHAM. The member seems to see some kind of grand conspiracy, because the WRHA is attached to that particular issue.

Conflict, when I came to office, as I recall, there were certain individuals who were seconded from the region, such as Linda West, who were working for the Department of Health. It happened on a regular basis. I do not see that as conflict, Mr. Chairperson. She was in charge of medical remuneration and was seconded from the central region, as I recall, to work for the Department of Health, which is exactly the same issue.

Mr. Derkach: I want to ask the minister the question I just asked a moment ago: How many other positions have been seconded, or are being paid for, from the Winnipeg Regional Health Authority, and can the minister name them, please?

Mr. Chomiak: Mr. Chairperson, as I indicated before, I will endeavour to find out that information.

Mr. Derkach: Mr. Chairman, I see listed here that Mr. Milton Sussman is under secondment to Manitoba Health. Is that correct?

Mr. Chomiak: Yes, Mr. Chairperson.

Mr. Derkach: And who is paying for Mr. Sussman's salary?

Mr. Chomiak: Mr. Chairperson, Department of Health is paying Mr. Sussman's salary.

Mr. Derkach: So, although he is under secondment, the secondment arrangements are not the same as they are for all secondments, Mr. Chair?

Mr. Chomiak: Yes, Mr. Chairperson. With respect to Mr. Sussman and Ms. Wilgosh, the WRHA is reimbursed from the Department of Health.

Mr. Derkach: Can the minister explain, then, why would Ms. Wilgosh's salary be taken from the Winnipeg Regional Health Authority, while Mr. Sussman's salary is not?

Mr. Chomiak: Mr. Chairperson, as I understand it, we fund both of them from the Department of Health, and it is a reimbursement that goes to the WRHA.

Mr. Derkach: So my question is: Is Mr. Sussman, who was seconded from the Winnipeg Regional Health Authority, then, he is still under contract with Winnipeg Regional Health Authority; he is just being seconded to the Department of Health. Is that correct?

Mr. Chomiak: Mr. Chairperson, Mr. Sussman is under contract to the Department of Health under a secondment agreement.

Mr. Derkach: That was exactly my point, Mr. Chair. Mr. Sussman is an employee of the Winnipeg Regional Health Authority, technically, seconded through contract to the Department of Health. His salary is still being paid for by the Winnipeg Regional Health Authority, except, I would imagine, for any difference there might be in salary. I guess the question would be: Is there a difference in salary?

Mr. Chomiak: Yes. As I understand it, Mr. Sussman's salary is reimbursed to the WRHA exclusively, 100 percent.

Mr. Derkach: The Deputy Minister of Health, who, under the 2002 organization chart is an employee of the Winnipeg Regional Health Authority seconded to Manitoba Health by contract, is being paid for by the Winnipeg Regional Health Authority, reimbursed by Manitoba Health. Is there any difference in the salary levels that Mr. Sussman receives from Manitoba Health and the Winnipeg Regional Health Authority?

Mr. Chomiak: I wonder, can the member clarify the question?

Mr. Derkach: I will try to be more explicit here. Under the deputy minister's secondment position, the salary here seems to be outside the

range of a deputy minister's salary in Health. My question is: Is the Department of Health paying the deputy minister's salary range or is it paying more than that to the Winnipeg Regional Health Authority?

Mr. Chomiak: Manitoba Health is paying the salary of Mr. Sussman at the WRHA at that rate.

Mr. Derkach: Would it be correct to say that Mr. Sussman's salary is \$151,297?

Mr. Chomiak: That includes salary and all the car allowance and other related benefits.

Mr. Derkach: Is the Minister of Health telling me that that is what Mr. Sussman's benefits were under the Winnipeg Regional Health Authority?

Mr. Chomiak: His salary with benefits is \$151,000 to the WRHA.

Mr. Derkach: Perhaps I did not understand the minister, and I apologize. Is the minister saying that Mr. Sussman's salary and benefits under the Winnipeg Regional Health Authority prior to coming to the Department of Health were \$151,297 as of December 31, 2001?

Mr. Chomiak: As of December 31, 2001, the salary level with benefits was \$151,000, as I understand it.

Mr. Derkach: Maybe I can ask the question in another way. Can I ask the minister whether, in fact, Mr. Sussman was seconded to the Department of Health at the same salary scale and the same salary level that he was receiving for the position that he was in with the Winnipeg Regional Health Authority?

Mr. Chomiak: No. His previous level was less than the \$151,000.

Mr. Derkach: Can the minister tell me how much it was?

Mr. Chomiak: It was approximately \$141,000.

Mr. Derkach: The minister is saying that Mr. Sussman's salary when he worked for Winnipeg Regional Health Authority in the position that he was in was \$141,000, which we will be able to

ascertain, and that, upon secondment, Mr. Sussman was given a \$10,000 increase, even though he was under direct secondment from the Winnipeg Regional Health Authority?

Mr. Chomiak: Yes.

Mr. Derkach: Can the minister explain why there would have been a \$10,000 increase in his salary? This was a second.

Mr. Chomiak: Yes, Mr. Chairperson, because of the increased responsibilities and duties and role of the function of deputy minister.

Mr. Derkach: Mr. Chair, I have to tell the minister, and he will know this, and he can check it out, that in every secondment that we had ever done under our administration in my department, the two departments I was responsible for, secondments were made at the salary level that that person was receiving, paid for by the department. We did second people to other entities from the department, but there were no increases in salaries. Those were seconded at the level that the department paid, and, so, technically, those people were still the employees of the department but they were seconded to other entities. I can name one that comes to the top of my mind, the Winnipeg assessment authority, where we actually seconded from the department, I believe it was an assistant deputy minister to that authority, but at the level that person was receiving, not a new salary level. So I guess I have to ask the minister: If this person is indeed a secondment, why there would be a bump up in the salary classification, and what is the expectation going to be when this person returns to the Winnipeg Regional Health Authority?

Mr. Chomiak: Yes, Mr. Chairperson. The increase was due to the increased responsibility in rural function. There is no commitment to a return job other than best efforts, as I understand it, with the regional health authority.

Mr. Derkach: So can the minister explain to me why it was a secondment, then? It is not a secondment. I mean, why was it not a straight hiring from the Winnipeg Regional Health Authority, rather than a secondment, if you were going to increase the salary?

Mr. Chomiak: Yes, Mr. Chairperson. It was ascertained that Mr. Sussman was the best candidate for the position and the secondment took place.

Mr. Derkach: Well, Mr. Chair, as I recall, the minister did go through a search for deputy minister in his department, and, in fact, I would think that Mr. Sussman would have expressed some interest in this position and would have probably applied. I guess I have to ask the minister why there was a secondment, and what period the secondment is for, rather than a straight-out offer of employment by the minister to Mr. Sussman as the Deputy Minister for Health.

Mr. Chomiak: Yes, Mr. Chairperson. There was an interview process. There was a process of short-listing. The candidates, in our view, were not most appropriate for the Department of Health and Mr. Sussman was considered the best candidate to be deputy minister.

Mr. Derkach: Well, the minister helps to make my point, Mr. Chair. If Mr. Sussman was considered to be the best candidate for the position after the appropriate interview service, then why was there not an offer made to Mr. Sussman for the position rather than having a convoluted arrangement where Mr. Sussman is actually still the employee of the Winnipeg Regional Health Authority seconded to the Department of Health as a deputy minister? You tell me why.

* (22:00)

Mr. Chomiak: Mr. Sussman was a VP of the Winnipeg Regional Health Authority and was seconded into the increased responsibility and role of the Deputy Minister of Health with the Department of Health.

Mr. Derkach: The minister is not answering the question. The question has to do with the rationale for offering a seconded position rather than offering the individual who had applied for the position.. I am assuming Mr. Sussman applied. Is that correct?

Mr. Chomiak: As the member is aware, there are numerous secondments that take place across

all the departments, including the Department of Health. Mr. Sussman was seconded from the WRHA to the Department of Health.

Mr. Derkach: My question, first of all, did Mr. Sussman apply for the position of deputy minister with the Department of Health?

Mr. Chomiak: Following the interview process with respect to the candidates for the deputy minister position, we reviewed all of the candidates and we ascertained that Mr. Sussman would be the best and most appropriate individual to be the deputy minister.

Mr. Derkach: The minister said they reviewed all the candidates, so I am going to ask the obvious question. Did Mr. Sussman apply for the position of deputy minister with the minister's department?

Mr. Chomiak: Following the search for the deputy minister there were numerous individuals that were considered for the position of the Deputy Minister of Health. Numerous individuals were considered. Some expressed an interest, some expressed, some refused. Mr. Sussman expressed an interest with respect to the Deputy Minister of Health and was hired as the Deputy Minister of Health.

Mr. Derkach: Mr. Sussman did not apply for the competition. Is that correct?

Mr. Chomiak: The first round of competition, no.

Mr. Derkach: I am assuming that he did not apply for the second round of competition either.

Mr. Chomiak: There was a short list and interviews and then we asked other candidates to possibly consider the position.

Mr. Derkach: So the position is that Mr. Sussman did not apply to become the Deputy Minister of Health with the Minister of Health.

Mr. Chomiak: Mr. Sussman, along with others, was asked if he would consider the position.

Mr. Derkach: Well, Mr. Chair, now that we have ascertained that Mr. Sussman did not apply

for the position, rather he was sought out by the Government, I want to ask the minister why, going back to that same question I had before, Mr. Sussman was not hired, since Mr. Sussman then expressed an interest of becoming the Deputy Minister of Health, was chosen, hand-chosen, hand picked by the Government to be the Deputy Minister of Health. I have no quarrel with that. That is the responsibility of government, to put in place those people who they feel can best handle those kinds of matters with their departments. I have no quarrel with the minister in that respect. My question has to do with the financing arrangements for his salary. Why was Mr. Sussman not hired directly but, rather, seconded from the Winnipeg Regional Health Authority?

Mr. Chomiak: As I indicated to the member previously, the situation with respect to Mr. Sussman was he was seconded from his position at the WRHA into the Department of Health.

Mr. Derkach: What period is Mr. Sussman seconded for?

Mr. Chomiak: It is an open agreement.

Mr. Derkach: Can the minister explain that, please?

* (22:10)

Mr. Chomiak: Mr. Sussman will be evaluated as all employees are evaluated on an ongoing basis and will continue in the position as long as he meets the expectations of the position.

Mr. Derkach: Is the minister saying that there is no foreseeable time when Mr. Sussman will come off the payroll of the Winnipeg Regional Health Authority and then become an employee of the Department of Health?

Mr. Chomiak: As I understand it, the member is an employee of the Department of Health under secondment agreement from the WRHA.

Mr. Derkach: You know, the more the minister answers, the more intrigued I am to continue this line of questioning, Mr. Chair, because there is obviously a reason for the minister trying to avoid direct answers to these questions. I know,

when I was in the minister's chair, I found the easiest way was to answer the question directly and provide the information, but that is not happening in this situation. I once again come back to the question with respect to the length of time that Mr. Sussman is going to be under secondment, and is the minister contemplating, in the near future, to move from a secondment to offering Mr. Sussman a permanent position as deputy minister with the Department of Health?

Mr. Chomiak: The arrangement will continue as it is for the foreseeable future, and Mr. Sussman will be evaluated according to the ability and the functioning he does on the job.

Mrs. Driedger: Can the minister indicate how long Mr. Sussman was a vice-president at the WRHA and during what period of time that would have been?

Mr. Chomiak: From the inception of the WRHA until the secondment.

Mrs. Driedger: Would the minister indicate was that 1998 about that Mr. Sussman might have started there, in 1997?

Mr. Chomiak: The WRHA was created in December 1999.

Mrs. Driedger: Was Mr. Sussman a vice-president from December of 1999 till the secondment?

Mr. Chomiak: Yes.

Mrs. Driedger: I guess I would like to ask the minister, in looking at the other salaries for vice-presidents at the WRHA, for instance, Jan Currie, the vice-president and chief nursing officer was only making \$136,000; Mr. Cloutier the vice-president of Allied Health programs was only making \$129,000. The physicians are certainly making a considerable amount more. Can the minister confirm that Mr. Sussman at the vice-president level there was making 141 when the other vice-presidents were making 136 and 129?

Mr. Chomiak: As I understand it, Mr. Sussman was getting the same as Jan Currie, the other vice-president. Because there was a question of

benefits, they figure differently but it was the same amount, and Mr. Cloutier was not a vice-president at that time.

Mrs. Driedger: Mr. Cloutier, certainly at the end of the 2001 year, was a vice-president making 129 and Jan Currie is making 136 and the minister is indicating that it is the benefits that affect the differences between what Mr. Sussman was making and what Jan Currie was making. So it was benefits that actually altered those numbers?

Mr. Chomiak: The member asked about Mr. Sussman's salary from inception, December 1999. Mr. Cloutier was not a vice-president in December 1999. That is the reason for the discrepancy. With respect to the salary issue, as I understand it, Jan Currie was part of the HEPP program in terms of benefits and Mr. Sussman was not.

Mr. Derkach: I am so intrigued by this whole arrangement that I want to come back to it. Yes, still. What I cannot get through my thick skull is why the Minister of Health goes out to find a deputy minister through the regular competition, carries on the interviews but does not find what he is looking for, so, on behalf of his Government, he approaches Mr. Sussman to become his deputy minister. I presume during those negotiations there is an arrangement for salary. I have no quarrel with that. What I have a difficult time understanding is what rationale the minister can provide to us and to Manitobans for entering into a secondment arrangement with the Winnipeg Regional Health Authority rather than hiring Mr. Sussman under the authority given to him as the Minister of Health to the position of Deputy Minister of Health for Manitoba?

Mr. Chomiak: Mr. Sussman was an employee of the Regional Health Authority, vice-president of the Regional Health Authority, seconded from the Regional Health Authority. The Department of Health reimburses his salary to the Regional Health Authority.

Mr. Derkach: Mr. Chair, the minister states the obvious and states the facts but does not provide the rationale that I asked for, so I repeat my question. Will the minister please provide the reasons for Mr. Sussman being seconded from

the Winnipeg Regional Health Authority rather than having Mr. Sussman being a sole employee of the Department of Health as would be appropriate in my view rather than being seconded, especially in the position of Deputy Minister of Health?

Mr. Chomiak: We determined that Mr. Sussman would be the appropriate candidate for deputy minister, and the arrangement was negotiated accordingly.

Mr. Derkach: So the minister says the arrangement was negotiated accordingly. Could he explain to us who he negotiated the arrangement with?

Mr. Chomiak: A secondment arrangement was entered into.

Mr. Chairperson: Member for Russell, you have the floor.

* (22:20)

Mr. Derkach: Well, Mr. Chair, I am still waiting for the answer.

An Honourable Member: What was the question?

Mr. Derkach: I asked the minister to provide the reason. All the minister did was stated the obvious. Then I asked the minister who he negotiated with, and he just said through a secondment arrangement. So is the minister saying the secondment arrangement was negotiated with Mr. Sussman or with the Winnipeg Regional Health Authority?

Mr. Chomiak: As I indicated, we reviewed several individuals with respect to the deputy minister's position. Mr. Sussman was determined was the most appropriate candidate for deputy minister, and the arrangement and the secondment agreement was entered into with respect to the WRHA and, I believe, the Government with respect to the deputy minister position.

Mr. Derkach: Well, Mr. Chair, I want to pursue this just a little further. Mr. Sussman is under the employment of the Winnipeg Regional

Health Authority. Mr. Sussman is paid a contractual salary by the Winnipeg Regional Health Authority. Now he has been seconded to the Department of Health for a greater salary than in fact he was paid under the Winnipeg Regional Health Authority. Is the difference in salary going to the Winnipeg Regional Health Authority or is it going directly to Mr. Sussman?

Mr. Chomiak: Mr. Chairperson, the difference in salary is going to Mr. Sussman.

Mr. Derkach: So the Winnipeg Regional Health Authority increased its salary line for that position to \$151,000, which the Department of Health is reimbursing the Winnipeg Regional Health Authority for. Is that correct?

Mr. Chomiak: That is correct.

Mr. Derkach: Mr. Chair, I want to ask the minister whether he thinks putting a person who receives money from an entity that he is now overseeing is good public policy in the mind of the minister and this Government.

Mr. Chomiak: There are numerous instances across the system of individuals who utilize in the system and out of the system with respect to dealing with issues on a regular basis. It was judged that Mr. Sussman was the most appropriate individual for the position and Mr. Sussman was seconded from the WRHA to fill the position.

Mr. Derkach: Well, Mr. Chair, I note that Mr. Sussman is present. I know that this must be somewhat disconcerting to him and uncomfortable. That is not why I am asking the questions. It has nothing to do with Mr. Sussman's ability. I am sure that Mr. Sussman is a very capable individual who handles his responsibilities professionally. My question is with regard to the process that this was done and the thinking behind doing this and the rationale for it.

I have great difficulty with a secondment at that level, because I know that someone being seconded from an agency to government—now, government is the highest authority of a particular responsibility, a particular portfolio, a particular department, whether it is Health,

Education, Family Services, Justice, whatever it might be. The Department of Health and the Deputy Minister of Health is seen as the person of highest authority, if you like, by the public of the province. There is a great deal of respect given to that position by the public of the province.

Now, the minister and the deputy minister deal with, what are there, 13 regional health authorities across this province—12. So therefore every regional health authority has of course its requests that come before the deputy minister, as does the Winnipeg Regional Health Authority. Now, the perception out there, if in fact the deputy minister is being paid for and is still, in essence, an employee of one of those regional health authorities.

The perception out there is that there is a different standard that the deputy minister will measure the agency that he came from, as compared to other agencies of that kind in the province. So that is why I have a difficult time understanding why the Government would enter into a secondment arrangement rather than offering the individual, who I know is a capable individual, a straight-out contract with a buy-out clause, if, in fact, the arrangement does not work out, so that there is no, I guess, suffering by the individual of the loss of income, or if the arrangements do not work out, or, indeed, having some arrangement where that individual could go back to the position that he or she held at one point in time.

Having the secondment leaves an impression on the mind of the public and on the minds of many people who are now in charge of different regional health authorities, that, indeed, the Winnipeg Regional Health Authority now controls the Deputy Minister of Health. So, Mr. Chair, we have a case of the tail wagging the dog, in other words, as it could be perceived across the province. That is what is difficult and what is wrong with the arrangement.

I am not here to criticize Mr. Sussman or the work that he does. I am just here to raise to question the methods by which the minister has decided to enter into this contract. So, Mr. Chair, I would have to say that the Deputy Minister of Health has now two masters: one, the Minister of

Health (Mr. Chomiak); two, the CEO or the president or whatever the title is of the Winnipeg Regional Health Authority.

If you look at the record, and if you listen to what other regional health authorities are saying, there appears to be a different way of treating the Winnipeg Regional Health Authority as there is in treating other health authorities in this province. Of course, that raises the issue of whether or not the allegiance of Mr. Sussman is such that he has to deal with two masters: one, the Winnipeg Regional Health Authority; two, the Minister of Health. I think for everybody concerned, it would be far cleaner, far better if, in fact, Mr. Sussman became the sole employee of one authority, being the Minister of Health (Mr. Chomiak), rather than two.

So I want to ask the minister whether or not he sees any perceived conflict. I am not talking about any real conflict. I am talking about a perceived conflict in having a person who has been loaned from the Winnipeg Regional Health Authority acting as the deputy minister for the province of Manitoba.

Mr. Chomiak: Mr. Chairperson, the question of conflict of interest is one that has specific terminology and specific meaning. I note the member said perceived conflict of interest, and, I think, if one were to canvass the opinion, generally, out there in the community, it would be very hard pressed to perceive that Mr. Sussman demonstrates any form of bias with respect to that type of position. I again remind the member that it is common practice to second from regions back and forth throughout the system.

Mr. Derkach: Mr. Chair, the minister has not addressed the issue that I raised because the issue that I raised has to do with the perception that is out there amongst the deliverers of health care in the province of Manitoba that, indeed, there is one health authority in the province of Manitoba that is favoured by the minister, favoured by the department because of the way that the system has evolved and has been set up.

Now, I know that Mr. Sussman will try to do his utmost to ensure that there is equity and fairness in the way that he treats situations, but

let us look at it this way: it is not very hard for Doctor Postl to pick up the phone and call Mr. Sussman and say, hey, Milt, look, I have got a problem here. I need an extra \$3 million or \$4 million or \$5 million or \$50 million dollars. Do not bother telling me how I can solve it. Just send me the money, and, all of a sudden, that is arranged. Now, strange as it may seem, that accusation has come; that accusation has come.

As a matter of fact, Mr. Chair, there is a perception out there that the Winnipeg Regional Health Authority is being treated differently. As a matter of fact, the facts speak for themselves, because last year, we saw the infusion of \$75 million in the middle of the year to the Winnipeg Regional Health Authority where there was no such kind of infusion into other regional health authorities. Now, is it perceived, is it actual, is it fact? I do not know that because I am not a critic for the Department of Health, nor have I taken a great deal of interest in this except that there is that perception and it is valid.

So I come back to the issue of perceived conflicts and perceived issues out there, and I ask whether or not the minister can see any perceived conflict as a result of the fact that Mr. Sussman really has two bosses that he has to answer to.

Mr. Chomiak: Mr. Chairperson, the Deputy Minister of Health has a million point one bosses, all of the people of Manitoba, and that is who he is working for.

* (22:30)

Mr. Derkach: The minister is becoming very simplistic in the way he responds. We all know that we work for the people of Manitoba, and all of the civil servants work for the benefit of the people of Manitoba. That is not a question.

The question here is the perception, where Mr. Sussman has to answer to actually two masters, one being the Minister of Health, the other, because of whom he was loaned from, Doctor Postl, who is with the Winnipeg Regional Health Authority.

Mr. Chomiak: The deputy minister reports directly to the Minister of Health and to the Executive Council.

Mr. Derkach: We are not going to get very far this way because the minister keeps stalling and does not answer the questions. He simply puts the obvious on the record. I guess holding to your lines is the safest way to go on issues like this, but I want to ask the minister whether there are any other positions that have been seconded or hired from the Winnipeg Regional Health Authority within the assistant deputy minister and above level within the department.

Mr. Chomiak: Heather Reichert is also seconded from the WRHA.

Mr. Derkach: I pick on the two people who are present with us this evening. What a nasty individual. *[interjection]*

Mr. Chairperson: Order, please. Allow the member to speak as recognized. Thank you.

Mr. Derkach: Ms. Reichert is also seconded, did the minister say, from the Winnipeg Regional Health Authority?

Mr. Chomiak: Yes, that is correct.

Mr. Derkach: As I see it now in the org chart, we have the assistant deputy minister of regional programs, Ms. Wilgosh, who is seconded. We have Ms. Heather Reichert, chief financial officer, seconded, and we have the Deputy Minister of Health, Mr. Sussman, seconded from the Winnipeg Regional Health Authority and from RHAM. Is that correct?

Mr. Chomiak: Two of those individuals, as I understand it, are seconded from WRHA, one is seconded from RHAM.

Mr. Daryl Reid, Acting Chairperson, in the Chair

Mr. Derkach: I think we are straight with respect to that. These are fairly influential and important positions within the Department of Health. These are basically positions that are on loan. All of them are being paid for from the Winnipeg Regional Health Authority. I want to ask the Minister of Health whether or not he feels that this is good public policy to have, within his department, three of the top positions in his department, seconded and paid for by the

largest Regional Health Authority, that being the Winnipeg Regional Health Authority.

Mr. Chomiak: The arrangements with respect to secondments are common in the Department of Health, common across government with respect to this kind of arrangement in terms of secondments.

With respect to Arlene Wilgosh, it is from RHAM, as I indicated. It is a payroll arrangement. With respect to Ms. Reichert and Mr. Sussman, they are direct secondments from the WRHA. Both are seconded to the Department of Health and both have carried out their duties in an exemplary fashion.

Mr. Derkach: Mr. Chair, I am sure they have, and I have no, no reflection on how they carry out their responsibilities, whatsoever. So this has nothing to do with these individuals personally or what their capabilities are. I only regret that both individuals are here while we are talking about them specifically. But let me assure you, we are talking about their positions. We are talking about the issue of secondment. We are not talking about their capabilities or any reflection on that part. So I want to make that very clear. That also goes for Ms. Arlene Wilgosh who also worked in the time that we were in government, and I would have much the same comments about the work that she does.

Having said that, now, I want to go back to the issues of secondment. We now have three people who are seconded and three people who are being paid for, although they are being reimbursed, by the Winnipeg Regional Health Authority, although Ms. Wilgosh admittedly coming from RHAM. I guess I ask the minister, again, whether or not he thinks that because of the perceptions that this creates, whether it is in his mind good public policy to have people who are seconded from an agency that is subservient, if you like, to the Department of Health and to the minister and whose allegiances now are torn between the Department of Health and the Winnipeg Regional Health Authority?

Mr. Chomiak: Mr. Chairperson, I do not agree that allegiances are torn with the characterization by the member. As I indicated, there are several instances of secondments in the Department of

Health, both before we came into government and post our coming into government.

Mr. Derkach: Not at that level.

Mr. Chomiak: The member says not at that level. There were significant senior positions that were seconded. I mean, is the question, then, whether at that level a secondment is not appropriate because of good public policy, or at a lower level it is appropriate because of good public policy. The question is we want the best person in the job to carry out the duties and that is what decisions we made with respect to all of those positions.

Mr. Derkach: Mr. Chair, secondments are done, as I understand it, for positions that are temporary and for positions where the individual will return to that position of previous employment after a short period or after a finite period of time. I want to ask the minister whether he can provide for us the rationale for having seconded the chief financial officer from the largest regional health authority in Manitoba, what his rationale is for doing the secondment, rather than offering the position as a straight-out job to be filled within the department.

Mr. Chomiak: Mr. Chairperson, it could cut different ways with respect to a financial officer. The position was filled by the individual who we thought was best able to manage a very complex financial situation and Ms. Reichert has not disappointed us.

Mr. Derkach: And I do not dispute or question that at all, Mr. Chair. I want to ask whether the minister did advertise, whether there was a competition for this position prior to Ms. Reichert being hired.

Mr. Chomiak: Mr. Chairperson, no.

* (22:40)

Mr. Derkach: So, Mr. Chair, we have a situation where the Minister of Health requires a chief financial officer and he does not go out to the field to advertise and to seek out candidates from wherever they may come from, but, rather, decides to loan a chief financial officer from the Winnipeg Regional Health Authority. Is that correct?

Mr. Chomiak: Mr. Chairperson, in our estimation, Ms. Reichert was the best person for the position.

Mr. Derkach: Mr. Chair, how does the minister know that if he did not have a competition?

Mr. Chomiak: Mr. Chairperson, the position was a newly created position in the Department of Health with new expanded roles and responsibilities, and we felt that Ms. Reichert was the appropriate individual to fulfil that position.

Mr. Derkach: Can the minister tell me what position Ms. Reichert had with the Winnipeg Regional Health Authority?

Mr. Chomiak: Ms. Reichert was the chief financial officer of the Winnipeg Regional Health Authority.

Mr. Derkach: Let us look at the perception, Mr. Chair. First of all, we have a vice-president with the Winnipeg Regional Health Authority, seconded by the Minister of Health to become the Deputy Minister of Health.

Secondly, we have the chief financial officer of the Winnipeg Regional Health Authority also seconded by the Minister of Health to become the chief financial officer for the Department of Health, overseeing all regional health authorities, overseeing the Winnipeg Regional Health Authority.

Thirdly, we have the assistant deputy minister now for regional programs and services, Ms. Arlene Wilgosh, seconded from RHAM, paid for by the Winnipeg Regional Health Authority.

Mr. Chair, does the minister not see that there is a perceived conflict and a question of public accountability as it relates to these positions because in fact now these individuals have been placed into position where they have to answer to two, not one, but two hiring authorities?

Mr. Chomiak: No, they do not answer to two authorities. They answer to one authority, and that is to the Government.

Mr. Derkach: Well, Mr. Chair, as I understand secondments, secondments are merely loans of personnel to other entities. Here we have a loan of three individuals from the Winnipeg Regional Health Authority, because that is where they are paid from, to the Department of Health. The last time I checked, when I loaned staff to other entities, they were still accountable to and their allegiance was with the hiring authority; that was my department.

Is the minister saying that now all of a sudden we have different secondments, different secondment arrangements where individuals do no longer have to answer to their hiring authorities from whence they came, from whom they were loaned from?

Mr. Chomiak: I am saying that, legally and otherwise, they are answerable to the Government of Manitoba.

Mr. Derkach: Mr. Chair, the minister must admit, though, that it is not in the best interests of the public, in terms of public accountability, in terms of the perceptions with regard to conflicts of interest, when it comes for these people to deal with the Winnipeg Regional Health Authority.

I want to ask the minister how it is that the chief financial officer of the Winnipeg Regional Health Authority, who has now become the chief financial officer of the Department of Health, can honestly deal with the Winnipeg Regional Health Authority and not declare a conflict when dealing with financial matters with the Winnipeg Regional Health Authority?

Mr. Chomiak: The fact of the case is that the individual was the most appropriate individual for that role and function, had the qualifications and the skills, and was brought to that position because of demonstrated leadership and financial abilities and skills at the Winnipeg Regional Health Authority.

Mr. Derkach: Mr. Chair, I have said time and again that is not the question. That is not the issue. The minister has put these individuals in very precarious situations. He has put these individuals into positions where they are now torn in terms of their responsibilities and in

terms of the perceptions that the public has of these individuals, because of the position the minister has placed them in.

These individuals are very capable, very good-intentioned individuals, I am sure, no question about that. No question about that, but, Mr. Chair, the minister, through his actions and the actions of his Government, has now placed these individuals in a position where, no matter what they do, there is going to be suspicion because of the fact that they have come from a health authority that they now have to deliver programs to. They have to deal with financial issues as they relate to those authorities, including deficits, which we all know about, also, with regard to Arlene Wilgosh, who now has to deal with such things as capital planning and regional urban support programs, primary health care implementation and emergency services with an authority that she is being paid from.

Now, that puts those individuals under extreme stress, in my view, under an extremely difficult working condition. All of this was done because the minister decided to second them from a Winnipeg Regional Health Authority.

I guess my question has to deal with what arrangements does this minister have with the Winnipeg Regional Health Authority to make sure that they are dealt with more favourably than other regional health authorities across this province.

Mr. Chomiak: The member is making a number of allegations with respect to dealings with regions, et cetera, Mr. Chairperson, and, in fact, that is not the case. Secondly, Ms. Wilgosh worked for all of the regions. In fact, that was one of the qualifications, the fact that she was familiar and worked for all the regions. The fact that she worked for all of the regions was not a factor in not including her as a candidate for that position and a return back to the Department of Health.

Mr. Derkach: Well, Mr. Chair, I want to put something on the record here that illustrates my point. This is a simple example of what we were talking about, and, again, it is a situation which may not be actual, but it is perceived, and the

finger pointing does not go at the minister, who then is the white knight in this. It goes at the deputy minister. It goes at the chief financial officer. It goes to the assistant deputy minister, Ms. Arlene Wilgosh.

Mr. Chair, I want to read from an excerpt from the minutes of a board meeting of central region held April 24, 2002. I want to quote this: Administrative costs for regional health authorities were discussed. The latest statistics available rank central region as fourth, with a total cost of administration at 5 percent of the budget. The provincial average for other RHAs is 5.9 percent. With regionalization, rural RHAs were compelled to fund administrative costs through existing operating funds, whereas, this was not the case with the Winnipeg Regional Health Authority, who were provided with funding for administration.

Consistency, Mr. Chair, is what we are talking about. Consistency in dealing with RHAs across this province. Now that is a public policy issue. That is an issue that has with it a perception. Factual or not, there is a perception that the Winnipeg Regional Health Authority is being dealt with much differently than are regional health authorities, whether it is Brandon, Central, Assiniboine and Marquette. So I want to ask the minister, if he does not see that this is a problem with respect to public policy that is coming from his own department.

Mr. Chomiak: First off, the meetings, as I understand it, are public with respect to that information. Secondly, Mr. Chairperson, the administrative arrangements that the member referred to were entered into, as I understand it, when the member was government.

Mr. Derkach: Mr. Chair, that is not even an issue in itself. I do not care when those arrangements were entered into. I was not the Minister of Health then.

What I am talking about here is the perception that has been created by the minister actually seconding people from the Winnipeg Regional Health Authority, a health authority that is the largest in the province, a health authority that is run by a very powerful board and a very powerful individual. We second three

people from that authority, and then we wonder why there is a perception that there is favouritism being given to the Winnipeg Regional Health Authority.

The minister has heard that. I know he has heard that. I have heard it. It is not a new issue, and this does not add to the flavour of that issue. This, I think, complicates matters, and this puts these individuals in a very difficult position. So I come back to the question as to why this minister has entered into secondment arrangements, which are generally for short periods of time, rather than telling us that these positions are for indefinite periods of time, as he stated tonight, and arrangements that could have been different had he offered these positions to these individuals without having to go through the secondment.

* (22:50)

Mr. Chomiak: The member is moulding information together. I indicated that Mr. Sussman's contract was an indefinite. The member keeps insisting that the assistant deputy minister, Arlene Wilgosh, is employed by the WRHA. I think we have established she was employed by RHAM, and if the member is suggesting that RHAM does not represent all of the regions, then the member is inaccurate.

The other issue is the member made his own point by saying that there has always been a perception prior to this particular arrangement. There is always a perception at the Department of Health. The member indicated that the perception with respect to the unfairness has been there for some time, or something to that effect. That is true, and it continues to be true, and it will continue to be true. We have discussed that extensively during Estimates.

Mr. Derkach: Well, Mr. Chair, I represent a rural part of this province and, of course, we rely very heavily in rural Manitoba on the services that are provided to us by the Winnipeg Regional Health Authority. A lot of our tax dollars flow right into the Winnipeg Regional Health Authority because we cannot have the services. As a matter of fact, we are losing services continually from rural Manitoba. We have become a community of highway medicine,

rather than medicine that can be delivered in our health facilities.

I want to ask the minister why it is that he is continuing to create and to prolong a situation in our province where there is a perception that the majority of dollars are flowing to the Winnipeg Regional Health Authority, whereas the crumbs are being left to the rural health authorities.

Now we see another addition to that perception, where, now that we have the Winnipeg Regional Health Authority having their people in place in the top positions in the minister's office, that, indeed, they are going to be able to call the shots, not only for their regional health authority, but also for the Department of Health, through the infusion of people right into the major positions—deputy minister, chief financial officer, the assistant deputy minister of regional programs and services—that are now really under the auspices of the Department of Health, but are being directed in a perceptual way by the Winnipeg Regional Health Authority.

Mr. Chomiak: First off, the Winnipeg Regional Health Authority does get the lion's share of the funding in health care in Manitoba because they represent the largest area, the tertiary facilities, etc.

Secondly, I do not know if the member is aware of it, but there has been significant development outside of Winnipeg, first-time repatriation of surgery outside of Winnipeg, something that was studied during the nineties and was not done. The first example of repatriation of surgery outside of Winnipeg happened in the last few months with the establishment of an office of rural northern health, where the doctor is employed by numerous agencies, partially by the central region, partly by the University of Manitoba, which is funded by the Department of Health. In the health care field, secondments and movements around the system happen regularly with respect to that.

The funding that we have provided to emergency measures dwarfs the funding provided when members opposite were in government, although we have to do more. I

admit that. We have redeveloped and are redeveloping hospitals in places like Steinbach, places like Gimli, places like Boundary Trails. We opened Boundary Trails, and we developed numerous projects. The development and the expansion at Russell hospital, the expansion of dialysis in Portage have all taken place over the last period of time and can hardly be perceived as showing bias one way or the other. The fact is that there are employees across the system that, just by necessity and by nature of the system, work for different agencies and work for the Government, or are seconded, or otherwise. That has been the pattern in the past and that continues to be the pattern for the future.

Mr. Derkach: I think I have made my point with the minister with respect to the perception that he has created with respect to these positions. I do believe that there is, at least, a perceived conflict of interest when it comes to the chief financial officer who is a very capable individual. Unfortunately, she has been put into that position where there is a perception of conflict when she is dealing with financial matters as they relate to the Winnipeg Regional Health Authority. I guess I feel for her in that respect, because I do not believe any individual should be placed in that position.

It can all be corrected very quickly, and the minister can use his authority to provide for this position, for this person, a permanent position within the department, cut the strings with the Winnipeg Regional Health Authority. Do the same for the Deputy Minister of Health to make sure that there is no perceived conflict, any perceived connection with a favoured regional health authority.

We know who the minister caters to when it comes to regional health authorities, that there is, indeed, favouritism being directed towards the regional health authority. I know the minister is going to take some umbrage at that comment from me, and maybe he should. But that is, in fact, the perceived case in Manitoba, and one that is becoming more real as time goes on. I know how hard the minister works, and I do not take that away from him at all, but I think he could put an end to some of this by doing the correct thing, that is, to make sure that the deputy minister, the chief financial officer, Ms.

Arlene Wilgosh, the assistant deputy minister, are cut off from the Winnipeg Regional Health Authority completely, and are hired solely by the Department of Health. The Department of Health is probably this Government's, or any government's, largest asset, largest headache sometimes, but largest spender of funds, and it is the largest public issue that we have in Manitoba—the provision of health services to our citizenry.

* (23:00)

Mr. Chairperson, it is very important that we keep the lines very clear, that when we are dealing with the health authorities, when we are dealing with people who are delivering the programs, there is no suspicion by anybody as to how individuals are treated, that there is complete neutrality when it comes to dealing with—whether it is financial issues, whether they are administrative issues by either the deputy or the chief financial officer. So I give that as advice to the minister. Yes, there is some element of criticism in what has happened. I cannot change that. I can only ask the minister to consider that very seriously, because I do think that is something that casts a bit of a shadow over his administration and him as a minister responsible for the department. I think that he can get away from that in a very open way, and not create any difficulty for himself or his department or the Government.

Mr. Chairperson, I have a constituency issue that I would like to discuss with the minister, if I may. It has to do with the policy of the Department of Health. I know that the minister may not be able to provide for me the answers, but this is a situation, I think, that repeats itself from time to time, and I would like to hear the minister's comments with respect to that if the minister would be open to take a question or two in that regard.

Mr. Chomiak: Yes, Mr. Chairperson.

Mr. Derkach: Mr. Chairperson, I have been advised by a doctor from Kelowna, British Columbia, Doctor Vallentyne, I believe is his name, that he has a patient in the Kelowna General Hospital who has suffered a stroke.

The patient comes from my community, the town of Russell, and, after being treated when he

first got the stroke, the patient apparently is now in a position where he should return to his home province for further treatment. The patient has to be transported by a health vehicle, as I understand it. The province of British Columbia and the Kelowna health professional people want this patient back in Russell. For some reason, there seems to be a delay to respond to the request by the department in Manitoba. As a matter of fact, there seems to be some hesitancy on the part of Manitoba Health to pay for the transportation of this individual from the health facility in British Columbia to a health facility here in Manitoba. I am wondering whether the minister could reflect on that, and, perhaps, advise me of the policies as they relate to interfacility transfers within provinces.

Mr. Chomiak: If the member would give us the name of the individual and the circumstances, we will do a follow-up in terms of the overall policy with respect to this issue. We have reciprocal billing arrangements with other provinces with respect to services that are provided for another province. The instance that the member is talking about which is a transport via emergency vehicle, or otherwise, from one province to another province, I am not certain is covered by reciprocal or by arrangements with respect to transport. But I will endeavour to find out if the member could just provide on a slip of paper the name and the details, we will follow up.

Mr. Derkach: I want to thank the minister for that, and I want to put on record that the minister has been open to assisting constituents regardless of where they live in the province when it comes to issues that are critical like that, and for that, I give the minister full marks because he has, indeed, intervened at times when things are very critical for families.

Mr. Chairperson in the Chair

That is certainly something that is respected by an MLA who represents a constituency regardless of your political stripe. So I do want to give the minister his marks for that.

I have another issue that is right here in the Winnipeg area and I am sure that members

around this table have heard of baby Pasichka [*phonetic*] who was born in the United States when her parents went to visit family in, I think it was Texas, and a premature baby came along, a little citizen of Manitoba, but born in the United States.

Of course, that brings with it a series of complications because the baby was premature, had to be in an incubator, had to be transported in an incubator. The cost to the family was in excess of \$70,000 by the time they got the baby home. They have been working with Manitoba Health and have received, Mr. Chair, excellent co-operation from the health authorities in the United States to try to lessen the costs for this family as much as possible.

As a matter of fact, I had asked that the Manitoban ambulance, the air ambulance, be taken to the United States to pick this baby up because it had to be transported in an incubator. That was rejected outright by our Department of Health. As a matter of fact, I believe the air ambulance from Phoenix, and it was not Texas, I am sorry, it was Phoenix, transported that baby to the province of Manitoba, because our ambulance was not allowed to fly, which was quite astonishing and embarrassing for me as an MLA, and as a resident of our province, because this was a family that was resident to Winnipeg, resident to Manitoba.

Families and friends of the family have been trying to help as much as they can, but there is an outstanding issue with respect to the amount of money Manitoba Health is providing for that type of care that would have had to have taken place in our province. For the incubation of the baby for the period of time that it was in the hospital, there was a significant cost and, I believe, that Manitoba Health has offered less than 10 percent of that cost to be covered, had that baby been born in the province of Manitoba.

So once again, I do not blame the minister for this, but I do ask the minister if he would review the policies as they relate to incidents like this, because I am sure there are other infants and other families who have suffered this kind of expense, and it is not fair in the province of Manitoba where people pay taxes, when a circumstance like this results that, in fact,

families have to undergo this kind of situation. I could also provide the details. I have talked to the minister once about it already, but I could provide the details for him, but I am wondering whether or not the minister has heard of this incident, and whether he has, himself, attempted to either contact the family or to see whether or not there has been favourable compensation made to help this family out in this very difficult time and a time of need for them.

Mr. Chomiak: Yes, Mr. Chairperson. If memory serves me correctly, I believe we talked about this with the member, and I believe my office was in contact with the family, if this is the same case and if memory serves me correctly. I should advise the member that there are specific policies we have in place in this regard and, obviously, there are circumstances that occur in all kinds of situations.

I can advise the member that, typically, as I understand what happens, for example, if a senior or an adult is down in the United States, and they suffer a major difficulty, the insurance company will quickly get that person on a plane and back to Winnipeg to take advantage of our health care system. So it does happen probably more often than not, which is, I think, why there is generally a push on for insurance. I am just telling in general to the member what the circumstances are. I believe that our office has been in contact with the family, if memory serves me correctly. We will take another look at it. I am not certain if there is anything we can do in this instance. But if there is anything that can be done, we will certainly take a look at it.

* (23:10)

Mr. Derkach: I have to tell you that the family is not unreasonable to deal with. As a matter of fact, all the family is looking for is the same level of coverage that they would have had had that baby been born here in Manitoba. In other words, because the baby was premature, whether it was born in the United States or in Manitoba, that baby would have had to have undergone an incubation period with some intensive care staff and services.

So all the family is looking for is to be reimbursed as if the child had been born in the

Winnipeg Regional Health Authority in the Health Sciences Centre and that same level of support. I personally do not believe that that is unreasonable. The travel costs—they understand that those are difficult for the Province to compensate for, but they are asking for special consideration. I have to say, Mr. Chair, they purchased insurance. But there was a disclaimer on the insurance which actually made the insurance invalid even before they bought it. The agent who sold it to them sold it without knowledge of the disclaimer. They were under the impression that they had full coverage. When the incident occurred, they immediately contacted the insurance company who then said your insurance is null and void because there was a limitation clause on the back of the policy, which they should have read. They did not. But actually it made the policy invalid even before they bought it because of the number of weeks for which the mother was pregnant.

So a difficult set of circumstances, Mr. Chair. So I am asking the minister and the department to really consider this case on this basis: Had this happened in Manitoba, what kind of support would this child have received in the province of Manitoba? And even if that much can be done for this family, that would be, I think, humane on the part of us as citizens of Manitoba and also on the part of the Department of Health.

Mr. Chomiak: Mr. Chairperson, I believe the policy is that we generally pay Manitoba rates for services that are done, that is related to services. I provided earlier a pamphlet with respect to out-of-province benefits. Nonetheless, we will follow up, as the member has indicated, and see what can be done. We will do as we usually do.

Mr. Derkach: Mr. Chair, as the member knows, I represent a rural riding. I do not know why the minister has picked on my area, but for some reason he has. Although I have not made a lot of noise about it, there certainly has been an impact on the citizens of our area.

The minister, I guess, unlike the Minister of Education, did not choose to amalgamate a number of wards, but chose two. They happen to be on the west side of the province. The minister, in a question in the House, did say that

it was something that might have even been contemplated in the previous administration.

But this, Mr. Chair, is a significant departure from, I think, local control. Regionalization, as it was presented when it was first put into the province of Manitoba, was to give more authority back to local people, local boards, to allow them to make more decisions for the health care of their citizenry by increasing, geographically at least, the size of the Marquette and South-Westman regional health authorities to one.

This actually takes away from the local control, Mr. Chair, centralizes it in an area that has several different demographic principles, I guess, or patterns. One, we have the northern part, the Marquette Regional Health Authority, which was fairly homogeneous in the make-up of the people that live there and in the make-up of the health provision in that area. It would probably have more closely been associated with the Marquette Regional Health Authority in terms of the demographics.

You have the South-West, which is made up of people who are probably different in ethnic origin, different in cultural beliefs, if you like, in many ways, and relates more to the people in the southern part of the province of Manitoba. By bringing these two elements together that is not such a bad thing, but what happens is that you are mixing two different types of attitudes together, which sometimes does not lend itself to good decision making and policy development.

I want to ask the minister whether or not any of these things were considered when he chose to move to amalgamating these two health authorities.

Mr. Chomiak: Mr. Chairperson, a variety of factors were considered with respect to amalgamation and how it would proceed when the decision was made. A variety of issues were canvassed.

With respect to the reference that the member made to my comments in the House, as I understand it, it had always been originally a vision that Marquette, South-Westman, and Brandon would form one region.

A variety of options and a variety of scenarios were looked at. In terms of the

geographic and in terms of the arrangement, there were those that criticized and said we should have included Brandon with the hinterland, as it were, if I could use that term, but the rural area—[interjection]—it may not have been appropriate—but the area around the urban center. Again, there were a variety of factors that went into this determination.

One of the issues was that Winnipeg and Brandon were basically urban, and I felt it would be better to maintain the rural nature of a particular RHA. We made the decision based on a number of factors. We looked at all variety of scenarios, believe me. In the end, we determined we would do those rural regions and, at this point, it seems to be going very, very well. There seems to be a lot of good work happening there. The early indications from that region are that it is working very well.

Mr. Derkach: Mr. Chair, of course, in talking to the people in that region, these people are under no illusions. There is no turning back. The minister has made his decision, and for their own clients and people that they serve, the people who have been placed in authority are going to try to do everything in their power to make this work. What the residents of the area cannot understand is what efficiencies this amalgamation is going to accomplish that could not have been accomplished under the two existing authorities.

Mr. Chomiak: Mr. Chairperson, you could turn it around and look at it in very different ways and different scenarios. We felt that, administratively, we required fewer regions. We looked at the various combinations; we settled on this combination. There were interesting parallels between those two regions and some interesting differences. As I say, we looked at a number of scenarios and determined that this would be the most appropriate. Now, we are going to gauge and monitor the situation developments. It is my preference not to have any more changes in terms of boundaries, but we are going to monitor it and review the situation and see—at this point and see what develops.

Mr. Derkach: Mr. Chair, the minister needs to provide some answers as to why he picked these two regional health authorities. When I look at the Parkland Regional Health Authority which is

represented by the government member from Dauphin-Roblin, Roblin-Dauphin, Dauphin-Roblin—[interjection]

An Honourable Member: When I am in Roblin, I say Roblin first.

Mr. Derkach: You should. Mr. Chair, that regional health authority would seem to have made more sense to be amalgamated with another region if you are looking at amalgamation, and probably amalgamating the Parkland with the Marquette would have been a much more homogeneous kind of arrangement than we have today. So I ask the minister if he can provide for us some of the reasons why South-West and Marquette were chosen to be amalgamated as one unit.

* (23:20)

Mr. Chomiak: Mr. Chairperson, we looked at a variety of scenarios for amalgamation and a variety of options that could be entered into. When I attended at the Marquette board meeting—I cannot remember what month—prior to the amalgamation, I indicated to the Marquette board that we are looking at options with respect to budget. When I spoke to RHAM prior to the amalgamation announcement, I said that we were looking at all scenarios. We were looking at a variety of scenarios from a policy basis and from a health care basis with respect to inspector regions and respect to different allocations. There were a number of factors: geography, population that we looked at, nature of the particular area, and, ultimately, on a policy basis, we decided we would amalgamate, but only one set of RHAs outside of Winnipeg.

Mr. Derkach: Mr. Chair, I have to tell you the minister must be getting tired or I am getting tired because I could not understand some of what he said. But let me just ask the minister once again: In the amalgamation of these two regions, when I spoke with members from both regions, as a matter of fact, they felt that they were under considerable threat from the minister with respect to what his actions would be if they resisted this amalgamation. I would like the minister to indicate whether, in fact, there were those kinds of discussions, and whether the department was holding a hammer with respect to deficits and amalgamation.

Mr. Chomiak: Mr. Chairperson, I do not know what the member is referring to, or how the member is suggesting a threat. I do not. There is no doubt that regions did not want to voluntarily—at first blush, when you talk about it, nobody wants to amalgamate, there is no doubt about that. It was not done. Regions did not come forward and say, golly gee, we want to amalgamate. We had made the declaration and we had made the policy decision that we wanted to amalgamate some regions and we looked at. Two regions were amalgamated into one, which follows amalgamation of two regions in the city of Winnipeg. So we made a decision based on a whole series of criteria. We looked at the whole series of criteria, including the makeup of the region, the geography of the region, the population of the areas, and determined the management efficiencies, administrative structures, et cetera, and we weighed all those considerations.

I have said before, on many occasions. We looked at a variety of scenarios and a number of different scenarios, and we ultimately determined that this would be most appropriate. I am very pleased that we have got co-operation of the boards, and it has been a very smooth transition.

Mr. Derkach: Mr. Chair, yes, the boards cooperated because they were threatened, as I understand it, with respect to the issues like deficits, and who would be accountable for those deficits. Also, as I understand it, there was no desire for Marquette to ever join with Westman because of the differences in the demographics. This is a forced marriage.

The other thing that I understand, from talking to people who are now on the authority, that there are going to be no savings as a result of the amalgamation, or none that can be identified at this time. Even in the deputy minister's own words, the savings he talks about would be very minimal as a result of amalgamation.

So can the minister explain what criteria were looked at, what achievements have been accomplished as a result of the amalgamation, and what efficiencies have been arrived at as a result of the amalgamation?

Mr. Chomiak: Mr. Chairperson, the use of the word "threat," you know, we pick and choose

our words, but that is, certainly, not the style that we have adopted.

Now, with respect to the benefits, they have just merged. The effective date was July 1, so the merger has been in effect for 36, 37 days. So we are projecting some savings as a result of this. I have never given a specific target even though members opposite try to get a target out of me with respect to the efficiencies of the merger because of my experience across the health care field with respect to bottom lines in terms of savings. But we are projecting savings. It has just commenced, and it looks like it is functioning well at this point.

Mr. Derkach: Well, Mr. Chair, the problem is that the minister continues to make decisions and makes these changes and does not show any kind of plan. He kind of makes decisions, sort of flies by the seat of his pants, so to speak, because there is no thoughtfulness given to this with respect to any community discussions that took place. There was no public consultation as it related to the amalgamation of these two regions. We heard it in the area as the budget date approached. There was discussion by the health deliverers in the area that the minister was contemplating the amalgamation, because of the deficit that was being run by basically Marquette Regional Health Authority. So to try to deal with the deficit, the minister said: I will amalgamate you.

At the same time, Marquette was undergoing some difficulties because they had lost their CEO and were in the process of advertising for a CEO. When I asked the question in the House whether or not the competition was suspended because the minister was contemplating amalgamation, he replied to the negative. We learned a month later the minister did, in fact, amalgamate the two regions. So, Mr. Chair, there is some question on the minds of many people out there as to what the motivation was for this, what the true reason was, why there was not any public consultation.

I want to ask the minister: Why did he not at least give the courtesy to the citizens of those two health regions to enter into, at minimum, two meetings where the public could receive information, rather than having this foisted on

them in a surprising way in which they had to either accept or reject it, or had no choice in accepting or rejecting it?

They simply had to accept what the authority of big government was to these poor citizens in rural Manitoba on the west side of the province.

Mr. Chomiak: Mr. Chairperson, with respect to the decision with respect to amalgamation, as I indicated, I had met with the Marquette board and said that options of mergers and amalgamation were being considered, that all options were on the table, I think was my exact quote with the Marquette Region.

With respect to indications, members opposite are constantly chiding us for not dealing with administrative matters and dealing with administrative savings and details, and this was an opportunity to look at administration, and we took that opportunity, Mr. Chairperson.

We had indicated that we were going to amalgamate. We looked at a whole series of scenarios and we, in the end, made a policy decision with respect to the merger of those two regional health authorities to one.

* (23:30)

Mr. Derkach: Mr. Chair, it is a symptom of this Government where they do not listen to the public. Rather, they make decisions behind closed doors, and then impose them on people. We saw that in the Department of Education with the minister responsible for that department, first of all, firing a board without having all of the information in his hand. We saw that with that same minister amalgamating school divisions without any consultation, without any appropriate steps being taken, and then we found that with this Minister of Health with the amalgamation of the two regional health authorities.

I know that this Government has a difficulty with rural people, that it does not want to consult with rural people, and it has not, Mr. Chair. We saw that with the amalgamation of school divisions, and we see that again with the amalgamation of the health regions. The minister has admitted that they made a policy decision.

Rural people's voices do not count to this Government. They choose to move in a very unilateral way without consulting, without the input of people, but with great impact on the lives of these people. That is what is wrong with the decisions that are made.

Mr. Chair, the minister may have considered what savings he could make, but when you take a look at a broad area, when you have the Winnipeg Regional Health Authority's deficits being covered to the tunes of millions and millions of dollars and then, at the same time, the least costly system in this Government's area is the regional health authorities who by far spend a very minuscule part of the overall budget of the department, I think it is something in the neighbourhood of \$700 million of the entire Health budget, that is what goes to rural Manitoba. The rest of it is spent right here in the city of Winnipeg.

So, Mr. Chair, when I say that there is, indeed, a problem with this Government and how it deals with rural Manitoba, I am sincere and serious about that. Because unless this minister starts to show more care, more concern for rural people so that they, indeed, can have their voices heard, so that decisions are not imposed on them by Big Brother government, there is going to be a problem in terms of how this Government is perceived by Manitobans.

So it was really disappointing to see that the minister, instead of consulting, instead of going out and laying out his plan, laying out what potential savings there would be from amalgamation, he simply chose to put on the board the people that he knew he would work with, and, of course, that is the prerogative of the Government. But, on the other hand, Mr. Chair, he ignored the input of the people who use the system. He ignored talking to people about where they would go for their more complex needs, what their regional urban centre should be. Should it be Winnipeg, should it be Brandon, should it be Dauphin? Rather, this minister made the decision for all those rural people because it seems that rural people's voices do not count in the minds of this administration, and that is sad, because the minister could have made himself stand tall by talking to people about where efficiencies could be realized.

Mr. Chair, we see more ambulances on the road today than I have ever seen in my life, ambulances running in every direction, rather than health care being delivered at the point where it should be, and that is in the local hospital. That is where the families are. That is where the care is best. That is where the patient recovers most quickly, in that community health care facility.

We are finding that health care facilities today are looking more as holding areas for patients who are awaiting the transportation of the ambulance from one centre to a larger centre. Although the minister can say that he is delivering more surgery in rural settings, where are those being delivered? Well, they are not being delivered much more than 60 kilometres outside of the city of Winnipeg.

An Honourable Member: Where were they when you were in office?

Mr. Derkach: Yes, those mistakes were made before; they were continued before. So I will give the minister some credit in moving those services out, because that is a beginning.

When you look at what is important for the rural people, and I am talking about rural people in the areas of the Parkland region, Swan River area, the Russell area, the Neepawa area, the Minnedosa area, we find that those people really are treated as second-class citizens under this administration. First of all, they cannot get the care that they require right in their home communities, they have to travel, and sometimes you wonder why. As a matter of fact, in our own hospital where we were given therapy for post-coronary patients, that service was taken away from that area. There was some cockamamie excuse given why it was taken away, which was refuted by the health delivery professionals. That service was taken away and then put into another centre.

I guess I admonish the minister on behalf of my constituents who feel that they are not being listened to. They are not being listened to by this minister in terms of what the real needs of people out there are. How is it that this minister alone and his Government can decide for people living 220-plus kilometres outside of the city of Winnipeg what is best in terms of their health

care needs? Why is it that this minister, all of a sudden, chose not an area close to the city, not an area in the city, not an area in a centre, not an area that his Government represents, but an area that is represented by opposition MLAs, an area that is a distance away from the city of Winnipeg, and then he makes the decisions there of how health care is going to be delivered in those areas in the future.

He talks about administrative savings. When you look at the amount of administrative dollars that were being spent in those health care centres, I daresay that they were within the norm. Maybe that is what needed to be worked on. Maybe their administrative costs needed to be brought back, but not by making a unilateral decision from the top, not including people who are going to be using those services. That said, this is what kind of health care system you are going to have in this region of Manitoba.

When regionalization was announced, it was announced with the intention of having health care being delivered and decisions on health care being made closer to home. That is what regionalization was all about. That is what was contemplated when the regions were developed. That is why we had the Marquette region; that is why we had the Parkland region; that is why we had the South-West region, because those areas had homogeneous kinds of populations where people with like minds, if you like, like cultural interests and habits were given into one region so that health care could be delivered in the best possible way. Those were not issues that were considered when this minister made the amalgamations of the two regional health authorities.

Am I sounding a little frustrated? I guess I am because I feel that the voice of the people in that area has not been heard by this minister. The voice of the people in that area was silenced by the lack of any public consultation, any public discussion, on the issue of amalgamation. Maybe at the end of the day, it will be a more efficient system for the Department of Health, but it certainly will not be for the people who need those services, people who have to travel long distances at their own cost and not at the cost of the Department of Health.

* (23:40)

In the city of Winnipeg, I can get on a bus for \$2 or \$5, or whatever it is, and I can find my way to an emergency service very quickly. In rural Manitoba, that is not the case. If I had a heart attack in the city of Winnipeg, it would be a mere 15 minutes before I was looked after, in rural Manitoba, if I am lucky, 45 minutes; if I am unlucky, I am dead. That is the way it is in rural Manitoba. Somebody said to me, well, you chose to live there. Well, thank God that we have people in rural Manitoba, but that means that we have to have a little extra care given to people who live long distances from emergency services, and that is not being done in rural Manitoba.

We were moving in that direction under our administration. We were not there at all; we needed to move much further. Today, we are finding that not only do we have hallway medicine in this province, but we have a new concept in this province and that is called highway medicine. You talk to physicians in this province, you talk to health care professionals outside of the city of Winnipeg, and they will tell you that, that we have moved away from caring for patients in health care facilities to caring for patients in ambulances. The sooner that we can get them in an ambulance and transported out of the area, that seems to be the way that Manitoba health care is being provided to people who live in rural Manitoba.

We ask about depopulation of rural Manitoba, why it is occurring. There is a reason for that. Who wants to live in an area where you cannot get services, where you cannot get access to health care unless you are loaded into an ambulance and taken either to Brandon, to Dauphin or to Winnipeg or, in our case, it has to be to Yorkton, Saskatchewan. Those are the kinds of issues that we are facing in rural Manitoba. I am only asking the Minister of Health that those kinds of issues be considered when decisions are made with respect to amalgamation and health delivery services. That is all I am saying.

Mr. Chomiak: When we came to office in October of 1999, there was no surgical repatriation program in rural and northern Manitoba. We put that in place. When we came to office in October, 1999, there was no rural physician plan. There was no rural physician plan. The member knows that. We put in place a

program that provides bursaries to medical students. We expanded enrolment at the college. We expanded residency programs. We expanded family medicine programs. We put in place a plan for international medical graduates. None of that was in place when members opposite formed the government.

Rural and northern health office announced, Mr. Chairperson. A director of rural and northern health. From the spring of 1988 until the fall of 1999, the member opposite was a member of a Cabinet and a government that had the opportunity to do those things and did not choose to do so. We chose to do so in our first several years.

When we came to office, we doubled the amount of money to EMS. It had been stable year after year during the nineties. The member can say what he wants, but the member likes to have it both ways. He says that in putting more ambulances out, there is not enough transportation and way to get about rural Manitoba. The fact is, we doubled the funding to EMS that was not in place. It had been static for years. We are still behind the eight-ball on that one, but we are still expanding and doing more in EMS. There is more to come in EMS, all things not done during the 11 lean Conservative years.

In addition, the member had an expansion in Russell Hospital. There has been expansion in Portage Hospital. There has been expansion at Steinbach. There has been expansion at Boundary Trails. There has been expansion in the North, all programs that were not in place from 1988 until 1999. How can the member say that we are not looking to rural Manitoba?

One of the most significant things we did was bring back the diploma nurses' program. When you go outside of Winnipeg and talk to people in rural Manitoba, they talk about the diploma program. They talk about the LPN program that is offered in rural Manitoba. That was brought back by this Government. That was brought back by this Government.

All of those programs were not in place in the fall of 1999. Now, in the summer of 2002, those programs, all affecting rural Manitoba, are all in place. The evidence speaks for itself.

Telehealth: 23 sites. Can the member name one site between 1988 and 1999. *[interjection]* The member says they were all in development since 1988 to 1999. That is all I ever hear in here is that every time there is a government program it is: We were developing it. We hear that over and over again. Why did you not get on with it? You had 11 years. Twenty-three sites outside of Winnipeg for Telehealth. Twenty-three more sites than were offered.

CAT scans, MRIs outside of Winnipeg. We are putting in place MRIs outside of Winnipeg. We are putting an MRI in at Brandon. We are working on it. All we are doing is developing Brandon about \$55 million, which is \$55 million more than the members opposite put in place from 1988 until 1999. Eleven years they had and they did not act on it. Now, members opposite say: You are not moving fast enough. We did not do it for 11 years. You have done it in two and a half years. You are not moving fast enough.

If the member was even-handed, and, I think, the member is, and looked at the record, the member has to admit foreign doctors, rural and northern health programs, expanded surgeries, expanded facilities, personal care homes, expanded funding to EMS, recognition of doctors and nurses, all put in place by this Government.

Governments do good things and governments do bad things. Governments make errors, but for the member to suggest that this Government does not pay attention or care about rural Manitoba is factually inaccurate. I think the member knows that. I think the member knows that this Government has and does pay attention, and has put in place more programming and more changes and more emphasis outside of Winnipeg than I daresay happened during 1988 through 1999. I saw the report on repatriation, Mr. Chairperson. I saw the report that was put on the shelf by members opposite with respect to repatriation. The members opposite said they had a program for rural and northern physicians. Where was it? We waited for 11 years. Where was that program?

The member talks about a recruitment of doctors from offshore. I understand. They recruited and we recruit. But you know what we

decided to do. We decided to fundamentally change the approach and that is, retention would become the key. Who is telling us that? Rural Manitoba? In fact, a doctor in rural Manitoba who did a study that I attended indicated the way to go is to retain your own physicians. How do you retain your own physicians? Well, you put in place programs, you put in place a rural and northern—*[interjection]*

Well, bursaries. The member says like a bursary program that provides to over 100 students a return of service provision that helps pay for their tuition. A family residency program that expanded. It offers more residencies outside of Winnipeg. An office that is headed up by a doctor in rural Manitoba who evaluates and looks after those provisions. So the list goes on and on with respect to openings, with respect to new ambulances. Hardly a week goes by that there is not an announcement outside of Winnipeg with respect to developments in health care. The announcements are positive and are building, not shutdowns.

You know, Mr. Chairperson, the member said about surgical repatriations within 60 kilometres of Winnipeg. Let me add, not only are we doing surgery at Steinbach and Ste. Anne, but Thompson, Manitoba which is a touch further than 60 kilometres, and is north of the Perimeter and equally qualifies for assistance in help, because there is much to be done in the North, as well, as there is much to be done in rural Manitoba, and this has been recognized by this Government.

The member talks about amalgamation of rural regions. Yes, we did amalgamate two rural regions. But before that, the member consistently forgets that we amalgamated two regions within the city of Winnipeg, two regions in the city of Winnipeg. Oh, we ignore that. Two regions in rural Manitoba. Somehow—what is it—because we did Winnipeg first and amalgamated Winnipeg first, that means we are against rural Manitoba? It does not make sense, and I think the member, if he reflects on it, will recognize that, in fact, his comments do not make sense. The facts speak for themselves; the facts with respect to the programs that have been developed speak to themselves as to what this Government has done to rural and to northern health care across the province.

When we negotiated the new MMA agreement, it contains a provision, a funding for retention of physicians, a first-time development. Retention of physicians is contained within the collective agreement. With respect to nurses, we put in provisions in order to have nurses stay in situations where it might be difficult. We also extended a number of benefits with respect to nurses outside of Winnipeg, if my memory serves me correctly, that had not been in place before. *[interjection]*

I have mixed feelings about dialysis because, as I said to the Member for River Heights, we are clearly spending more resources on dialysis and expanding dialysis. It is a testament to providing treatment. It is also an indication that we have to do more about prevention, that dialysis is the end stage of disease. I always have mixed feelings when discussing the expansion of dialysis. While we are expanding dialysis to treat people who are sick, we have to and we are putting additional resources into prevention across the field.

* (23:50)

How about the province-wide program? How about the fact CancerCare Manitoba is sending the mammography unit up North to cover thousands of women? The members say they did that too. Okay. We found something now that members did as well, but we have expanded it.

How about the cervical screening program that helps women in Winnipeg, that helps women outside of Winnipeg? How about co-ordinators' palliative care in each region? How about that? How about having palliative care available 24 hours a day, doctors and nurses available outside of Winnipeg? How about having palliative care doctors and nurses available 24 hours a day to residents of rural Manitoba?

The member can find sufficient everyday items to criticize. It is health care. There are hundreds of thousands of developments every day in health care. There are millions of contacts every year, tens of millions of contacts. There are mistakes made. There are difficulties that occur, but the member cannot deny the fact

there has been significant progress in developments outside of Winnipeg. And for the member to even remotely suggest that is not the case, does not compare, does not meet with the factual analysis, the member knows it.

I know if I went out of here, the member would admit that the physician program that has been put in place, the rural repatriation, the nursing initiatives, the EMS initiatives, are all positive developments for rural and northern Manitoba. I think the member believes that. I think the member rightly is going to bat for his own regional health authority, and feels that somehow that particular region has been picked on with respect to the regional health authority and the amalgamation of two regions.

I do note, when we had our public consultations, that one of the phrases that kept coming back was dealing with administrative matters over and over and over again; that kept coming back from the public, whether we were in Brandon, whether we were in Winnipeg, whether we were in Thompson, Mr. Chairperson. That came over and over and over again.

We know that there is much development that is required to be done. We continue to develop. We continue to innovate with respect to programs, and respect to the ability to offer services across the province.

The issue of infrastructure is pretty significant. There has been significant investment in infrastructure after several years of an inability or reluctance on the part of the previous administration to invest in infrastructure. So we see, Mr. Chairperson, new equipment. We see new facilities. We know that there is a variety of new hospitals, new health care facilities, new personal care homes, new equipment, all around Manitoba, not just dialysis, but CAT scans, but radiology equipment, cancer equipment. That is in addition to all of the province-wide programs that we offer services under.

I have not even talked about programs that are province-wide. I have simply dealt with, in my comments, programs that are geared, or oriented, specifically to rural Manitoba or to northern Manitoba. If one was to calculate all of the incentives and all of the benefits that are provided for facilities across the province, in

fact, the record even looks more favorable, Mr. Chairperson. Having said that, I wonder if the member has any more additional comments.

Mr. Derkach: Well, I thank the minister for his motivational comments. But, Mr. Chair, the facts speak for themselves. The minister goes on on a tirade in the House when asked the question, and puts a lot of rhetoric on the record, but puts very little fact on the record, and he has done that again tonight.

Mr. Chair, I acknowledge the fact that the minister has to do something in the Department of Health. He cannot sit on his hands every day, all day long. So the Department of Health, by virtue of their regular programming, does make changes, and thank goodness for that.

But, Mr. Chair, we find that there is no long-term plan from this minister. It has never been tabled with the public. It has never been tabled in the House. There is no vision in terms of where we are going in health care, specifically rural Manitoba. We go from crisis to crisis.

Now, the minister has talked about this repatriation of surgical services in some of the rural centres. Yes there is one in Thompson, and it should be there. Nobody denies that. But, Mr. Chair, when I spoke about the issue that I was speaking about, it had to do with public consultation on a specific issue. That issue was the amalgamation of two regional health authorities with no public consultation, a bit of window dressing, but no real meaningful consultation with the people who receive the services from the health providers.

The minister talks about the recruitment of rural physicians. I recall very vividly, when I was still in the Department of Education, wrestling with the University of Manitoba to take more rural students into the programs. I fought for a year and a half for a student from Dauphin, as a matter of fact, who had a 94 average in Grade 12, had two degrees with honours and could not get into the medical program—the Member for Dauphin knows who I am speaking about—could not get into the medical program.

At the end of the day, when he was finally accepted by the University of Alberta, the

University of Manitoba acknowledged that, in fact, he should be accepted into the program here at the University of Manitoba. There has been an extreme resistance by the University of Manitoba to have students come in from rural Manitoba to the medical program.

We know that there is a ceiling in terms of the number of slots that are allocated for rural Manitobans. My question is: Why should there be a slot? There should be as many students from rural Manitoba who are accepted into the physician program as is possible.

Now I know the minister is in a hurry to go. So because he is not paying attention or listening to anything I am saying, I am going to conclude my comments for this evening, Mr. Chair, because the minister seems to be a little impatient. So with that, I will continue tomorrow morning.

Mr. Chomiak: In fact, Mr. Chairperson, I have been paying attention, but the member did not refute any of the information that I provided on the record. I noted that with respect to the programs that had been put in place. The member talked about an individual member. We do not talk about it. We put the program in place.

Mr. Chairperson: The hour being midnight, the committee rise.

* (18:30)

EDUCATION, TRAINING AND YOUTH

The Acting Chairperson (Mr. Jim Rondeau): Will the Committee of Supply please come to order. This section of the Committee of Supply, meeting in Room 255, will now resume consideration of the Estimates for the Department of Education, Training and Youth.

When we finished, we were at 16.4. Education and School Tax Credits (a) Manitoba Education Property Tax Credit, and the minister was answering the question.

Hon. Drew Caldwell (Minister of Education, Training and Youth): Just to wrap up my response to the member from Minnedosa. The

Pensioners' School Tax Assistance Program, which has been in place for many years, was introduced in 1978 for homeowners and in 1980 for tenants, and that has been under the Department of Education and Training's Schools Finance Estimates of Expenditures since that time.

The Pensioners' Tax Assistance Program provides income-related assistance to homeowners and tenants 55 years of age and over and is based on occupancy costs and income and so forth. Benefits under this program have been part of our Estimates in the department for many years, so the issue of education property tax credits have long been linked to education taxes, so we think it entirely appropriate to link them to the budget of the Department of Education, Training and Youth.

The member may want to further pursue this with the Minister of Finance (Mr. Selinger) for some of the broader perspective when the Minister of Finance is in his Estimates. I also note that the property tax credit was first introduced as an education tax credit in 1972, so it does have a long history in this regard.

Mr. Harold Gilleshammer (Minnedosa): Well, I make the point that when it shows up as an education expenditure, it is not an education expenditure at all. It is a transfer of funds from the central government to the taxpayer to offset property taxes. I did speak to the Minister of Finance about it and he indicated it was two years ago that it was moved from Finance to Education. I would suggest to the minister that it may have some political optics but as far as an education expenditure, it is not.

The Acting Chairperson (Mr. Jim Rondeau): Are we prepared to pass 16.4.(a)?

16.4. (a) Manitoba Education Property Tax Credit \$174,551,000—pass.

4.(b) Pensioners' School Tax Assistance \$3,288,000—pass.

Resolution 16.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$177,839,000 for Education, Training and Youth, Education and School Tax Credits, for

the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

The Acting Chairperson (Mr. Jim Rondeau): 16.5. Support To Schools (a) Schools Finance (1) Salaries and Employee Benefits \$881,800–pass; (2) Other Expenditures \$155,100–pass; (3) Property Assessment \$2,424,800–pass.

5.(b) Education Administration Services (1) Salaries and Employee Benefits \$1,509,900–pass; (2) Other Expenditures \$487,200–pass.

5.(c) School Information System (1) Salaries and Employee Benefits \$415,100–pass; (2) Other Expenditures \$519,700–pass.

5.(d) Schools Grants (1) Operating Grants \$644,670,700.

Mr. Gilleshammer: This line on Operating Grants of 644 million, would this be the 59.2 percent that the minister speaks about when he talks about Operating Grants?

Mr. Caldwell: Essentially that is correct. I very seldom, however, speak of the 59.8 percent; I generally speak of the 75 percent that is the total amount of support for the public education system.

Mr. Gilleshammer: It is a serious question. I am wondering if the minister is giving me the exact answer here. Is that 644 million the 59.2 percent that he speaks of, or is it the entire support to schools?

Mr. Caldwell: When I said, essentially, that is the case, that this comprises the bulk of it. The ESL amount is not reflected in here, the education support levy amount, which is some tens of millions of dollars—\$200 million notionally. I do not have that—well, I will have it here with me.

The figure of the operating amount, which is the 59.2 or 59.8, is comprised of this figure as well as the education support levy. So the total amount—the other thing that should be noted is that this reflects the—\$644,670,000 is the fiscal year, the percentage figure is the school year. So there is some difference in that as well.

The member will recall the school funding announcements made in January. Our fiscal year is April to March, so that would account for any, I suppose, not discrepancy, but any nuance between this number and the school year. So the 59.2 operating percentage is reflective of the fiscal year, I am sorry the school year, I am sorry not the school year, the school fiscal year, the January to January announcement, the school funding year. The amount reflected on the Estimates is the fiscal year, the April-March dates.

* (18:40)

Mr. Gilleshammer: Perhaps I can ask the question a different way. When you say that you are responsible for 59.2 percent of the operating funds for schools, how much does 59.2 percent translate into in terms of dollars?

Mr. Caldwell: It comprises the school grant, operating grants that we are on right now in terms of the line item that we are dealing with, as well as the ESL. The amount for 2002-03 was announced to be \$838,600,000. That comprises the operating grant and the ESL support. Also, it should be noted that the 838 is the school year, July 1, and the \$644 million on the line item is the fiscal year. They are two different years for accounting of the dollars; one is our fiscal year that we have in the Legislature, the other is the school fiscal year which is June 30-July 1.

Mr. Gilleshammer: Well are you saying there is a \$200 million difference between the fiscal year and the school year?

Mr. Caldwell: No. That \$200 million is the ESL.

Mr. Gilleshammer: So 59.2 percent, when you are speaking of it, on the one hand it is \$838 million and on the other hand it is \$644 million.

Mr. Caldwell: No. The 60 percent that is referred to is the \$838 million.

The Acting Chairperson (Mr. Jim Rondeau): Member from Minnedosa, are you prepared to pass this section?

Mr. Gilleshammer: Yes.

The Acting Chairperson (Mr. Jim Rondeau): 16.5. Support to Schools (d) School Grants (1) Operating Grants \$644,670,700—pass; (2) General Support Grants \$20,579,500—pass; (3) Public Schools Finance Board \$999,100—pass.

5.(e) Other Grants \$2,486,200—pass.

5.(f) Teachers' Retirement Allowances Fund.

Mr. Gilleshammer: Is this \$91 million part of the 59.2 percent operating grant?

Mr. Caldwell: It is not; perhaps it should be, but it is not. It is part of the 76 percent that total support to the public school system. If the member may recall that when we have been discussing this item in the House, that 76 cents out of every dollar is a provincial dollar in support of the public education system. That includes 100 percent of the capital infrastructure support for the public school system, 100 percent of the employer's share of the teachers' retirement fund, 100 percent of the education property tax credit and the pensioners' tax credit, as well as the 60 percent of the operating, for the total of 76 percent. So the total operating expenditures for public schools in Manitoba is about \$1.4 billion.

Mr. Gilleshammer: Well, that is not correct, that you have to separate the operating funds for school from retirement funds from tax rebates and from capital construction. So to say that money paid into the retirement fund has anything to do with the operating of schools is just wrong.

Mr. Caldwell: Well, I am not saying that these dollars are going to operating. I suggested with tongue in cheek that perhaps they should, just to provide some levity here. The retirement fund, the retirement allowances fund, the education support property tax credit, the use of property tax credit, the pensioners' tax credit are not part of the operating funds.

We have a total expenditure for the public schools of about \$1.4 billion. Sixty percent of that is the \$850 million that we discussed in the last series of questions. The retirement funds and tax credits are not part of the 60 percent. If the teacher pension costs are operating costs of the

schools or if they would be if they were paid by the employer, that is, the school division, if the divisions paid these funds and we reimbursed them, it would be part of our school operating costs, but that is not the case. The monies that are identified for operating are in fact operating dollars. The 60 percent of the operating dollars for the public school system were provided by the provincial government. One hundred percent of the teachers' retirement allowance fund is provided by the provincial government. One hundred percent of the ESL property tax credit are provided by the provincial government. One hundred percent of the capital infrastructure dollars provided to the Public Schools Finance Board are provincial contributions. If we took a look at the total operating costs of the system, which includes capital, pensions and tax credits, then the provincial share is about 75 percent, 76 percent. So, in terms of just to be clear, the operating costs or the operating percentage that reflects the 60 percent is the \$848. The remainder is our provincial contributions to the public school system in the province, but they are not reflected as operating.

Mr. Gilleshammer: Well, I am pleased the minister has said he says these things with tongue in cheek, and, unfortunately, Hansard does not recognize that gesture. I think it is important to have on the record that 59.2 percent is what the Province pays for operating, and the costs do not go to the education system. They do not pay for another teacher. They do not pay for another textbook. But they are costs. I recognize that. The pension costs, the capital costs and the tax rebate, which was shown out of Finance for many years and is now being shown out of Education, this is not an Education expenditure that reflects on the classroom. So, when the minister says that he says these things tongue in cheek, he has said them often, leaving the impression falsely that the Province is paying 76 percent of the operating costs. I think it is important to make that distinction, and I am glad he has done that tonight.

Mr. Caldwell: I would submit that the costs of building schools in fact does support the classroom. Without the school, you would not have a classroom. So I would submit that is directly in support of the public education system. I would also submit that the teacher

retirement fund is supporting the public education system.

We had a conversation earlier about encouraging teachers to take leadership roles, encouraging teachers to take on administrative challenges in the public school system. Some concern was expressed by the Member for Minnedosa (Mr. Gilleshammer) about teachers not gravitating towards leadership roles in terms of principal and vice-principal positions. So even the support of retirement allowances for teachers, I would submit, would be a legitimate expenditure in support of Education.

* (18:50)

However, I do take his point that, in terms of purely and narrowly defined operating expenditures, the Province supports 60 percent of those costs or 59.2 percent or 59.8 percent, depending, I suppose, on your spin on it, but notionally 60 percent. As well, provincial taxpayers cover 100 percent of the cost of school buildings, the capital cost of school buildings, 100 percent of the education property tax credit available to all Manitobans, 100 percent of the employer's share of the teachers' retirement allowance fund, 100 percent of the pensioners' tax credit and so forth, for a total, in terms of including the operating, the capital, the pensions and tax credits available for supporting the public school system, of approximately 76 percent.

The Acting Chairperson (Mr. Jim Rondeau): 16.5. Support to Schools (f) Teachers' Retirement Allowances Fund \$91,869,100—pass.

5.(g) Manitoba Education Research and Learning Information Networks, \$445,800—pass.

Resolution 16.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$767,444,000 for Education, Training and Youth, Support to Schools, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

The Acting Chairperson (Mr. Jim Rondeau): 16.6. Training and Continuing Education (a) Division Administration (1) Salaries and

Employee Benefits \$817,500—pass; (2) Other Expenditures \$211,400—pass.

6.(b) International Education (1) Salaries and Employee Benefits \$122,100—pass; (2) Other Expenditures \$283,700—pass.

6.(c) Adult Learning and Literacy (1) Salaries and Employee Benefits \$347,500—pass; (2) Other Expenditures \$77,900—pass; (3) Adult Learning Centres \$13,636,900—pass; (4) Other Grants \$1,329,500—pass.

6.(d) Community Learning and Youth Programs (1) Salaries and Employee Benefits \$1,469,700—pass; (2) Other Expenditures \$408,200—pass. (3) CareerStart Initiatives.

Mr. Gilleshammer: Under CareerStart initiatives, you have taken exactly \$1 million out of that, announced that you have cancelled the program. What is the expenditure for the \$1.1 million?

Mr. Caldwell: That is a very good question. The CareerStart initiative, which was begun under the Pawley administration as a wage subsidy for youth, particularly during the summer months, was this year ended. The program which began in the '80s, as I said, as a wage subsidy for young Manitobans was implemented in a period of relatively high youth unemployment. As we worked through the budget process this year, and have been blessed in Manitoba with having amongst the lowest youth unemployment rates in the country, and, I think, for a number of months the fact that we had the lowest youth unemployment rate in the country, and we still may have that distinction in Manitoba, because unemployment rates in the province are very low right now.

There are a variety of other summer and part-time employment programs available to Manitoba students and youth, for example, the HRDC summer career places program also provides a wage subsidy similar to the former CareerStart program. The reduction of \$1 million from 16.6. (d) (3) results in the elimination of the summer employment program called CareerStart, but leaves in tact components such as CareerFocus, youth service, business mentorships and the Community Access

Program Youth Initiative. So the CareerStart portion of that line item totalled approximately \$1 million. That is the \$1-million reduction in that line item.

Business mentorships continue to exist. Youth Serves Manitoba continue to exist. CareerFocus continues to exist. Trades and technology focus continues to exist. The business mentorships, I may have mentioned, also continue to exist.

Mr. Gilleshammer: Well, I would just make the point you have announced that CareerStart has been deleted. Yet, there is an expenditure line there for other programs that either should be renamed or publicly identified that there are other programs that are still alive and well, because I think basically people are not really conversant with them.

Mr. Caldwell: That is a good point, and I thank the member for that statement. It certainly will be reflected in future budgets.

The Acting Chairperson (Mr. Jim Rondeau): 16.6.(d) (3) CareerStart Initiatives \$1,130,800–pass; (4) Youth Community Partnerships \$7,025,700–pass; (5) Partners for Careers \$400,000–pass; (6) Less: Recoverable from Aboriginal and Northern Affairs (\$200,000); (7) Less: Recoverable from Urban and Rural Economic Development Initiatives (\$4,212,500).

6.(e) Industry Training Partnerships (1) Salaries and Employee Benefits \$577,300–pass; (2) Other Expenditures \$118,400–pass; (3) Training Support \$1,045,000–pass.

6.(f) Apprenticeship (1) Salaries and Employee Benefits \$2,654,100–pass; (2) Other Expenditures \$667,500–pass; (3) Training Support \$2,909,900–pass.

6.(g) Employment and Training Services (1) Salaries and Employee Benefits \$4,078,100–pass; (2) Other Expenditures \$1,877,100–pass; (3) Training Support \$3,856,200–pass; (4) Building Independence \$668,900–pass; (5) Less: Recoverable from Family Services and Housing (\$300,000).

6.(h) Canada-Manitoba Labour Market Development Agreement (1) Salaries and

Employee Benefits \$5,604,400–pass; (2) Other Expenditures \$545,600–pass; (3) Training Support \$48,958,000–pass.

6.(j) Forum of Labour Market Ministers' Secretariat (1) Salaries and Employee Benefits \$142,400–pass; (2) Other Expenditures \$623,000–pass.

* (19:00)

Resolution 16.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$96,874,300 for Education, Training and Youth, Training and Continuing Education, for the fiscal year ending the 31st of March, 2003.

Resolution agreed to.

The Acting Chairperson (Mr. Jim Rondeau): 16.7. Capital Grants for School Divisions (a) Principal Repayments.

Mr. Gilleshammer: Is this the Schools Finance Board expenditures for capital?

Mr. Caldwell: It is the principal repayment portion of that and it is not even all of that, I am advised, because it does not reflect the salaries either, for some arcane accounting reason.

Mr. Gilleshammer: Can you just indicate where the Public Schools Finance Board expenditure shows up?

Mr. Caldwell: The 16.5.(a) is the cost of running PSFB, Public Schools Finance Board. What is shown in the Estimates under 7 is the repayment of debentures for previous capital projects. Principal Repayment is shown in 16.7, which is where we are at. Interest payment is shown in 16.5.(d). Both these numbers do not include the ESL portion, which is about 26 percent of principal and interest payment on previous capital projects.

Mr. Gilleshammer: So your expenditure on school buildings for this year is how much?

Mr. Caldwell: Total expenditure will be \$45 million, which includes again the item that we are on right now. Oh, no, I am sorry, it does not.

The \$45 million is debentured, I have just been advised, through Public Schools Finance Board. What shows in the Estimates is the cost of repaying previous debentures.

Mr. Gilleshammer: So it does not show up on your books that you are spending \$45 million on capital. Does it show up in Finance?

Mr. Caldwell: It is reflected in the accounts of the Public Schools Finance Board.

Mr. Gilleshammer: Well, that is not incorporated in the Education Estimates?

Mr. Caldwell: The Public Schools Finance Board has its own act and they report separately. That has been the case for some 30 years.

Mr. Gilleshammer: So the expenditure is sort of out of the eye of the department Estimates. It is lodged somewhere else, and what we see is the repayment plan for previous expenditures, and the amount of expenditure that the minister is wont to talk about from time to time is not included in these Estimates but shown somewhere else.

Mr. Caldwell: That is correct. It is shown in the accounts of the Public Schools Finance Board.

Mr. Gilleshammer: And, in fact, that is amortized and gets repaid sometime down the road, and right now we are showing an expenditure of 24.6 on, well, there is a principal repayment of 19.1. Okay, that is the payment on previous expenditures and an additional \$5 million on capital grants.

Mr. Caldwell: That is essentially correct.

Mr. Gilleshammer: So, as you spend more on capital, it has a time effect that it is going to impact future governments. I notice that the capital repayment has gone from \$18 million to \$19 million in this Budget, and with your expenditures it will again rise in subsequent years.

Mr. Caldwell: That is correct.

The Acting Chairperson (Mr. Jim Rondeau): Section 16.7. Capital Grants for School

Divisions	(a)	Principal	Repayments
\$19,144,100	–pass;	(b)	Capital Grants
\$5,500,900	–pass.		

Resolution 16.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,645,000 for Education, Training and Youth, Capital Grants for School Divisions, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

The Acting Chairperson (Mr. Jim Rondeau): 16.8. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expenses - Hardware and Transition \$757,900–pass; (2) Amortization Expense - Enterprise Software \$135,700–pass; (3) Enterprise and Software Licenses \$292,900–pass.

8.(b) Amortization Expense \$742,800–pass.

8.(c) Interest Expense \$442,500–pass.

Resolution 16.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,371,800 for Education, Training and Youth, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

The Acting Chairperson (Mr. Jim Rondeau): The last item to be considered for the Estimates of this department is item 16.1.(a) Minister's Salary, contained in Resolution 16.1. At this point we request that the minister's staff leave the table for the consideration of this last item.

The floor is now open for questions.

Mr. Gilleshammer: I wonder if the minister could indicate what his travel schedule has been over the last year in this portfolio, out-of-province travel?

* (19:10)

Mr. Caldwell: In the last year I have travelled to Toronto once for a Canadian Ministers of Education, former labour market ministers'

meeting and I think, yes, one time to Ottawa to have ministerial meetings with representatives in relation to FLMM business again with federal ministers; the federal minister would be Ethel Blondin in Ottawa. So I think those are the only two out-of-province trips I have taken in the last year, pretty certain that is the case.

Mr. Gilleshammer: Thank you. I think we are ready to wrap up the Estimates, but I would have some final comments. It is not my intention to put a resolution on the floor that we have to vote on. I do not think that is necessary, but I would like to comment on the minister's performance in this portfolio as I see it over the last year.

I think the school boundaries are something that has been handled rather badly. I think generally speaking you have a public out there that has been readied for new school boundaries but I think the process and the product, as I have said before, the process has been bad and the product falls somewhat short. In fact the legal challenges that have been launched are, I think, symptomatic of the fact this was not seen as a particularly well-handled process.

Ms. Bonnie Korzeniowski, Madam Chairperson, in the Chair

I think people have felt left out of it and in retrospect there could have been a much better way of doing this.

The adult education issues, I think it was a terrible mistake on the minister's part to fire a school board of duly elected people. There are many ways for the minister and the department to work with a group and I think this was an abuse of the power of the minister. I think there is a very hostile feeling in the Morris-Macdonald School Division that people have been left out of the process and shut out of the process. Decisions are being made. Morris-Macdonald, no doubt, has to accept some responsibility for the adult education situation they found themselves in, but I think the minister acted in a very heavy-handed way in dealing with these duly elected people.

The class size and composition issue, I took the minister's advice and spoke to the Premier (Mr. Doer) while we were in there voting. I think

the courageous thing on behalf of the minister would be to tell the public, tell the interested people exactly what he is going to do. I believe that decision has been made and the minister is simply letting the clock wind down and have us run out of time in the House and then there is no way to properly address this situation.

The report he received, I think, was a very good one. It was instructive. It gave options and I suspect that, as I say, the decision has been made and I think needs to be announced straightforwardly and let people know exactly what is happening.

The special ed report that was handed into government in 1998, I think this minister and this Government have dragged their feet on implementation on appropriate funding for special education in this province. Many of the recommendations that were in the special ed report really have not been addressed.

The funding formula, there is a tremendous appetite out in the public for a funding formula that is clearly understood by the public, one that addresses the needs of education and one that is fair to the ratepayer. The ratepayer, the property taxpayer is paying a larger and larger percentage of the operating costs of schools.

The minister has quite openly puffed up his chest and bragged about the funding that he is giving to the public school system on the operating side. In fact, if he gives them one dollar more next year, he can say it is a historic level, but the fact is it is also a historic level on the percentage side in that that funding is being reduced year over year to the point where it is now less than 60 percent. That has not been the case in the memory of most people associated with education.

The Grade 3 assessment, I believe, is something that needs to be addressed right now. It is time consuming and intrusive. The minister put this in play simply to withdraw the Grade 3 evaluation at the end of the year. I do not disagree with that move, but I think the Grade 3 assessment needs to be refined so that it is not so intrusive and not so time consuming.

As far as election promises go, the minister obviously has not fulfilled the election promises

on the Grade 3 guarantee, the nurses in the school system and the e-mail address for each and every student. In the big picture these are not promises that people are sitting on the edge of their seat waiting for, but it was part of a platform. If the minister is not going to implement them, then he should say so.

We talked about a number of other things. I would like to thank the minister's staff, the two of them that were here day after day. I think we were able to work our way through the issues and the Estimates book in a polite fashion. I appreciate the timely tabling of events and timely tabling of documents that I have asked for.

So thanks to them and those who may be listening in some distant and remote place and sending up briefing notes and messages to the minister. I think they have performed reasonably well. With that I am prepared to pass the Minister's Salary.

Mr. Caldwell: Madam Chair, I would like to thank the Member for Minnedosa for his remarks. I certainly have appreciated this Estimates' process and certainly appreciate the wisdom and insight that the Member for Minnedosa has offered and his comments as he has offered them throughout this process. So with thanks to the Member for Minnedosa and also thanks to departmental staff, who do work very diligently day in and day out on behalf of educational excellence in the province.

Madam Chairperson: 16.1. Administration and Finance (a) Minister's Salary \$28,400—pass.

Resolution 16.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,782,400 for Education, Training and Youth, Administration and Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson This completes the Estimates of the Department of Education, Training and Youth. The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Agriculture. Shall we briefly recess to allow the minister and critics the opportunity to prepare for the

commencement of the next set of Estimates?
[Agreed]

Committee recess, five minutes.

The committee recessed at 7:19 p.m.

The committee resumed at 7:21 p.m.

AGRICULTURE AND FOOD

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Agriculture and Food.

We are currently considering item 3.5. Regional Agricultural Services.

Mr. Jack Penner (Emerson): We left off last time, I think, talking about the livestock industry and discussing some of the matters pertaining around that. We, I believe, touched on Bill 11, and the actions that could be taken by the provincial government in regard to the tuberculosis outbreak in the Riding Mountain National Park. I believe that we would like to continue there today.

My question to the minister is: Having had a week and a bit to think about this, when you consider the impact or the potential impact to the industry, is the minister now prepared to indicate to this committee whether she is willing to enact her own legislation and bring into being an action at the Riding Mountain National Park that would contain the wild animals within the park and not allow them to mingle with the domestic herd?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Madam Chairperson, the issue of TB and TB in elk, TB particularly in livestock, is something we take very seriously as a government. That is why we have taken the initiatives that we have through the elk management strategy initiatives to protect, attract the movement of animals, initiatives to

fence hay. Really, the department does not have the ability to fence the park, but, through the elk management strategy, there are steps that have been taken to improve habitat, to track the animals and certainly work with—the Department of Conservation has increased the number of tags so that more animals can be taken. There are landowner licences that are available. There are steps that are being taken through Conservation to restrict baiting, that attacks elk out of the park. So all of those are initiatives that we, as a government, are taking and certainly working with the Manitoba cattle producers and the CFIA to look at ways to address this very important issue.

As I indicated in the House today, there was a meeting with CFIA and the Canadian Cattle Producers Association here in Winnipeg, where our staff was involved as well, talking about this very important issue.

Mr. Jack Penner: Madam Chairperson, let me remind the minister that, in section 6, 3.1(1): Quarantine of a place or area, that your legislation indicates, which we just passed, as I said, the other day while you were away, we thought it was absolutely urgent that this kind of legislation be passed, but this legislation says: The director may, in the public interest, order that a place described in clause (a)—clause (a) says this: "the place contains or has contained an animal that has a disease; and (b) the place contains or has contained a vector or a fomite"—be quarantined or that a larger area, including the place, be quarantined if he or she has reasonable and probable grounds to suspect that.

I think, Madam Chairperson, this gives the minister clearly the right to cause the quarantine of an area, be it large or small. I have read the old act, which this act amends, and clearly this now strengthens the act very, very considerably.

We are happy that the minister brought forward this kind of legislation, but we are not happy that there has not been action taken yet at Riding Mountain National Park to do away with the disease once and for all. We believe that it is in this province's \$1.5-billion cattle industry's best interest to deal with this matter in a very effective and strong manner to ensure that this will be addressed.

If the minister truly believes that you can stem the disease by hunting regulations, somebody needs to have their priorities straightened out, because this issue will not be resolved by increasing the take on wildlife.

Some of the resource people have told me that, even if you issue double the licenses and even if you take the percentage of licenses, take the same kind of kill that they did last year, you would not even take as many elk out of the park as there were calves born this year. In other words, the herd will even increase though you take as many elk or double the elk take that you did last year. For that reason, we believe it is absolutely urgent that the minister cause action to be taken to stem the flow.

Now, the question I ask: Is the minister prepared to give the orders to quarantine the park and then deal with the eradication of the disease within the park?

Ms. Wowchuk: The member raises important issues. I look at the clause that he is referring to. I know what his intent is with his comments, but I have to tell the member that this legislation cannot be administered on federal territory. This is provincial legislation. Federal legislation supersedes it. The park falls under federal responsibility, but, you know, that is why we put in place the steps that we are taking to control the disease, to reduce the animals, to reduce the interaction between animals and cattle. The member talks about the additional licences not being the steps that should be taken because it will not reduce the number of animals. The goal is to reduce from 4000 animals to about 2500 animals. It will not all happen in one year, but that along with the other steps that we are taking are a step forward.

* (19:30)

There are also landowner licences that I indicated in the area that have not been fully subscribed to. I would hope that there would be more application from landowners to take more animals. There are also emergency licences that are available as well should there be a situation where there is a lot of interaction. There is a special application for that licence. Again, very

few of those licences were applied for in the last year, a very small number. So, hopefully, there will be more of those licences that will be applied for and we will see a reduction of animals in that way.

But certainly it is a combination of things. It is the tracking of animals. It is the reducing of baiting which some people in the area are guilty of, looking to attract elk out of the park specifically for hunting. That causes some problems. But there is also the fencing of hay that is available in the area.

I think the big thing that has to be done is the improvement of habitat to keep the elk in the Riding Mountain National Park and not have the interaction with livestock that we have right now. But it is one, as I say to the member, we take very seriously. We are committed to reducing the numbers and we have put together a strategy now.

The member may not agree with the strategy, but there was no strategy in place when we took office. There was no strategy to control the disease despite the fact that TB was identified in cattle in 1997 and TB was identified in the wild herd about the same time, but no steps were taken to eradicate it at that time. We took office. We have put in place a plan and I hope that it will help to address the problem.

Mr. Glen Cummings (Ste. Rose): The minister says there was no action taken or pending. Actually in Question Period today she implied that the capture of the elk was in fact a foolish move and somehow tried to imply that we were deliberately willing to infect domestic elk. I am sure that her advisers would likely agree that the elk that are captured are some of the most tested livestock in the province, frankly.

Does she not agree that the ability to capture from different areas of the park, borders of the park and to then do very detailed testing on that stock in fact was providing useful information as to where the possible contamination was and where the infection may have been coming from?

Ms. Wowchuk: I am not sure what the member thought I was saying, but what I was saying in

the House today was that members opposite when in government knew that there was TB in the elk in Riding Mountain and did not take steps to eradicate the disease in Riding Mountain. In fact, they chose to continue with the capture, even though it was suggested that they should not then put elk into captivity and, although they may have collected some data from it, there was also a lot of expense to the Province to hold those elk for a long period of time.

Mr. Cummings: Well, the minister and I then definitely have a disagreement, not only on perception, but in what I believe was an appropriate attempt to gather information. That is why I asked a couple of weeks ago about the rationale for moving the elk that were in capture at the west end of the park and the elk that were at the east end, moving them together. I know the answer was that the park might be considered one area, and therefore if there was one found that the federal vets would then not be willing to overlook that the others could potentially be contaminated, but the whole area is somewhat short of data.

I understand that it is just recently some of the first data that has come in around the collaring of elk and tracking of where they are travelling is in fact demonstrating a lot more north-south movement than it is east-west, which in fact confirms an argument that was always going on, and that is that perhaps the elk at the east end of the park were in fact somewhat separate and apart from the elk that were showing up in the main. Contamination was coming from the westerly and southwesterly corner of the park. That was where it was being manifested in the livestock as well, as I recall the information, unless my memory is sketchy.

I do not know whether the minister is being advised that the capture was foolish and that does not really matter. The point is that those elk should have been able to provide information about whether or not there was contaminated elk. Certainly, the ones that were coming out to be captured were the ones who were also potentially mingling with the local cattle herds.

The next question that I would like the minister to consider before she responds to the

first part is whether the data that is being collected right now, is that being made readily available to her department in terms of the results from the federal surveys?

Ms. Wowchuk: Madam Chairperson, the member raised a couple of issues. He started out talking about the rationale for movement. We said at that time, last week when he raised this issue, that CFIA considers all the elk captured in that area to be one herd. If there was TB detected in one, it would be the whole herd was considered to be affected. That is why there was no problem. It would not make any difference in their status if they were kept together or whether they were kept in separate herds. That is why the animals are being kept in one herd now, because it would not make any difference.

With regard to information. Yes, Manitoba Agriculture and Food is on the committee, and all information is readily available to our department as it is to the other people on the committee. We do have the information on movement of elk. Certainly there is data that shows that there is movement north and south. The animals are moving in the north-south direction as well as in other directions and all of that information is available and the department is part of the committee.

Mr. Cummings: Then I have one further concern in that area. Number 1, if the data does come in somewhat contradictory to what the CFIA may have been considering in terms of the entire area, then it does raise the question about the validity of mixing the two different groups together. The minister and I certainly are not going to settle that because it has to be settled on the best scientific knowledge available, and hindsight, of course, will always be better than foresight.

* (19:40)

I have a concern and it should more directly be raised with Conservation, but it seems to me that there is still a void in terms of a strong effort to reduce the elk herd and thereby minimize infection, if not virtually eliminating it, certainly try to eliminate any interaction between herds of wildlife and domestic stock. That is my understanding that the landowner permits, and

the minister, much to my surprise, says that there are landowner permits that are not being taken up. I believe that Alberta has a much more generous landowner elk hunting policy, and I would admit that it was something that I thought should have been changed a few years ago but did not get it done.

Is the minister satisfied that the present policy on landowner permits is aggressive enough in terms of allowing people who are the most likely to have interaction on their land occur?

I am suggesting that it should go so far as to virtually give or encourage landowners to take an elk licence because the percentage of elk that are taken, and my colleague from the Interlake, I think, can confirm these numbers, really the take is very low on the percentage of licences that are offered. Not being a hunter myself, I was amazed at how low those are, and if you double them it is still not going to be that big a number. So, if you compare apples to apples, I think you are going to find that this is not as aggressive action to reduce numbers as what we might like when we have a multibillion dollar industry really at stake. Look, the type of land that is adjacent to the parks is very often the type of land that livestock production has gravitated towards because it has got price advantages, it has got cover, it is erodable, all of the reasons why livestock are a better fit there.

I know that the elk, once they are in the park, are federal elk. When they cross that line, they are provincial elk, but is that not all the more reason that the landowners should be given if not free rein, they should be at least encouraged to pick up and become involved in landowner hunting?

Ms. Wowchuk: Madam Chairperson, I guess the member is right. These are issues that Conservation administers, but I am quite prepared, given that we work together with them on this strategy, to share with the member the information that I have.

I want to go back to the comments that I made earlier to say that there was some movement in north-south. I do not want the

member to go away thinking that all of the animals that are tracked are going north and south. There were a couple of animals that were tracked going north and south that are different to what was anticipated on the east-west movement, but not all of the animals. So it does not contradict completely, but there is indication that there is also movement in the other direction.

With respect to the landowner permits, you know, I checked with this because it was an issue that was raised with me with respect to the number of landowner permits, and there is not as high an uptake as there should be. Conservation is following up with landowners in the area, people who have applied, maybe people who have not and trying to encourage more licences. In fact, they are offered two tags per landowner to try to reduce the numbers further. There are also special permits that people can apply for should they not be a landowner. I am not quite sure how the special permits work, but when there is a problem an individual can get a special permit as well.

Now the goal is to reduce the numbers from 4000 to 2500. I think that is pretty aggressive. How many of those will be filled this year is something that has to be watched very closely and something that the committee will be following. Then additional steps will be taken, should it be necessary. That fits in with the other things, with the fencing, with the improving of habitat, with the reduction in baiting. All of those are all pieces of the puzzle that the committee is working on. Agriculture is involved, working with Conservation on this, trying to reduce those numbers.

I also want to put on the record that Manitoba Cattle Producers is involved in this strategy, and CCA as well. From my understanding, they were calling for additional licences, and they are satisfied. I am not putting words in their mouth. I am relaying to the member what I have heard, that the cattle producers are saying. They are satisfied with the steps that have been taken for this year, but, of course, everybody will be monitoring very closely what the results are. If additional steps have to be taken, then additional steps will be taken.

Mr. Cummings: Only one last comment in this area with the minister. If she sees my comments as critical, that is okay, but I am genuinely concerned about whether or not the take that will occur from the changing in hunting regulations that you are being told are going to be undertaken will, in fact, have the impact that you hope they will. That does not necessarily mean that it is not an appropriate approach. I am suggesting that perhaps it should be even more aggressive because of the lack of take, and that will be very dependent upon the weather. A poor elk season and you might only take 250 elk, even with the doubled licence out there.

My experience in talking to people from Alberta is that they have a much more aggressive approach. Perhaps they have more hunters or hunter-friendly landowners adjacent to the areas or holding land in the areas where they have landowner permits. I am suggesting that this is serious enough that when the proposal—the proposal as you put forward sounds very good until you start looking at what the historic take is. That is the only reason I am pressing the minister and the department to seriously review this with natural resources and make sure that they are doing everything they can because, I can tell you, there has traditionally been a huge amount of pressure to get elk licences. There are people who claim that they have applied for 10 years and never got an elk licence. Even with the rotation system, if they missed applying one year, they still might not get a licence for 10 years because they would drop to the bottom of the rota again. This is not to be taken as a criticism, but it is to be taken as encouragement to the minister and her department to aggressively deal with natural resources and what they see as the real, potential outcome of this. I cannot believe that there are licences out there that are not being taken up, given the outcry that was always there for people wanting to hunt elk.

Ms. Wowchuk: I want to reply just to make sure that the member understands exactly what is happening here. The draw for licences has already taken place, and there are 1200 licences, 2400 licences that were drawn, two people on each licence, but 2400 licences normally means 1200 tags. This year the 2400 licences means 2400 tags, so there are more tags available.

The member is right. There could be the kind of season where the hunt will not go well, but we will watch it closely. As I said, the industry thinks this is a pretty aggressive step. Extra work is being done on the landowners' licences, and I hope there will be a good uptake on those. That is the steps that we have to take if it is not enough. On the other hand, it could be a very good hunt and there could be a lot of animals taken. All of those animals come into the lab, they are all tested and that will help us with the data that we very much need.

* (19:50)

Mr. Jack Penner: Madam Chairperson, I want to go back to the legislation and again to section 6. I want to go to 3.1(2) where it says: "Declaration as an infected place not necessary. The director may make an order under this section whether or not the place has been declared to be an infected place under section 7." Then it goes on to say: "Notice of a quarantine order. The director must provide notice of the quarantine order in accordance with the regulations." Then it goes on to say: "Restrictions on activities during quarantine"—and this is where I want to ask some questions—"While a quarantine order is in effect no person shall, without a permit signed by an inspector, remove from or bring into the quarantined place or area, or move from location to location within the quarantined area, (a) a live animal; (b) the carcass, remains or any part of an animal; (c) an animal product; (d) the dung of animals; (e) hay, feed, straw, litter or other things commonly used for and about animals; or (f) any other thing prescribed in the regulations."

We know that the Riding Mountain area is an infected area. We know there is a possibility that every elk taken by the hunters in that area could be an infected animal, could be, I say, need not necessarily be, but could be, and it certainly is from an area that is virtually prescribed under this section of an act as being restrictive if a quarantine should be put in place.

Now I want to ask the minister: If we have a group of American hunters come up, will they be allowed to take the meat back if it is known that it comes from the Riding Mountain area? Will they be allowed to take the meat back into the United States?

Ms. Wowchuk: Again, this is probably a question for Conservation, but I do not believe that Americans can hunt elk in Manitoba. There is no draw for Americans on elk.

Ms. Nancy Allan, Acting Chairperson, in the Chair

Mr. Jack Penner: So am I given to understand then that there will be no American hunters come up or hunt elk or white-tailed deer in the Riding Mountain area and that outfitters will not be allowed to sell outfitters' licences for white-tailed deer close to and around the Riding Mountain area?

Ms. Wowchuk: Madam Chairperson, again, you know, I would ask the member to get clarification of those questions in Conservation, but I would remind the member that TB does not spread from the meat. TB spreads from a live animal, so those are the things that he should think about. Again, I am not sure, hunting licences do not fall under this department so I would ask that he check with someone else, because I might put some inaccurate information on the record.

Mr. Jack Penner: The minister must have some question about this whole matter of animal diseases, because we just passed the amendment act. This is part of the amendment act that I am talking about. So obviously somebody has some very significant concerns about whether animal products or remains of animals or other vectors, I believe is the correct word for it, can or should be allowed to be moved. I would suspect that a given product of an animal, be it the carcass of an animal, should we allow these to be moved outside of the park area? Is the minister concerned that this could in fact be a way that the disease can be transferred?

Ms. Wowchuk: It depends on the disease that we are talking about. The member was referring to a section of the act on quarantine and restriction of activities during quarantine. Those restrictions would apply if there was an outbreak of a particular disease. The kind of restrictions would vary from disease to disease. It would be a different quarantine if it was foot and mouth disease. It would be a different kind of restriction with anthrax and a different kind of

restriction with TB. It depends on what the outbreak is in a domestic herd that has been quarantined. That would determine what the restrictions would be.

With TB, the disease is spread through direct contact with the infected animal or it could be spread with an infected animal contaminating hay and then the hay being eaten by another animal immediately or very shortly after, because there is a length of time that the disease can stay on the hay. The quarantine and the restrictions of activities depend on the disease that is affecting the animals that are being quarantined.

Mr. Jack Penner: I get the feeling I am getting mixed messages here. I am wondering whether the cattle producers and the livestock producers in this province are feeling the same way. On the one hand, we looked at or were apprised of legislation, an amendment to The Animal Diseases Act. When we looked at the legislation, we said this is good legislation. This allows the minister and her department to put some fairly strict restrictions on areas if they choose to do so.

Now I am almost hearing an apologetic type of an attitude come from the minister's mouth when we talk about the right that she has been given, an almost excuse-type response saying, well, these may be or this is only when the animal might be warm or it is very—there are some questions here as to whether this disease is really as serious as we think it is in the minister's mind. Yet we put in jeopardy the export of animals, breeding stock into the United States.

As it stands now there is nothing in my view that would stop the Americans from putting a complete ban of Manitoba cattle, indeed Canadian cattle if we would see another one or two cases in this province over the next year or so. Far be it from me to think that the Americans would not use this even as a trade action if they deemed it necessary.

I am really seriously suggesting to the minister that she has the legislation now in place, that she could put a quarantine, or she could even cause the fencing of the national park without entering the park. You could put a total

fence around it, and you could send the bill to the federal government to protect their herd of diseased animals. You would be protecting the domestic herd to ensure that those wild animals could not congregate amongst our domestic herd. I would suspect that this act actually gives her the authority to do it if she chooses to take the action. I think that will demonstrate how serious this Government is about securing the safety and the well-being of our cattle and bison industry in this province of Manitoba.

* (20:00)

I know the minister is sitting there chuckling about this, but to me this is not a laughing matter. To me this is a very, very serious matter, and I think we should deal with it appropriately to ensure that our security, No. 1, our health security of our animal herd is maintained and that we indeed not only talk about food security as we do under Bill 2, and all those kinds of things under a security act when we are not serious about dealing with an issue that is confronting us. We will remind the minister. We will remind the minister during the election campaign that she does have the right under legislation to deal with this matter and she is refusing to take action to ensure the viability and health of our domestic herd.

I want to move on to another area of the Estimates and that is I want to talk a bit about the next item on the agenda. First of all, maybe I should ask the minister whether she is satisfied with the amount of activity that is currently going on in rural Manitoba as far as her regional services are concerned. Does she contemplate making any changes to the regional services that are currently being offered?

Ms. Wowchuk: Madam Chairperson, before I answer the member's question, I just want to go back and tell the member that I do indeed take the issue of the TB situation in Manitoba very, very seriously. The member talks about the possibility of further consequences from the United States should there be another disease outbreak. If that happened, that is what has happened in the past. This is not a new phenomena. When there has been disease in this province or in other provinces before, there had been restrictions put on movement. It has

happened, and I hope that this clears up, that we do not have additional cases of TB, and that is why we have put together the strategy. That is why we are working with the Canadian Cattle Producers. That is why we are working with CFIA and taking the many steps that I have outlined for the members now several times as to the restriction of movement and the controlling of fencing of bales and tracking of animal, increased licence. All of those things are steps that we are taking. I hope that the work pays off and that we do, indeed, not find another case of TB in Manitoba and that, in time, we will have our status upgraded again.

With respect to the regional services, I have to say to the member that I am really pleased with the work that is happening in the regions and changes that are taking place and the activity that is going on. I just had the opportunity in the last week, with our new ADM responsible for regional services, Mr. Barry Todd, to visit in the Parklands area and look at some of the work that our department is doing in a variety of areas, and I was very impressed with the work that we are doing.

I think, one of the things, farmers are looking for new opportunities to diversify. We are seeing that we have to move from generalists to more specialists to be able to target to specific issues as farmers diversify. Of course, we want as many of those specialists to be able to be located in the regions, not in the centre.

One of our biggest, most important areas that I think we have right now is the need for focussing on livestock specialists because, as the livestock industry grows, there is need for the supports in that sector. So that is what I see happening in the regions. I see, as we diversify, we are going to need more specialists, and I know the member is aware that last year we hired a sheep and goat specialist. I remember some people saying, you know, what is the importance of that one. In fact, there is a sheep and goat growing industry, and there are some people looking at how we might be able to process milk from these, but, of course, the herds have to grow a lot more than they are.

We have also hired an organic specialist that is available for those people who are interested

in the organic industry. So I see the department and the regional services focussing more on specialists rather than generalists. We are always looking for advice from the regions because those are the people that are at the grass-roots who can tell us what the opportunities are and what the need for services and support are for the producers out there.

Mr. Jack Penner: The reason I ask the question is I understand that the department has hired some inspectors. What I would like to ask the minister, Madam Chairperson, is: How many inspectors have been hired, and how many more is she contemplating to hire to enforce or deal with Bill 23 once that has been brought into being?

Ms. Wowchuk: Madam Chairperson, we do not believe that we will need additional staff for Bill 23. There will not be a need for additional staff. It will be staff within the existing department. This is not going to be a huge number of people involved. We believe we can handle this within the existing staff and the inspectors that we have in the department.

Mr. Jack Penner: It was my understanding when this bill was introduced that there were comments made that this would require the hiring of more staff and that, I believe, comments in the news release indicated that there would be greater inspection and a compliance process put in place under Bill 23 and that if that is not the case then I stand corrected and I accept what the minister is saying. But that was my understanding that that would happen. So I was wondering whether that would increase the regional staff contingency or not.

Ms. Wowchuk: No, it is not our expectation that there is going to have to be staff hired for this. There would be some staff within the existing component that might be dedicated, but this is not going to mean additional staff.

Mr. Cummings: Just returning to the take of elk around Riding Mountain, this is for clarification only on my part. I am reading a report in the *Brandon Sun* that talks about 8000 applications coming in. Is the minister saying that the now some 2400 elk that may be eligible to be taken

around the park, is that specifically in the area of the park, because those numbers do not quite seem to add up? I am questioning my own memory in this case. I do not have the Minister of Conservation here to ask. You are directly affected by this harvest. I just want to confirm for the record that that is potentially 2400 elk in the Riding Mountain Park area, or is that 2400 elk province-wide?

Ms. Wowchuk: My understanding is that the tags are going to be doubled in 23 and 23A around the park. In that area there was 1200 licensed, that would be 2400 tags. That is the area where the tags are doubled, not the rest of the province.

* (20:10)

Mr. Cummings: Thank you. That puts my fears at rest.

Mr. Jack Penner: I look at Bill 23. It talks about a commercial manure applicator, manure management plan, providing manure management planning and hiring of people who are qualified dealing with no off-farm manure application unless a person holds I believe a degree. It talks about, and I have not heard about this before, but I guess a degree in fertilizer and fertilization.

Madam Chairperson in the Chair

So I am wondering if the minister could, you know, tell me who the people are in her department who are going to be doing this if there are going to be no new people hired. How is this going to be dealt with?

Ms. Wowchuk: The member said that the person who will be applying the fertilizer must have a degree. I want to tell the member what will be required is that commercial manure applicators take a course and they will have a certificate. The course is being developed with ACC, Assiniboine Community College. The intent of this legislation is to have the individuals take a course that is developed through Assiniboine Community College and have a certification for commercial applicators.

I am sorry, I think the member had another part to his question. I would ask him to repeat it, please.

Mr. Jack Penner: Madam Chairperson, it says here, under clause 5(1)(a), at reasonable time and without warrant, enter the inspector that we talk about, and maybe I should go back to 4 2.1 where it says: No person shall act as a manure management planner unless he or she has the qualifications prescribed in regulation. I believe the regulation says this planner must be a university graduate. Is that correct that this planner must have a university education?

Ms. Wowchuk: Madam Chairperson, the regulations that the member is referring to have not been drafted yet. As with most legislation, regulations are drafted after the legislation is passed. These regulations are not drafted yet, but what I have said is that the planners would have to belong to an organization like MIA or a similar organization, but indeed the regulations have not been drafted and those details have not been worked out yet.

Mr. Jack Penner: Is it the member's view, though, that the person that I am referring to will need a university degree in order to become a manure management planner?

Ms. Wowchuk: Madam Chairperson, what I have said to the member is that that has not been determined. It may not. The regulations have not been developed, but what we do know is that someone who is doing manure management planning has to have a good understanding of agronomics, has to have a good understanding of crops, of fertilizer application and a wide variety of issues. I used the example of the Manitoba Institute of Agrologists perhaps being the body that they would be part of.

The member talks about me laughing. Well, I can see that the member takes this very lightly. I am quite surprised that someone who is involved in agriculture, prides himself as being a farmer, who would not take seriously the application of fertilizer. He knows full well that there are risks in overapplying fertilizer and there are risks in underapplying fertilizer. He may not take this matter seriously, but we indeed do take it seriously. We know we have a growing livestock industry in this province. We know that manure is a very valuable resource. Manure can save farmers thousands of dollars on their fertilizer bill, but inaccurate application of

fertilizer can also cost farmers thousands and thousands of dollars. So we take this very seriously. That is why we have brought in this legislation. That is why we are going to require training of the manure applicators, and that is why we have made the statement that we have about the manure management planners. I would hope that the member would recognize the importance of proper application of fertilizer no matter what kind of fertilizer it is.

Mr. Jack Penner: The reason I chuckled is, if the minister only knew how important it really was on my farm operation, she would probably have used a few different versions to describe what is going on.

I want to indicate that, if you look under The Pesticides and Fertilizer Control Act as it currently stands, there is a provision for regulations under that. Those are the regulations I refer to because they have been drafted, and they are currently in existence. Those regulations also talk about the requirements of the person under this act. That is why I ask the question whether there will be further people hired in order to be the inspectors, to be the manure management planners, or whether it is the view of the minister that these will be private entrepreneurs that will be established, as they are now, quite frankly, and will in fact be private entrepreneurs that will provide these services at a cost to the producer, or will the department provide these persons to be the manure management planners? Will they need a degree in agronomics? How are we going to deal with this whole matter?

* (20:20)

I think this is a very, very sincere attempt by the department to bring into reality what is happening out there, and that is to demonstrate how valuable a product that we really produce on the farm now as a secondary product will lead us to eventually be able to, in a very serious way, develop food products that will not need or use manufactured fertilizer types. Organic food production, on a larger scale, becomes a reality because of the livestock industry. I am very serious about this. I think that can happen, but it needs to be done in a proper manner. Therefore, I think this is an attempt, in my view, to meet

those needs. I am just wondering whether the minister is prescribing to the fact that this can be done by private entrepreneurs, they can provide those services that those people are there, or is the minister attempting to hire new people?

Ms. Wowchuk: Madam Chairperson, those services within the pesticide sector are provided by the private sector now and will continue to be provided in the manure application by the private sector. It is not our intention to hire more staff. There is a private sector that can handle it. The member talks about regulations. Those regulations apply on the existing legislation. On the pesticide portion of it, regulations will be amended to address the new parts of this legislation.

Mr. Jack Penner: I am about to go on with the regional services, but, before I do, I want to commend all those people that I have worked with over the past year within the department that do provide the regional services to Manitobans. I think, nowhere was it more evident as to how valuable these people can be than in the south part of the central region where I met with the ag rep in the Altona area and asked him whether he would do a survey of the flood damage that had occurred. Brian Jack, who is the ag rep there did that. I then met with Wally Happychuck, the ag rep for the southeast area, and asked him to do the same thing. Both of those people did, I think, a commendable job in identifying how many acres were actually affected by the flooding and roughly how many acres were either completely destroyed or severely damaged by the flooding that had gone on there.

I would strongly recommend to the minister that she take a look at those numbers. I have asked for those numbers from both the ag reps. I hope they will share them with me.

It came about because of complaints by a group of local farmers from the Rosenfeld area and the Halbstadt area that had seen their crops totally wiped out. They wanted to know what could be done to demonstrate the severe economic impact. I ask then whether your two Ag reps would be able to do that kind of work for us to determine what the real effect could have been.

I would strongly suggest to the minister that you take a good, hard look at that and that you might convince your colleagues that the impact is severe enough that you might apply some special programming in that area as was done in 1997 to compensate for some of the costs that some of those farmers had incurred.

I am somewhat surprised that the Premier, in Vassar, indicated that they would apply similar type of programs in the southeast area, the south central area that were applied in 1997. Yet we have seen no indication at all from the Premier that he will announce any of those programs.

I would have hoped that he would have taken the opportunity at the last ministerial conference that he just came back from to raise that issue with the federal people to see whether there could not be some agreement and co-operation. If that is not possible, then I would still hope that the Province would take the initiative as was done in the Swan River area during the '88 flood and take the action and then deal with the Province later.

As the Premier has said, in 1999 when the western people were being affected by high levels of water, he made it very clear that the then-government, the Filmon administration, should pay out the money and deal with the federal government later. We say the same thing now. Pay out, compensate those people that are hurt by this, and deal with the federal government at a later date. We think that is only fair.

We believe that the total flood compensation package is sadly lacking. The people that are affected by this are devastated. The people that were affected by '97 are saying to themselves, were we ever fortunate that we had a government in place at the time that knew what it was like to lose. In some cases here they will lose their farms if something is not done to help them. Were we ever fortunate that we had a government that understood. They are saying now, where is that understanding and will there be finally some degree of program compensation that can be put in place?

I think your regional people will help you, give you an indication as to what the severity of

the losses are in those areas. That is why I raise this. I commend them, commend all the people that have worked very hard during that flood time. I worked with the people over there. Many of the people are not involved in agriculture so much, but came in and gave of their time to give comfort to those people and help them cope with their losses that they were incurring.

I always admire those people that have the ability to do that, as they did again in the Sprague, Vita and throughout that Halbstadt area, came in and gave comfort to those people. So I really want to commend the departmental people that came out and did that work.

I am willing to pass the regional portion of the Estimates. Before we do that, though, I just want to make one comment. Throughout the Agriculture Estimates process and throughout looking at the numbers, I find it very interesting that almost line over line over line there is a reduction in spending in Agriculture this time around. I find that very interesting that this Government has constantly said that agriculture was a priority for them. Yet, when I look at these Estimates numbers, that clearly does not indicate that.

Ms. Wowchuk: Madam Chairperson, if you look at those reductions, there are some reductions that have been made, and the member knows full well that, given the year that we had, there were some challenges and that we were required to make some reductions. I can tell the member that there has not been a reduction in services provided. There has been some reduction on the operating side. I would hope that the economy improves, and we will be able to have those resources returned. But, when you are setting any budget, there are times when you have to make some reductions, and this was one of those years that, given the events of September 11, given the events of the federal accounting error and many other issues that happened, all of those issues were issues that we had to address, but I am quite pleased that in this department we have not reduced services.

The member talks about the services of people in the southeast part of the province. I want to take this opportunity to say that I am also very pleased with the kinds of work that our

department staff does in a variety of areas. You look at some of the demonstration projects that go on, the new technology that is being transferred to producers. It is very rewarding to see the work that staff is doing, and I also commend them for their work.

* (20:30)

Madam Chairperson: Item 3.5. Regional Agricultural Services (a) Northwest Region (1) Salaries and Employee Benefits \$2,324,600—pass; (2) Other Expenditures \$826,500—pass.

5.(b) Southwest Region (1) Salaries and Employee Benefits \$2,542,000—pass; (2) Other Expenditures \$721,100—pass.

5.(c) Central Region (1) Salaries and Employee Benefits \$2,509,800—pass; (2) Other Expenditures \$689,800—pass.

5.(d) Eastern/Interlake Region (1) Salaries and Employee Benefits \$3,457,000—pass; (2) Other Expenditures \$1,238,000—pass.

5.(e) Agricultural Crown Lands (1) Salaries and Employee Benefits \$654,700—pass; (2) Other Expenditures \$275,900—pass.

Resolution 3.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,239,400 for Agriculture and Food, Regional Agricultural Services, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 3.6. Policy and Economics.

Mr. Jack Penner: One of the areas is Crown lands, agricultural Crown lands, and I am wondering whether the minister can tell us whether there were any agricultural Crown lands sold in the province this last year.

Ms. Wowchuk: Yes.

Mr. Jack Penner: Can the minister tell us whether there were any Crown lands sold in the southeast area, in the southeast region?

Ms. Wowchuk: I can tell the member that there was 13 parcels of land sold from Crown lands in the last year, but we do not have here the specific locations. If the member has a particular area that he is interested in then perhaps we could gather that information for him.

Mr. Jack Penner: Madam Chairperson, I am wondering whether there was any land sold in the Sprague area.

Ms. Wowchuk: I can get that information for the member and then provide it for him when it is available.

Mr. Jack Penner: Madam Chairperson, the minister told me this last year in a number of areas, and I still have to receive the information that she indicated that she would get for us. I am still waiting, and it is a year later. So I am going to ask the minister whether the minister will be a bit more prompt in providing the information for me.

I would like to know how many parcels or how many acres were sold or hectares were sold in the Sprague area, and I would like to know what the price of the land sold was. I am hearing some rumours and those rumours concern me if they are, in fact, correct, because if there is land being sold at \$80 an acre I would like to know who bought them and how come it was sold without tender and without a proper bidding process.

Ms. Wowchuk: Madam Chairperson, we will get the information for the member, and if the member is saying that there were some questions that he asked last year that I did not provide him with the answers, I apologize for that.

With respect to the Crown land, it will depend on whether it was somebody who was leasing the land or it was a straight outright sale. Those may not be in Agriculture; it may be in Conservation, but I will take to find the information and provide it to the member with regard to the parcels of land sold in Sprague. *[interjection]* My staff says we promise to give you the information in a week, but just do not count seven straight days. Just give us a few extra days.

Mr. Jack Penner: Well, thank you very much, Madam Chairperson. I appreciate the response. I will count the days.

Could the minister tell me whether there is a process of tendering that happens when a parcel of Crown land takes place? I know that there are priorities given to those people that lease land if it comes up for sale, but if there is no person that is leasing the land and if there is land put up for sale, can the minister tell me what the process is of acquiring that land?

Ms. Wowchuk: Madam Chairperson, if it is agriculture Crown land, a person has to lease it for two years before they can buy it. Of course, when it comes time to buy it, it is assessed on need. If there is a piece of agriculture land that comes up for lease, it is advertised and it goes on a point system as to who might need it.

Now if the member is talking about other Crown land that is not agriculture Crown land, that would be through Conservation. I am not sure of the details of how that land would be sold, but the agriculture Crown land is leased first and based on the need of the individual.

Mr. Jack Penner: Who determines that need?

Ms. Wowchuk: When a person is applying for Crown lands there is a very detailed scoring system. That is done by staff who go through the application, score it, and it is awarded based on the need and the score of the individual who has made the application. If someone who has made an application and is not satisfied with the result, that they may have not got the land, there is an appeal process to go through.

* (20:40)

Mr. Jack Penner: It is not that there is anybody who was not satisfied, or something like that, it is nobody knew about the sale except one person, I am given to understand. I do not want to create a great deal of problems here for somebody, but I would like to know the details, that I have some self-satisfaction here.

Secondly, if the minister could, Madam Chairperson, provide for me the criteria that is used and/or any material that is used to identify

point system by point system how that is done. I would like to see that because it seemed somewhat odd to me when I was told about this over the weekend, at Piney, at the blueberry festival, quite frankly, that this parcel of land had been sold and nobody had known about it, that it was just done. I found that interesting and I would like to know the details of that sale, if it in fact did take place.

Ms. Wowchuk: Again, the member might want to share a little more detail about this after committee. That might help us find the information more quickly, but I can say to the member, if the individual, or if this parcel of land was being leased, or had been leased for some time, then there would not be need to advertise it.

I would ask that the member share some detail afterwards and then we can check into it for him more quickly.

Mr. Jack Penner: Further on this, the whole area of policy and economics, under boards and commission, the whole matter of supply management comes into question. I think I asked this question last year and I am going to ask it again. I am even more deeply concerned about what I am hearing from our American friends and what they are proposing as far as agricultural tariff reduction and/or export subsidy reductions. I am even more deeply concerned about the supply management sector and how this could affect them. It appears to me, the sparse details that I have of this so far, that the Americans are playing fairly loosely with other countries', other nations' programs and have positioned themselves under their new farm bill in such a manner that they can actually maintain what they have had over the last five years without jeopardizing any of that and might even be able to enhance their programming because they supported or drafted a new farm bill that took their ability of subsidization, or farm support, I should say is a better word, to the limits under the terms of the WTO.

I think \$19.8 billion is the American limit on annualized farm support that they can utilize, and even if they drop that in half, they would still be right around where they were over the last five years in what is called the normalized

farm support programming if you take away the disaster programming that they did. There is nothing in my view, when I read the American farm policy or the WTO policy, that would lead me to believe that the disaster assistance will not be maintained or cannot be maintained under WTO. So I would suspect, even if the Americans propose to reduce the farm supports by 50 percent, that they would be able to deliver the \$19 billion or some-odd-billion dollars, if they chose to do it through the disaster program, and that concerns me.

It really concerns me that, for instance, our dairy program—if you look at the American dairy program that has been announced now under the new farm program, it has significantly enhanced their ability to compete with us because it gives them stabilization, significant stabilization. I believe their stabilization will be somewhere in the neighbourhood of 16 cents to 17 cents Canadian per litre of support, which I think is quite a bit above what our prices are, and, if you take away the tariffication then, would allow the Americans virtual free access to our market. That would cause, I believe, some significant and severe concerns to our dairy industry. I wonder whether our poultry industry might not be affected in a similar manner, although the tariffs were not nearly as high on the poultry side of it, but we also have some significant tariff protection under the poultry sector.

So I wonder whether the minister has had any discussions or took the opportunity to discuss any of this when she was in the States looking at that part of the American farm bill that talks about country of origin and country of origin labelling?

Ms. Wowchuk: Madam Chairperson, when I was in Chicago the other day, we were talking specifically about the country-of-origin labelling and the impacts or the possible impacts of country of origin labelling both on Canadian producers and American producers. I did not get the opportunity to talk about the supply management, but I have to tell the member that I have raised this issue and had discussion with our federal Minister of Agriculture and very much support Canada's negotiating position. Certainly, supply management is under attack at the negotiations by the U.S. They take every

opportunity to enhance their programs and then attack programs we have here in Canada.

Mr. Jack Penner: What action does the minister think could be brought into being in order to lend national support to our supply management system if, in fact, as I believe, the Americans will proceed in the manner they have identified? Is there any planning that is currently being done by the minister and other Canadian provincial ministers? Has there been any discussion on this as to what kind of action they might contemplate taking in negotiations during the next round, which I understand are supposed to be brought to conclusion by 2004?

Ms. Wowchuk: Those negotiations the member refers to have been started. It is anticipated that they will be completed by 2004-2005. I can tell the member, when I raised the issue with Minister Vanclief, there was universal support from all provinces, that it is very important we take a strong position and protect supply management and not negotiate it away at the table. That is a position all Canadians support.

The member asks what we can do. I think that Canada has to be careful that it takes a strong position, that Canada does not give away too much. If you look back at other rounds and what Canada gave away, I think Canada went far beyond what was needed. Once you give it away, it is almost impossible to get it back.

* (20:50)

Mr. Jack Penner: I thank the minister for that answer.

Certainly, we are going to have a difficult period of time during the negotiations. I would hope the minister would play a leadership role in bringing the position of the provincial ministers to a point where we can at least have some level of confidence that we have a significant position to bring to the negotiating table during the WTO.

Whether some people like it or not, our supply management sector has done extremely well. They have managed their resources well and I think they have provided a significant contribution to the economy of this province. I think we can enhance that.

I will put on the record again for the minister's edification, Madam Chairperson, that I truly believe if we took a strong position in negotiating federal-provincial agreements on supply management we could increase our quota allocations very substantially, as Saskatchewan did last year in the poultry sector. I believe we in Manitoba have a clean case to make, that we can and should be able to be allowed to on a much more competitive basis develop a livestock sector that would be tailored towards the increase of production in the supply management area.

Similarly, in the honey market, I think we have a real opportunity to expand that honey market. I understand that honey prices are probably at their highest level that they have been historically. At least that is the information I get. It is a bit of a cyclical industry as we know. Again, it is an opportunity, I believe, for expansion, and then, hopefully, the minister will encourage that sort of expansion in those areas because they are different, and they provided another different source of income. They can provide a different source of income for farmers and help them diversify.

That is, of course, what agriculture is all about, being innovative and move in a significant way towards diversification.

I again want to commend the boards of directors of the supply management organizations for running their organization well. Having sat around the table with them at CFA for a number of years, I realize how dedicated these people are, and I truly want to commend them for the work they do.

The other question that I have, and I asked this question before, but I think it is even more relevant now. I want to just reiterate what I said the last time we met, and that is I would hope that the minister and her colleagues will take very sincerely and seriously the attempt that the Americans are taking to encourage more processing of their domestically produced products through the country-of-origin labelling and how that might affect our hog industry. We could find ourselves in a position where two years from now we could have two million or better piglets that are homeless.

I hope that we take action to allow for building of feeder barns in this province that will house those piglets. The Americans shut the border on our supply of feeder pigs or weanlings going into the United States. I think the minister should take this issue very seriously and recommend to her colleagues in government that they move expeditiously to allow for the construction of housing so that we will be able to house that group of hogs that is going to be affected by the Americans taking action to stem the flow of weanlings into the United States because of the country-of-origin labelling. I hope that we take that seriously enough to note that we will probably have to move very quickly.

Ms. Wowchuk: Madam Chairperson, that was the primary reason for me going to Chicago, to talk specifically about the impacts on not only the Canadian and Manitoban producers but on the U.S. producers. I have to tell you that there was an excellent presentation made by a staff member of the Department of Agriculture and Food, who outlined for the U.S. legislators and other people who were there the impacts of this legislation. I can honestly say that they did not realize what the impact would be on their producers. Those family farms that the U.S. farm bill was designed to help are the ones that are going to be hurt by country-of-origin labelling. U.S. small family farms who are buying weanlings from Manitoba because there is a cost advantage to them buying weanlings from Manitoba are going to lose that advantage. As a result of our presentation there, it made some of those people sit up and listen and say that they are going to go back and reconsider what the impacts on their producers are going to be.

So it was a very worthwhile meeting to take part in, and we made some very significant points in making them aware of what the impact of their legislation was. I have to tell the member that people have said that there are impacts already, people are looking for new markets, and it was quite surprising there happened to be a barn in Swan River that was short of weanlings and a farmer in southern Manitoba who was not sure about his contract and those weanlings are now going to the Swan River Valley to be finished. Those are the things that are happening. Our farmers are creative. There is no doubt that there are going to be challenges, and we hope

that we can get the U.S. to recognize what these challenges are. I hope that we can work with them.

Ms. Nancy Allan, Acting Chairperson, in the Chair

With respect to the WTO, I want to let the member know that my colleague the Minister of Industry, Trade and Mines (Ms. Mihychuk) has been representing Manitoba in those negotiations. She was in Seattle. She was in Qatar and has taken a strong position to represent Manitoba farmers. I am pleased with her taking that position forward. But I can also tell the member that Manitoba Agriculture and Food in co-operation with Agriculture and Agri-Food Canada hosted a consultation, Canadians on the WTO agriculture negotiations, right here in Winnipeg in April. We had more than 40 industry representatives who participated, and Manitoba found that to be a very successful meeting and it is anticipated that we along with the federal government will hold further meetings as the agriculture agreement develops.

* (21:00)

Mr. Jack Penner: I am pleased to hear the minister say that, because it is a significant concern amongst the industry, as I am sure the member is aware. I also want to indicate to the minister that we would do everything in our power to assist her in our Government wherever we can in that regard, because I believe that this will take a significant initiative to move the Americans off their position. I do not think they announced what they did lightly. I do not think it was done as a threat. I think they are serious about causing more processing and production of their own products at home. I think we are going to feel the impact of that. But again I want to say to the minister, take very seriously this initiative. You are going to have to move very quickly. When I saw some of the initiatives that you announced just recently, your Government indicated that it would take 18 months to 24 months to develop and implement the new policies for hog production and sitings and planning act. I would encourage the minister to expedite that process because two years is not adequate. We cannot put this industry on hold for two years and expect that two years from now when the Americans do take action and we

have done nothing, would be a disaster that I do not think anybody would want to see. I strongly recommend to the minister that she do everything in her power to convince her colleagues to move very expeditiously on the implementation of that program.

We agree with your approach. We believe that we developed the strongest guidelines anywhere in Canada for livestock production. Your indication was that you might move those guidelines into regulation. We would concur with that. We would support you in that. We believe that that is important to do that. We believe that that will give the comfort and some standards that can be applied province-wide. We believe the industry needs that level of comfort. We would strongly encourage you to move expeditiously in that matter to bring those things into place quicker than 18 months even, because I think the industry needs that kind of approach.

Further to that, I only have one other issue. That is the last one here. That is the Agriculture Disaster Aid Programming. It concerns me deeply when I see a \$4-million reduction in that bottom line, income under the CFIP program.

I want to ask the minister whether she can give us an indication as to where she is at with her negotiations with the federal government and the federal program that was announced just a few short months ago and whether she has now come to the realization that provincial participation in that process is needed, strongly needed by our farm community, because we cannot have 60% farmers in this province.

The minister, I believe, indicated at one point in time that we had a 60% federal government. Well, many of the farmers are now talking about having a 60% provincial government or a 40% provincial government, because the Government has indicated they will not participate in the federal program. I would strongly recommend, through you to the minister, that the Government should rethink their position and participate in the program that was announced by the federal government to ensure that our farmers will be at least from that level brought to a level playing field. So I wonder, Madam Chairperson, whether the minister might want to respond to that.

The Acting Chairperson (Ms. Nancy Allan): I would just like to comment and ask the Member for Emerson, seeing as we are discussing disaster aid assistance, item 3.8, I was just wondering if we could pass 3.6 and 3.7.

Mr. Jack Penner: Well, I would agree to that. However, I might want to come back to 3.7 for one more brief comment on that.

The Acting Chairperson (Ms. Nancy Allan): Is there leave of the committee to come back if necessary? [*Agreed*]

3.6. Policy and Economics (a) Economics
(1) Salaries and Employee Benefits \$1,242,300–pass; (2) Other Expenditures \$373,900–pass.

6.(b) Boards and Commissions Support Services (1) Salaries and Employee Benefits \$431,800–pass; (2) Other Expenditures \$604,600–pass.

Resolution 3.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,652,600 for Agriculture and Food, Policy and Economics, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

The Acting Chairperson (Ms. Nancy Allan): Item 3.7. Agriculture Research and Development (a) Agri-Food Research and Development Initiative \$1,000,000–pass.

6.(b) Agricultural Sustainability Initiative \$1,118,500–pass.

6.(c) Grant to the University of Manitoba \$768,300–pass.

6.(d) Grant to the Prairie Agricultural Machinery Institute \$332,500. Shall the item pass?

* (21:10)

Mr. Jack Penner: Before we pass the Agriculture Research and Development line, I would like to know whether the \$768,000 that is granted to the university, could the minister indicate what that money is directed, or is that dedicated money, or what is it directed towards?

Ms. Wowchuk: The funds that are given to the university, they are grants for research funding. There is discussion between the departments where the department identifies priorities, the university identifies priorities, and then we come to some conclusion. It is not written in stone, a written contract, as to what the research should be, but there is discussion between the department and the university as to what areas of priority the research should be taken in.

Mr. Jack Penner: So the grant money is not dedicated to any given research project that the Department of Agriculture might want to undertake or might want the university to undertake.

Ms. Wowchuk: It is not dedicated in a way that there is a contract that says thou shalt do this, this and this, but there are discussions between the department and the university as to what we feel are areas of priority, what are the most important things and challenges facing our producers. Then the university has their priorities. Through that we come to an agreement on which projects the research funds should be dedicated to. There is a wide variety. There could be research in plant science, there could be research in animal science, crop diversification, a wide variety of areas. But there is a lot of consultation between the department and the university to determine which projects would be the best ones in that particular year that research should be done in.

Mr. Jack Penner: Under the line Agri-Food Research and Development Initiative, the million dollars that is set aside there, what is that million dollars expended for and where is it expended?

Ms. Wowchuk: Those projects under ARDI are proposal driven. There is a board that is in place. Of course that board reviews the proposals, does an evaluation on them and then determines which projects should be funded under this fund.

Mr. Jack Penner: Are there any new initiatives that ARDI has undertaken this last year. What projects were identified as being funded by ARDI this year? I wonder if the minister could give us a list.

Ms. Wowchuk: Madam Chairperson, there is somewhere in the range of \$3.5 million to \$4 million worth of projects that are ongoing. They range in a wide variety of things like the Great Plains Aseptic Processors that we talked about the other day. We have the PCR-based diagnostic for seed potatoes post-harvest, virus testing. There is a project with Brett-Young Seeds on genetic improvements to canola. There is identification of new, effective forms of crown-rust-resistant oats; forage crop variety testing; development of shelf-stable, butter-flavoured honey spread; manure exposure, odor and crop response following injection; pocket gopher protection project; soil food for nutrition and nutraceutical benefits; marketing opportunities in barley and tortilla chips; successful soybean production in Manitoba; enhancing pulse crop varieties. There are a wide variety of projects that are being funded under the ARDI program. Some are one-year projects, some are two-year projects. Poultry and swine diet; effects of hog manure application on weed control management; those are the kinds of projects. They vary from manure application to crop development to a wide variety of areas.

Mr. Jack Penner: I wonder if the minister could tell me whether she or her department have any involvement in identifying given projects. I am interested in the hog cover program or whatever that you mentioned. Pardon?

Ms. Wowchuk: The lagoon cover.

Mr. Jack Penner: The lagoon cover.

Ms. Wowchuk: The lagoon cover initiative, that testing is done under the Manure Management Initiative.

Madam Chairperson in the Chair

Mr. Jack Penner: I understand, Madam Chairperson, that there is a young fellow at Arnaud by the name of Dennis Janzen, who has developed a lagoon cover all by himself without any funding from the department because he could not get any funding either through ARDI or through the department or through the Manure Management Initiative. I am wondering why that would have happened.

There is going to be a demonstration of the product that he has developed over the next day or two. I am wondering if any of her departmental staff are going to be at that demonstration to do an evaluation of what Dennis Janzen has actually produced.

Ms. Wowchuk: The member raises a specific project. I am sure that the regional people know about the project or are aware of it, but I can tell the member that the people at the table here are not aware of the project.

The member asked about funding for this particular project. I can tell him that, you know, these funds, whether it is ARDI or the Manure Management Initiative, have boards of directors. It is the boards of directors that make a decision as to why, whether or not a particular project merits funding or does not merit funding. So I cannot say why this particular project did not get funding, but I can tell the member that it is not a decision that departmental staff make. It is decisions that are made by the boards of both of these initiatives.

Mr. Jack Penner: It was not that I am implying that staff should be involved in this. I am just wondering. I am going to be talking to Mr. Janzen. I am going to be at the demonstration.

Ms. Wowchuk: Where is it?

* (21:20)

Mr. Jack Penner: It is at Arnaud.

I am going to be at the demonstration of this product that he has developed and get a first-hand view of it, but I understand it is a significant development. He developed this at some significant cost out of pocket. I am wondering why an ARDI board, for instance, or a manure management group would not have taken a good, hard look at this. I suspect because it was taken on by one individual, and he did it basically for himself. He said there must be a different way to control the odour that comes out of these lagoons other than spreading straw on them. He was not happy with the results he was

getting from the straw spreading. So he developed this product. As I say, I am going to go take a look at this, but if I think what it is, I would then wonder why this person had not been recognized, because this person has developed other new products and done it very well and builds well. So we are going to go take a look at it, and I might be back to the minister before this is over. Hopefully, if it is the kind of product that I think it is, then, hopefully, there can be some recognition of his efforts to improve the acceptability of ILOs, as we call them today, in areas and which might, in fact, help us to build these units closer without having the odour prevalent that is now so prevalent in some areas and might make it much more acceptable to have these operations in our communities.

Ms. Wowchuk: Madam Chairperson, the member made an interesting comment. He said this farmer was not happy with the situation with the straw cover, and he thought he could do better. That just shows the ingenuity of our farmers. There are many challenges that farmers face out there, when you look at some of the equipment that is designed, you know, that piece of equipment just is not working the way the farmer wants it to, and he gets out there and does a little bit of adjusting, gets out the welder, makes some changes and develops a new piece of equipment. This farmer did the same thing. He was not happy with the straw cover and thought he could do better, and he did. I commend that farmer for it, and I hope it is successful for him.

The member is asking about why he did not get funding, and I cannot tell the member. I do not know. I mean, we are looking through it here, and I do not know whether that individual made an application to ARDI or whether it was the Manure Management Initiative. Sometimes people do make an application, and it might be that it is work on a lagoon cover, and maybe the board considers that there has been enough research done on lagoon covers. I do not know that is what happened, but these things happen, or they might see that there is some weakness in the application.

I want to give this farmer credit. He saw a challenge there. He saw a problem. He went out and addressed it. I hope he will be successful. If

there are more details that the member can share, then we might be able to check out as to the reason for not qualifying, but, at this time, we are not aware, and, as I say, under the Manure Management Initiative and ARDI, it is boards that review the application. If there was an application for this one, they may have seen a shortfall in the application, and the individual felt committed to do it. He may have come up with a good product now. I wish him success.

Mr. Jack Penner: I wonder if the minister could indicate whether the initiative that the Manitoba Sugar Beet Producers organization took a few years ago, and I believe there was some ARDI money flowed to the Manitoba Sugar Beet Producers to try and find a way to change the genetics of the sugar beet to give them a different product that could be processed and brought into a new industry. I wonder if the minister could enlighten us on any progress that has been made there.

Ms. Wowchuk: Madam Chairperson, we were having a discussion here, and I believe that project has died. The genetics for changing the sugar beet is controlled by a company in Europe. I believe it is in Holland. They are pretty protective. I remember having discussions with some of them, and they are not ready to advance that. I think part of it is the whole view of genetically modified foods and what the impacts will be on the industry, but I think that that whole project has been put on the shelf for now, at least here in Canada.

Mr. Jack Penner: I wonder if the minister could indicate whether she has had any discussion with the federal government as to whether they might want to take some action to reinstate or to bring to life again the sugar industry in this province. Secondly, does the minister believe that there is viability in the industry, that it could be brought to life again in this province?

Ms. Wowchuk: I can tell the member that I had lots of discussions with the federal government on the sugar industry in Manitoba and how they bargained us away in the last round of talks. That was the only reason that we lost the sugar industry in Manitoba. It was because of the federal government.

We do not have a processing facility right now. We have lost the plant, and it would be very difficult to build the sugar beet industry in Manitoba again. I have no doubt that the processors could grow sugar beets again. It is finding a market for them. I think the member was part of a group trying to negotiate with Crystal Sugar, trying to get beets to go south, and they were not successful in that.

Do I think we could have a sugar beet industry in Manitoba? I think we could grow lots of sugar beets in Manitoba, but what will we do with them without a processing facility?

Part of the things that have killed our sugar beet industry is the level of support in the U.S. as well for the sugar industry.

I do not know whether the member heard the really interesting story that we have heard recently, this weekend in fact. There was discussion on about the candy industry coming to Canada, basically because the U.S. subsidies have driven the price of sugar up and the candy manufacturers are now looking at Canada. I wish we could get those candy manufacturers to come to Manitoba to replace some of those jobs that we lost in the production of sugar.

Do I see it coming back? I think that our farmers have diversified into other crops, but if there was a processing facility that was going to be here, then I think our farmers would take up the challenge. Without a processing facility it will be very difficult to grow sugar beets and have a fair rate of return.

* (21:30)

Mr. Jack Penner: The reason the candy industry is looking at Canada to establish here is exactly because of the federal government doing what they have done. They protected the eastern processors, refiners. Those eastern refiners are wholly dependent on foreign raw sugars coming into Canada. They come in normally at dumped prices, much, much below what world sugar trades for. The Americans are trading under what we call the international sugar law, and that simply says all sugar-producing nations operate under the same level of tariffication and support mechanisms to their producers to ensure that the industry will be maintained.

Sugar users will look at Canada, specifically at eastern Canada, because of their close proximity to such countries as Cuba and other Latin American countries that have no storage facilities for their sugar, dump their raw sugars into boats, take bids on the high seas, Canada buys it, brings it in to be refined and sells it to the candy manufacturers or the chocolate bar manufacturers or the cake mix manufacturers. They then try to export. That has caused some significant difficulty with the American market. They are now identifying that the sugar content in such things as cake mixes and cookie mixes and others are a problem for them. They will take some retaliatory action eventually.

The reason I raise this is exactly for that reason. It is only the protection afforded to the end user was the reason that Canada protected or did not want to get involved in a national sugar policy. They have done that. They have maintained those industries in eastern Canada. Western Canada, or we in Manitoba, will never get access to those industries. Ottawa has assured that that will not happen. I am not surprised that they will either establish in Toronto but could preferably in Montreal because that is the best deep-port sugar they can get, and/or the Maritimes are equally as accessible. That is probably where they will go.

I am willing to conclude the discussions on 3.7 except for one other area and that is the sustainability initiative. What kind of funding assistance and to what industries do we provide sustainability funding to the tune of \$1.1 million? What programs do we offer in that area?

Ms. Wowchuk: There are about 50 local and provincial organizations in the province who work on these agriculture sustainability initiatives. They work in areas of sustainable crop management, sustainable forage management, integrated pest management. It is working on projects that are demonstration projects for others to look at in these areas. Issues such as riparian management, application of pesticides and how best to use them. They are distributed across the province. In this fund is the annual funding for the crop diversification centre and the Souris Valley irrigation centre. There are the

diversification centres that are also here and the Covering New Ground projects that the member, I am sure, has heard of a variety of projects that are funded through Covering New Ground. So, as I say, they are distributed across the province. There are close to 50 of them and look at a variety of livestock projects, crop projects, pasture and forage management, irrigation on sensitive land areas, landscaping, fertilizer and manure impacts on soil. Those are the kinds of initiatives that are addressed under this initiative.

Mr. Jack Penner: So the manure assessment project that SPADA undertook, the Sprague-Piney development association, would that be funded under this program?

Ms. Wowchuk: Yes, Madam Chairperson, that would have come from here, but I think that project also may have got some funding from MRAC, which is the federal program. Yes.

Mr. Jack Penner: I think my colleague has a question or two that he would like to put.

Mr. David Faurichou (Portage la Prairie): Well, thank you very much. I appreciate the opportunity.

I just wanted to reiterate some of the points that I had raised with the minister earlier today in regard to information that was passed on to me last week from some of the potato growers at the McCain's annual meeting, at which the top 10 growers are recognized by that corporation. In light of the lack of moisture to the west, the Assiniboine River is running at lower levels than its normal course and is causing a fair degree of difficulty to some irrigators where pumps have not been able to draw enough water and either causing damage to the pumps or effectively shutting down and having a great deal of additional labour cost to keep them running because of the lack of water.

Also, I want to say that we did have discussions that emphasized the need for a very strategic analysis of what projects have a higher benefit-to-cost ratio in the province and I speak specifically of the Holland No. 3 dam, and as for the Assiniboine also, there are dam retention structures available through the Department of Conservation who have done the studies in other rivers, Souris, Pembina, Shell. It is vitally important that we do initiate a strategic plan at

the very earliest possible time frame because construction is advancing very, very quickly on the J.R. Simplot plant in Portage la Prairie. In fact, there are people who are wagering that we will see steam coming out of that plant months in advance of the project's scheduled opening because will say that crop development elsewhere in North America has been curtailed by weather patterns, specifically Idaho and Washington states, and the international company of J.R. Simplot is looking to Canada to get on board very, very quickly because of the crop production difficulties elsewhere.

So I do want to recognize that the minister understood the concerns that I raised, and I just wanted for the official record to reflect that we had these discussions and hope that the minister will carry through on her understanding of the necessity to move forward on this topic.

* (21:40)

Madam Chairperson: Excuse me. I wonder, for clarification, if you could identify the line you were speaking to. It sounded like you were perhaps on irrigation development.

Mr. Faurichou: Effectively, I believe it fell very comfortably within agricultural development area, being a strategic plan for future cropping here in the province of Manitoba. I do not believe it was specific to irrigation development in general.

Madam Chairperson: Thank you. We just needed clarification.

Ms. Wowchuk: Madam Chairperson, I had the opportunity to have this discussion with the member earlier in the House today, and I thank him for the information.

Mr. Faurichou: I do want to thank the minister, as I have not done so, in regard to her travels to Portage la Prairie as it pertained to funding announcements for the food development centre in Portage la Prairie. I believe that will be an excellent undertaking. I do want to encourage the minister to consider redevelopment of a new building, as one can always appreciate that renovations are fine, but a new building is one

that spurs on additional enthusiasm within staff when you are working with a new facility, as well as it is also to showcase Manitoba when we are looking to attract outside the province or inside the province the interested parties to work towards new food development products here in the province. That will greatly enhance the value-added processes which we all understand are necessary.

I do want to ask the minister in line (d), though, very specifically, there has been a change in management to the Prairie Agricultural Machinery Institute located in Portage la Prairie. Could the minister, for the record, indicate who has been appointed for the managerial position vacated by Mr. Doug May?

Ms. Wowchuk: Madam Speaker, Doug May has been replaced by Richard Kieper, who is from Winnipeg and, I believe, originally from Russell, Manitoba.

Mr. Faurschou: Madam Chairperson, I do want to take this opportunity to offer my personal congratulations to Mr. Doug May for all of the activity that he has guided through the Prairie Agricultural Machinery Institute over the years and, most notably, bringing that particular enterprise into the ISO 9002 status, which has been a significant boon to that operation, as one can appreciate that status brings. So I hope that Doug's continued career will meet with the same level of success as he undertakes other challenges elsewhere. My congratulations to Mr. May.

Ms. Wowchuk: I want to thank the member for his comments. Certainly, the work that Mr. May did there was worthy work, and I also wish him success in his future endeavours.

Mr. Jack Penner: I would be willing to pass item 3.7.

Madam Chairperson: 3.7. Agriculture Research and Development (d) Grant to the Prairie Agricultural Machinery Institute \$332,500—pass.

Resolution 3.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,219,300 for Agriculture and Food,

Agriculture Research and Development, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 3.8. Agriculture Disaster Aid Programming.

Mr. Jack Penner: Madam Chairperson, I just want to make note that the line that we just passed is \$81,500 less than it was the previous year, and I think that is a clear indication of where the priorities of this minister and her Government are.

Ms. Wowchuk: Which one was that?

Mr. Jack Penner: The Agriculture Research and Development. I think Agriculture Research and Development that we have just passed, and I say this as a comment, is probably one of the most significant and important part of ongoing agricultural change that is taking place on farm and off farm, and for the minister and her Government to reduce that line is questionable at best. I would strongly encourage the minister that this line we have just passed and the next line that we are going to be talking about, the Canadian Farm Income Program, are two areas that are of extreme concern to the farm community.

Time and time when I meet with farm organizations, one of the top priorities that gets listed every time is adequate research and research funding or new product development and new initiatives. I think the Member for Portage la Prairie (Mr. Faurschou) is absolutely correct in getting this Government to recognize, or trying to get this Government to recognize, the importance of development of proper water storage facilities that will enhance our ability to compete with our eastern neighbours and our southern neighbours in the production and processing of all the commodities that we can grow here and many new ones that we could grow if we had an adequate water supply, but it all depends on adequate water.

If you do not have water, you cannot grow anything. I think Saskatchewan and Alberta will tell you that now, that adequate water

development storage should be one of the top priorities that any government should initiate.

Quite frankly, Madam Minister, I am really sorry that we did not proceed back in 1988, although she and her colleagues at that time were railing against the Rafferty-Alameda Project and the water storage that Saskatchewan was initiating. They were telling us how environmentally naive we were to believe that they could ever fill those reservoirs that were being built there.

Never did they expect that there could be another flood, and when rivers overflow it only takes a matter of minutes to fill reservoirs like that and to store that water and stop flooding. I think the Shellmouth Dam is a clear indication as to how effective dams on rivers can be in preventing flood events. I think Rafferty-Alameda have demonstrated how effective they can be, those projects can be to enhancing the environment on rivers. We have now seen since then a threefold increase in fish stocks, because that river has flowed ever since Rafferty started releasing water on a regular basis. It has not dried up once yet, and it used to dry up periodically during the summer months continually.

* (21:50)

So it has enhanced the fisheries ability. It has enhanced the environment. It has enhanced the capacity of Saskatchewan to generate power and to increase their tourism initiative in that area. So it has meaningful long-term benefits, and I would hope that this Government will recognize what the member from Portage has just put on the record, that there is a serious need for funding to be directed to water storage initiatives to do two things: to provide us with long-term viability in processing and the capacity to grow our communities with the secure knowledge that there will be water, and secondly to do a major flood prevention initiative, all at the same time. Tremendous benefits. Under the cost-benefit analyses that have been done in the past those things were never put into the same basket as a consideration. I think we seriously need to do that.

Similarly, in section 3.8 of the Estimates, I want to indicate again my severe disappointment at this Government cutting better than \$4 million out of the security program, the only security program that farmers have, in that sense. She has now said publicly they will not participate in the new program the federal government has brought forward. Well, it looks to me like they could put \$5 million a year into it and only maintain last year's budget line in that sense.

I would strongly suggest to the minister that the CFIP program that she announced only two years ago and spoke of so highly, that she had such confidence and this was the right kind of program that farmers had been looking for, yet quite frankly all I hear from producers all across this province is that this CFIP program has been nothing short of a disaster. Nobody is happy with the program this minister negotiated.

So I want to ask the minister, in her analysis of the federal program that was announced currently and her indication that they would not participate, is she now in a position where she might want to tell this committee they have changed their mind, or is this Government changing their mind? Are they now considering participating in the program the federal government has announced?

Ms. Wowchuk: Madam Chairperson, there are two parts to the program the member is talking about. There is the part of the program that is the Agricultural Policy Framework agreement, which addresses all of the issues under the framework, but the most significant part of it is the risk management portion of it. We have stated clearly when we work out the details on it we will support that part of the program. We were in support of developing the Agricultural Policy Framework agreement. We are in support of establishing good risk management tools. I did not sign on to the Agricultural Policy Framework agreement when I was in Halifax because producers in Manitoba asked me not to sign until such time as we had further details of it.

The other part of the program is the \$600 million over two years, that is the trade injury package of it. We have said right from the

beginning and we say now that we are not, as a province, taking on federal responsibility. Trade is the responsibility of the federal government. The federal government signs trade agreements and the federal government is responsible for addressing trade injury. That part of the program we are not going to be participating in.

I would share with the member there are, at the present time, only two provinces that are participating in the trade injury portion. That is Alberta and Ontario. Those are the two provinces that participate in paying out equalization. They are the have provinces. They have the resources to put these kind of dollars in and they make that choice. The rest of the provinces, some have said they cannot afford it. The majority of the provinces are saying they are not stepping into federal territory and taking over a responsibility that the federal government wants us to take over.

So I can tell the member that since I have come back from Halifax, I have had discussions with the producer groups, I have had discussion with my colleagues and staff from the department continues to negotiate with the federal government on details and getting more information that our producers have asked for us. We are moving forward with the agriculture policy framework portion of the agreement. I think producers understand what this program is. Although we have not signed, it does not affect this year's programming. The Agricultural Policy Framework agreement that we are working on is designing programs for next crop year, and details of those programs will be worked out.

Mr. Jack Penner: Madam Chairperson, I wonder whether the minister could identify for us which organization she has been discussing with and what the content of the discussions were. First of all, who were the organizations that you have been talking to, and what was their response?

Ms. Wowchuk: Madam Chairperson, we met with the Keystone Agricultural Producers, and what we did was ask Keystone Agricultural Producers to bring their other organizations with them, but I was particularly interested in meeting with the cattle producers and the Manitoba Pork Council. So we met with Keystone Agricultural

Producers, cattle producers, Manitoba Pork Council, milk producers. Those were the groups that we met with, and there might have been others that we met with prior to going to Halifax and then when we came back from Halifax.

Mr. Jack Penner: Those organizations, did they concur that the Province should not participate in what the minister here calls a trade compensation initiative? No other province, by the way, calls it that. This is the only minister that calls it that. I have had numerous discussions with the federal government, and the federal government chuckles when our minister calls this trade retaliation initiative. They say it has nothing to do with trade and retaliation. They say it is designed for drought assistance, for flood assistance and all those kind of things. It is to compensate income deficiencies based on disasters and others.

I find it very interesting that this minister wants to constantly put on the record that she believes it is a trade compensation initiative. We do not believe it, she does not believe it, neither does the federal government believe it, neither does anybody believe it, neither do the producer groups believe it. It is a cop-out as far as this NDP government is concerned on the farmers. This Government is not supporting its farmers as they should, and the farmers know it. They will demonstrate it clearly within the next couple of years when the election comes. They will tell them. They will speak with their feet. They will not speak with their mouth.

Ms. Wowchuk: Well, that is an interesting observation by the member, and we will have to wait and see. Time will tell as to what the results will be. I can tell the member he can call it whatever he wants, but I know exactly what it is. Producers from across Canada identified the injury of the U.S. and European subsidies as \$1.3 billion annually. That is what they identified.

You know, I can tell the member that it was Manitoba and Saskatchewan that took this issue to the federal government, saying that there was trade injury and there had to be additional money for our farmers because of trade injury. All of the other provinces were silent—all. But you know, now that we have got some money,

all of the other provinces are willing to take the money there.

I can also tell the member that the federal minister said right along there was not going to be any additional money. When we raised it and when Manitoba raised it saying we had to have support, when Manitoba pointed out the loss of \$1.3 billion, Mr. Vanclief said there will be no more ad hoc programs. There will be no additional money.

When the U.S. farm bill came out, Mr. Vanclief said this is a terrible situation that has arisen here and we are going to have to have some bridge funding. We are going to have to have some bridge funding to help our farmers through this. All of a sudden, after the U.S. farm bill came forward, he then started to find some money.

I would read to the member a letter I received from Brian Kriz of the Grain Growers of Canada.

Ms. Nancy Allan, Acting Chairperson, in the Chair

He says and I quote: In our view, the bridge funding announced by the federal government for the next two years available for trade injury compensation for grain and oilseed producers nationally, this is an amount that would provide close to 80 percent of the compensation required.

So I can tell the member he may not look at it as trade injury money, but I can tell him the industry does. You can call it whatever you want to call it. Our federal government has reasons for not calling it trade injury because they are worried that there may be consequences, but everybody knows this is trade injury and everybody knows it is a federal responsibility. All of the provinces have said so.

* (22:00)

Maybe the federal government is taking it lightly. He can ask his leader. I do not know whether he has conversations with his leader or not about the meeting in Saskatoon, but when we were in Saskatoon all the people that were there talked about the trade injury that was coming

from the U.S. farm bill. We had—Mr. Martin was then the Minister of Finance—on the telephone. He recognized this as devastating and the need for support. Mr. Pettigrew was at the meeting, and he recognized and listened very closely to what producers were saying and said the federal government had to do something on this because the consequences were so serious for farmers.

We all know this is trade injury money. We all know this is a federal responsibility. We all know that provincial governments do not have the resources to backfill what the federal government has taken away from the farmers.

The member knows full well how much the federal government has taken out of western Canada in their reductions. Now, when there is a problem, they want the provinces to help fill the gap they created. It is a federal responsibility. The federal government has identified the need for bridge funding. They are leaving our farmers very short in this situation. We are living up to our responsibility in what we have in the agreements and we will fill our commitment on the part of the agreement but we will not take on trade responsibility.

Mr. Jack Penner: I just want to indicate to the minister the farmers are telling me the Province is using this as a cop out. That is how this Government is being seen, as non-supportive of the agricultural community, has not been from day one, does not understand agriculture. Those are the things I hear when I attend meetings of the farm organizations, when I attend meetings of individual farm groups.

I want to clearly indicate to the minister this will reflect or is reflecting very seriously about the perception she is leaving with the farm community. Not participating in this program is clearly an indication that this Government does not care one way or another about the farm community and its viability.

We have seen, before she was elected, before this Doer government was elected, they made all kinds of noises about being supportive of the family farm, yet we have seen a decimation of the family farm under this administration, the likes of which we have never seen before. We have seen numbers of young farmers and older farmers move off the farms,

and they are not coming back. There are literally thousands that have left the farms over the last couple of years, and I think that is an historical occasion that we will not be able to recover from.

Many of our communities, as the minister is well aware of, are losing their schools, they are losing their hospitals. At Emerson they closed the hospital, this Government did. They are giving the excuse that there are not nurses. There are all kinds of nurses around that are looking for a job and cannot find jobs. There are two doctors that—

An Honourable Member: Too bad you fired a thousand of them. You fired a thousand of them.

Mr. Jack Penner: Oh, the minister says we fired a thousand nurses. She knows full well that she fired more nurses than anybody else did. Her Minister of Health (Mr. Chomiak) has been deceiving the people of Manitoba into believing that there were nurses fired. There have not been any nurses fired under our administration, nor under her administration. The union had an agreement with their employees that, if there are transfers to be made, such as to we made during the time that she is referring to, that those persons had to be given layoff notice. They were all hired back next morning. She knows that. I know that. The same thing happened in Winkler and in Morden. Her Government laid off all those nurses over there and hired them all back next morning. It is exactly the same process. The unions admit it. I know the minister laughs at this because they have been able to sell that story to the media, and the media bought into it.

It is a sad, sad day and a sad occasion when a group of politicians have to use deceit in order to drive an agenda. I do not think it is becoming of the minister because I do not think that is the true nature of the minister, nor do I think it is becoming of a government, but I am beginning to believe when I listen to and I hear what sort of shenanigans are going on at casinos that are initiated by this Government, and the hiring of the Premier's (Mr. Doer) brother to do audits at one of the casinos at the same time. I mean, that is absolutely unbelievable that a Premier of the province would participate in shenanigans such as that. One has to wonder who is lining whose

pocket in this whole matter, whether it just the Premier's brother or whether the money is being funnelled somewhere else. You have to be careful.

I think the minister should seriously reflect on what this will do and how this will colour her Government. She talks about firing nurses. I mean, if she was really honest in this committee and the people in this committee—

Point of Order

The Acting Chairperson (Ms. Nancy Allan): Mr. Rondeau, on a point of order.

Mr. Jim Rondeau (Assiniboia): I understand that we are supposed to be, although we allow some scope on the level of questioning, this is not even dealing with Agriculture Estimates. I have heard dealing with the hospital. I have heard dealing with the issue in DOTC. I have heard all sorts of things. Although we have allowed a lot of scope and a lot of latitude in this, I think that this has actually crossed the line, because we are not talking at all about Agriculture Estimates or any plight of the agricultural farmer. We are talking about, now, the Premier's brother and other scurrilous activities alleged in someone's mind, not in reality. So I would like to call a point of order and have the member try to keep on topic or at least keep near the topic. Thank you.

Mr. Jack Penner (Emerson): On the same point of order.

The Acting Chairperson (Ms. Nancy Allan): On the same point of order.

Mr. Jack Penner: You know, I think it is very interesting that the nurses that we were discussing that this Doer government fired in Morden and Winkler, many of those nurses are farmers' wives, and they bring into the household exactly what the minister has been promoting throughout her tenure as Minister of Agriculture, that you have to have a second income for farmers to be viable today. So these nurses that live in rural Manitoba bring home the salary that allows them to maintain their farm operations, and that is why we are so concerned

that this minister and her Government not cause any firing of any more nurses than she already has.

The second part of this is that we have a Premier (Mr. Doer) who has a brother that was hired as an auditor by an Aboriginal casino operation and he was hired as a manager at the same time. We are wondering whether the Premier actually recommended that his brother be hired—

* (22:10)

The Acting Chairperson (Ms. Nancy Allan): Order.

I would like to thank the members for their comments. A point of order should be used to draw the Chair's attention to any departure from the rules or practices of the House or to raise concerns about unparliamentary language.

I would like to thank the members for their comments, but I would like to just have the MLA for Emerson who was discussing with the Minister of Agriculture the comments in regard to the Estimates discussion, I would like to bring the MLA back to the questions that were being discussed during Estimates.

Point of Order

Mr. Jack Penner: On another point of order, Madam Chairperson.

The Acting Chairperson (Ms. Nancy Allan): The Member for Emerson, on another point of order.

Mr. Jack Penner: I would like the Chairperson to reference what language she was referring to when she says we should be careful of the language, or who she was referring to.

The Acting Chairperson (Ms. Nancy Allan): I was just giving guidance in regard to the purpose of a point of order. The MLA for Emerson.

Mr. Jack Penner: Further to the same point of order, Madam Chairperson, I heard the Chair imply that there was language being used that was not acceptable at this committee. If that is

the case, then I would like the Chairperson to clearly indicate to this committee what language was being used that was not acceptable.

The Acting Chairperson (Ms. Nancy Allan): The Minister of Transportation, on the same point of order.

Hon. Steve Ashton (Deputy Government House Leader): Yes, thank you. The member should be aware that Chairs either provide guidance to the committee or make rulings. Your comments were clearly indicated as providing guidance. I am not quite sure whether the member was challenging the Chair. I do not think one would normally challenge the Chair when the Chair had been attempting to provide guidance.

We had a similar situation in the House recently with the Speaker. I think perhaps the lateness of the hour is perhaps aggravating what struck me as being a simple point of order. It was raised and some guidance from the Chair, which is the Chair's prerogative. Indeed, if the Chair makes a ruling that is something that can be accepted by the committee or challenged by the committee.

I appreciate your clarification, but my sense is that you were making some general comments. I do not recall any specific member of the House having been singled out for any of the comments that were made. I think it was made generally and I think all of us here in the committee will take your advice.

The Acting Chairperson (Ms. Nancy Allan): On the point of order, it is not a point of order, it is a dispute over the facts.

* * *

The Acting Chairperson (Ms. Nancy Allan): I would like to make it very clear to the MLA for Emerson that I was not singling out anyone in regard to any language. I was just trying to clarify that I wanted to bring the MLAs around the table back to the discussion around the minister's Estimates and that I wanted to proceed with the proceedings. If there was any miscommunication or if there is any clarification

needed, I just wanted to make sure that was very clear.

Mr. Jack Penner: I appreciate the Chairperson's explanation of this. However, I want to also caution the Chairperson that if there are any references made at committee by any one of the members where language is not acceptable at the table, I would suggest to the Chairperson that the identification immediately be made and it be brought to the attention of the committee because I think she lent a degree of uncertainty to what was being referenced, and I think that that does not lead towards an orderly conduct of the committee.

Madam Chairperson in the Chair

Madam Chairperson: I thank the MLA for Emerson for his comments.

Mr. Jack Penner: Well, thank you very much. I want to further state that the reference made by the Minister of Agriculture (Ms. Wowchuk) in light of the firing of nurses, the farm wives who were nurses at Morden and Winkler were very distraught when they were given notice of layoff. We did not call it firing, but she did because the exact same process was used in Winkler and Morden as per the union contract, that when transfers of staff were made from one facility to another they had to be given layoff notices and rehired the next day, or the same day very often, and just given a redesignation.

The minister is fully aware of that and so are all of the members of her caucus, and if they do not have a close enough affiliation with the unions yet, they should have, and they should be aware of what the union agreements state and are. I think honesty would certainly be appreciated around this table, on that matter and many others.

We would very similarly appreciate an open and frank discussion on what the relationship was between the auditor of the Aboriginal band that ran a casino and was not able to manage properly and the hiring of that manager being the Premier's (Mr. Doer) brother and what kind of an indication that really left them. I think all Manitobans are really seriously wondering at what the effects that will have to the farm

community on all those people employed by casinos, working on the farm or being members of farmers that have to seek off-farm jobs and being employed by these casinos.

I think the minister did not do a service to this committee by referencing the firing of a thousand nurses, because we will throw this back at her every time she opens her mouth about the false accusations that have been made to the previous government about the layoffs that had to occur because of union contracts.

Similarly, we will keep on asking until we get real answers. How come the Premier's brother was hired as an auditor and a manager of a casino at the same time? I would think that eventually the people of Manitoba will probably want the answers, and I think that they deserve an answer on that.

Getting back to the Farm Income Program, I wonder whether the minister can give the farmers of this province an indication as to whether it will need the election of another Conservative government, as Alberta has and as Ontario has, in order to recognize that it is only Conservative administrations that have sympathy for their farm communities and support their farmers to ensure that more young farmers and farm families will be able to stay on the farms.

Ms. Wowchuk: Madam Chairperson, the issue of young farmers is very important to this Government. We want to see people having hope in agriculture and participating in agriculture. That is why we brought in the program Bridging Generations under Project 2000, a program to help young farmers get started in this province. I can tell you that provinces across the country, including Alberta and Ontario, are looking at Manitoba's program, and looking at how they may adapt that program as well, because they see that what we are developing here are the supports young people need to get into the business. Getting into agriculture is a big investment. It needs the support of governments but it also needs families working together. That is what Bridging Generations is about. It is thinking about the next generations of farmers.

I can tell the member there has been a tremendous interest and a lot of applications into the program. Those are the kinds of things, along with good extension service, good risk management tools, good loan programs, those are the kinds of things that will help our farmers. All of those are very active programs in this province.

* (22:20)

Mr. Jack Penner: I could not agree more when the minister says that farming has dramatically changed. It takes huge investments now. Farming is becoming big, big business, whether you are a small farmer or a big farmer. It is becoming a business and it needs business acumen and business decisions.

I am afraid this Government has yet to understand how and what kind of programs need to be put in place and maintained in order to add some stability to the farm industry. The CFIP program has never functioned properly and never will function properly because of the design of the program.

We believe there needs to be a rethinking of how agriculture is allowed to continue and to be able to add value to the economy of this province. I look at downtown Winnipeg here, Portage and Main. If agriculture ever collapsed in this province, virtually that whole downtown Portage and Main area would disappear. Few people realize this. I think they realize it but they pay little attention to it, the total impact of the agricultural industry, primary industry, to downtown Winnipeg and to Winnipeg as a whole, or any other community in this province of Manitoba. If it was not for the primary agricultural sector most communities in this province would simply not be there. They would not survive.

For this minister to sit here and give us the indication that her Government really does not care about agriculture because they will not participate in funding, whether it is drought relief or whether it is flood participation. For her Premier (Mr. Doer) to go to Vassar and tell the people of Vassar that he will put in place the same programs that were put in place in the '97 flood and then come back home and forget what

he said is simply not acceptable any more. It is not acceptable because people deserve better.

The farmers of this province deserve better than to be 40% farmers. I believe this NDP administration needs to understand that it is important for some stability to be added from a government perspective. It is government in large part that can give a clear indication of stability and what that means and how important it is to provide that stability, not just by word of mouth, but by action. So I am asking the minister to take back to her colleagues in Cabinet the sincerity of the need and of the request of the farm community, and virtually every farm publication that I see, the press talks about the need for agricultural support and the longevity and stability that is required in agriculture.

So I am willing to pass the rest of the Estimates and suggest to the Minister of Agriculture that she make posthaste in developing and changing her attitude towards what the federal government has announced and accept the fact that our farmers do need that money. I understand that they were probably going to use the NISA accounts to distribute the money. It will be a sad day when people in Alberta and Ontario, on both sides of us, get 40 percent more in their NISA accounts than our farmers do. We will point the finger at the NDP administration, at the Doer government, or maybe the do-little government, we will call them, for not having recognized the absolute need that there is for her to fully participate in the Ottawa programs that have been announced.

Ms. Wowchuk: Madam Chairperson, I know the member has said he is willing to pass the Estimates, but I just want to put on the record, I guess, the member has changed his mind about all-party resolutions. The member will recall that we had an all-party resolution passed by all members in the House and supported by his Leader, a position taken by his leader that there should be federal funding to address trade injury. The member, I guess, is changing the position of his party because now he is saying opposite of what we had in that all-party resolution. Where it should have been all federal money, now he is saying that the provinces should take that. I am

still of the position that trade is a federal responsibility.

Madam Chairperson: 3.8. Agriculture Disaster Aid Programming (a) Canadian Farm Income Program \$21,150,000—pass.

Resolution 3.8: RESOLVED that there be granted to her Majesty a sum not exceeding \$21,150,000 for Agriculture and Food, Agriculture Disaster Aid Programming, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 3.9. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$331,200—pass; (2) Amortization Expense - Enterprise Software \$59,300—pass; (3) Enterprise Software Licenses \$131,000—pass.

9. (b) Amortization Expense \$235,000—pass.

9. (c) Interest Expense \$26,000—pass.

Resolution 3.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$782,500 for Agriculture and Food, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: The last item to be considered for the Estimates of the department is item 3.1. (a) Minister's Salary contained in Resolution 3.1. At this point, we request that the minister's staff leave the table for the consideration of this last item.

The floor is open for questions.

Mr. Jack Penner: I just want to say to the minister, or maybe what I should do is read to the minister a statement her Premier made in regard to requests. This was almost a year and a half ago when the farm community was in and around this building. The minister said at that time they had set out three options for the committee that was touring the province at the

time, that is, to have the standing committee come here, have the Prime Minister come and hear about the issue, send the report to the Minister of Agriculture in Ottawa.

We found it rather interesting that the minister and, I understand, the Premier invited the federal Standing Committee on Agriculture to come to Manitoba, instead of going as a joint committee, including the farm organizations, farm leaders and business leaders, to take a delegation to Ottawa to meet directly with the Prime Minister.

I know how effective that can be when politicians who are really serious about protecting their farm community, when leaders do that. That was done back in 1985-86. The farm leaders at that time requested a direct meeting with the Prime Minister, with the Minister of Agriculture and the Deputy Prime Minister of the country. All three of them met with, I believe there were, 58 farm leaders and business leaders that went as a delegation to Ottawa.

* (22:30)

When we left there, we were given a clear indication of the seriousness that the then-government had taken the issue on. It was within a month later that the Prime Minister called and said: I would like to meet you in Ottawa or in Vancouver before I go to China.

He met with a handful of us in Vancouver and indicated there would be a billion dollars' worth of support given to the farmers of western Canada. That was done under a Conservative administration.

I found it very interesting that this minister and our Premier took it upon themselves, instead of taking that kind of initiative, instead they invited the federal standing committee to come to Manitoba. To me, that was a clear indication they had no intention of being serious about bringing the initiatives that have been raised by farmers all over the province when we had an all-party committee and taking seriously the issue of the lack of farm income and to drive home the point directly to the Prime Minister. That is what should have happened, but the

Premier and the Minister of Agriculture chose not to do that. Instead, they invited the standing committee to come here.

The Premier had said, just a few days before that, he said this: I would bring a delegation down to Ottawa to meet the Prime Minister any day, any place, any time, if we can get that meeting with the Prime Minister. Was there a phone call made to the Prime Minister? Was there a letter written to the Prime Minister? The letter went to the Standing Committee of Agriculture. Often we find, when the Prime Minister says no more, absolutely no, and this is a further comment that the Premier (Mr. Doer) made. He said: Often we find when the Prime Minister says no more, absolutely no, he does not usually meet with you to tell you no a third time. Having said that, we will try, and we are aware he is coming to Winnipeg shortly. We are aware we could get to Ottawa within two hours, but I am not going to take 200 people down to Ottawa if there is no meeting already established with the Prime Minister. That would be a waste of taxpayers' money.

I say to this committee that herein lies the problem with this Doer administration. Herein lies the problem with our Premier. He is constantly being deceptive in trying to leave the impression with the media and others that there was a request to take 200 people to Ottawa was never the case, was never the case. Nobody ever asked the Premier to arrange for a meeting of 200 people in Ottawa. Nobody ever asked that the Minister of Agriculture should request the standing committee on Agriculture to come to Manitoba. It was a request to get a meeting with the Prime Minister and business leaders and farm leaders from Manitoba and western Canada to go to Ottawa to make the case before the Prime Minister. Nobody had ever said it would take 200 people.

This is the problem with this Premier of our province. This is the problem of not being able to take sincerely the issue at hand and portray correctly what we had heard time and time again being said by many people, by many people during the hearings process that the Government initiated. We participated. We participated in good faith because we wanted to hear what the farmers of Manitoba were saying. We wanted to

hear what their needs were, and we wanted to portray correctly that we had heard what was being said.

We could have taken the message. Clearly, we could have made a strong case for the farm organizations to go to Ottawa. I truly believe, if the request had been made sincerely to the Prime Minister, that the Prime Minister would not have said no, I am not going to see you.

I believe truly that the sincerity was lacking in this Government, and, therefore, I would move, Madam Chairperson, that the salary of this minister be reduced by an amount similar to what other resolutions have recommended. I believe that we should reduce this minister's salary by \$5,000.

Madam Chairperson: The motion needs to be in writing. Are you prepared to write?

It has been moved by the Member for Emerson that the minister's salary be reduced by a sum of \$5,000. The motion is in order.

Ms. Wowchuk: Thank you very much, Madam Chair. I just want to take a few moments to correct some of the comments that the member made with regard to the agriculture committee. The member talked about delegations that went to Ottawa in 1985 or at some point there—1986—that he talked about meeting with the Prime Minister.

I want to tell the member that right after we took office we recognized the seriousness of the challenges facing the farming community and we put together an all-party committee consisting of members of the Opposition. The all-party committee consisted of farm organizations and the Chamber of Commerce, and we took everybody to Ottawa. The member talks about his party having gone to Ottawa in 1985. I do not recall that being an all-party committee. That was the Government going. We were more inclusive. We wanted the Opposition to be there, just as we wanted all parties to be there on the task force, just as we wanted all party members to be supportive of support for the trade injury package. I think it is very important that we have all parties together.

* (22:40)

The member talks about the request for a meeting with the Prime Minister. Well, indeed, the request was made for a meeting with the Prime Minister at that time, and in 1999 Premier Doer and Premier Romanow did meet with the Prime Minister. The rest of the delegation did not meet, but they did meet with the Prime Minister. Those discussions resulted in the CMAP program coming forward.

I have to tell the member that when we had the committee and prepared the submission, as was directed, that report was presented in the Legislature and it was sent to the Prime Minister. The invitation went to the Prime Minister to come to Manitoba. It was the Prime Minister's choice to send the agriculture committee to Manitoba. The agriculture committee was not what was requested by Manitoba. There was a request for the Prime Minister to come and see first-hand what was going on here in Manitoba. Quite frankly, he chose not to come and that was his decision. I think having the agriculture committee come to Manitoba was a good thing to happen as well because there was the opportunity for many more Manitobans to express their view to the all-party committee.

I think when the member talks about the Prime Minister not coming to Manitoba or a committee not going to Ottawa, in fact this Government did take a delegation to Ottawa. This Government took more than one delegation to Ottawa. When the all-party committee travelled across the province and had their consultation, the written report was presented to the Minister of Agriculture. It was presented to the agriculture committee and a report went to the Prime Minister. He was well aware of the situation. He made a choice. There was the opportunity. We did take delegations. Ottawa is well aware of our situation. Ottawa has chosen to put in place the supports that last only for two years. It is quite unfortunate that we have a federal government that negotiates trade agreements, takes away supports from agriculture because if you look at the losses that we have to agriculture, they are significant. In fact, Manitoba has had more reductions in agriculture support than all of the provinces east of us put together.

So, when Ottawa makes these kind of decisions, it is unfortunate it does have an impact, but really it is difficult for us to fill the gap that Ottawa created. Ottawa has created a gap; we are unable to fill it. I do not think that we can fill that gap, but I thank the member for his comments with respect to his views on what should be happening in agriculture. It is interesting his suggestion on my salary, but I have to tell the member that these discussions have also been interesting, Agriculture Estimates. Although we have not had the most hours that we have had, I think this has gone on the longest time. We started these Estimates in May and have been back and forth because of various meetings and various committees. We are now well into August, and we are still discussing Agriculture. So that, for me, indicates how important this department is and the many challenges that we have in the department.

I can tell the member that as a government, we are very committed to agriculture. I stand very proud by the record that we have put forward with our commitments to young farmers, with our commitments to diversifying agriculture, with our commitments to improving loan programs for diversification, with our improvements to crop insurance and other initiatives. I look at the Food Development Centre as a very interesting initiative. I look at our investment in the nutraceutical centre as building on new opportunities for farmers. I see an industry facing challenges, no doubt, but that is not new to agriculture, and our farmers always come through it. In part, it is the drought in some of the world and some it is excess moisture, but they come through, and I am very proud of what they are doing to diversify and carry on in this very important industry in this province.

Mr. Jack Penner: I appreciate what the minister has said. I honestly think, for the benefit of the committee, that the Minister of Agriculture does her best. I think she is sincere about her job. The only problem is that she has not got the support of her Cabinet colleagues, and she has not got the support of her Premier. The Premier, in my view, really does not care much about agriculture because he knows that is not where his support lies and his Government support lies, and therefore it is meaningless.

The Agriculture Estimates are clearly an indication of that. When you look almost line for line for line, every line has a decrease in spending. One of the main lines that has the largest amount of decrease is the one that should have the largest amount of increase right now, and that is the line for Income Support, the agriculture disaster program and its income support. I would truly believe that the minister would have wanted to at least impress upon her Cabinet the need for increased income support to the farm community. That would have been a clear indication of how sincere her Government was in supporting the agriculture community. Yet these Estimates clearly indicate a lack of sincerity on behalf of this Government to support its farm community.

Madam Chairperson: We have before the committee a motion by the Member for Emerson (Mr. Penner) that the minister's salary be reduced by a sum of \$5,000. Is it the will of the committee to adopt the motion?

Some Honourable Members: No.

An Honourable Member: Yes.

Voice Vote

Madam Chairperson: All those in favour of adopting the motion, say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those against, say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Nays have it. The motion has been defeated.

* * *

Madam Chairperson: Line 3.1 Administration and Finance (a) Minister's Salary \$28,400—pass.

Resolution 3.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,752,000 for Agriculture and Food,

Administration and Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: This completes the Estimates of the Department of Agriculture and Food. The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Transportation and Government Services. Shall we briefly recess to allow the minister and critics the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: Two minutes.

Madam Chairperson: A two-minute recess, are we agreed? Is that the will of the committee?
[Agreed]

The committee recessed at 10:50 p.m.

The committee resumed at 10:52 p.m.

TRANSPORTATION AND GOVERNMENT SERVICES

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order.

This section of the Committee of Supply will now be considering the Estimates of the Department of Transportation and Government Services. Does the honourable minister have an opening statement?

Hon. Steve Ashton (Minister of Transportation and Government Services): Before making my opening statement, Madam Chairperson, I was wondering if we could perhaps have some consideration on how we proceed. There are two sides to the department; there are two critics on the opposition side. So, obviously, I could make general remarks or we could focus in on Transportation. We have both sides of the department ably represented tonight, but I look to the opposition critic, one of the critics here, what his preference would be.

Mr. David Faurshou (Portage la Prairie): Madam Chairperson, I believe that if we were to identify the responsibilities of the minister

separately, starting with Transportation and working through those lines of the Estimates process and then turning our focus to the Government Services side after that, I believe it will facilitate the minister's staff in their attendance to the committee.

Mr. Ashton: That being the case, I will give my remarks in terms of the Transportation side and perhaps suggest to the Government Services side, if they wish to take the rest of the day off here. I always wanted to say that, but it rings kind of hollow at 5 to 11 in the evening. I assume, actually, that we probably will be in opening statements probably, I think we are sitting until 12.

So, perhaps, if that is the case I will start. In fact, I was wondering if the critic would have any difficulty if I was to excuse all the staff so they are well rested for tomorrow, even if the minister is not well rested. Yes, so if I can say on both sides of the department, well, take the rest of the day off.

Great. Thank you very much. I do want to start on the Transportation side and indicate it has been a very significant year for the Transportation side of the department, very significant in a number of areas and I am very excited to be able to have the opportunity to share this with members of the committee tonight.

I think it is important to start with the general context and I think that will explain many of the initiatives we have taken on the Transportation side. I think it is important to start by recognizing some of the challenges that we see in terms of infrastructure in this country and some of the challenges we will see in terms of infrastructure in this province. Not just in terms of physical infrastructure, but I think the ongoing demand from the public that we have, not only transportation systems that are effective and efficient but also safe as well.

I want to focus on the infrastructure, just in the first part of my comments, because we have made some very significant shifts in the way we deal with the challenges of transportation infrastructure in this province over this past year. Quite frankly, we have made a dramatic shift in the way we have dealt with Transportation

infrastructure since coming into government in 1999.

I want to start with different challenges, start with the highway system. It is interesting, Madam Chairperson, we have a situation currently where we are finally beginning to get some debate at the national level on infrastructure. We are seeing it involving cities, we are seeing it involving our highway system. We are seeing suggestions being floated in terms of, for example, twinning the Trans-Canada Highway, pressure for additional federal support for infrastructure.

I think that is something that is long overdue. My view, and our Government's view is that there has not been a transportation vision in terms of our highway system for quite some time. We had a significant enhancement of our highway system in the post-World War II period, but we have seen decade over decade, reductions in the investment in infrastructure. We have seen that provincially, we have seen that federally, and we have seen that municipally, as well. In fact, if you look at the statistics, you will see a decline decade over decade in terms of investment in infrastructure, not just to highways, but to all forms of infrastructure, but highways being most notably affected.

Now, what was the situation in Manitoba? Well, first of all, the situation in Manitoba reflects the situation in many other provinces. We saw throughout the 1990s, varying levels of investment in our highway system. They vary between \$90 million and \$110 million. Strangely enough, Madam Chairperson, it seemed to parallel the electoral cycle. Now, you know, forgive me if I am wrong here, but maybe this is my old statistics background, you know, my economics background, but strangely enough, just after elections such as 1995-96, there was a drop in expenditures in our highway system and, strangely, just before elections, it seemed to increase. In fact, there is a direct parallel and it varied between \$90 million and \$110 million.

Now, in terms of long-term planning, we have a very good department, very competent people. But long-term planning in the transportation side for highways was basically really expressed only in the form of the two-year capital program, two years, Madam Chairperson.

When you consider the level of funding and the lack of the long-term planning, it is not surprising that the provincial auditor, in fact, noted that the department did not have a long-term planning process.

* (23:00)

Well, how do you develop the plan? How do you develop the plan for highways? Well, I tell you how you do it because is exactly what we have done as a government. The first thing is, you commit to developing a long-term plan. Now this is something that the AMM and, previously, MAUM and UMM have been pushing for, Manitoba Chamber, many stakeholders, the Heavy Construction Association, for development of a long-term plan. In fact, they lobbied the previous government for a number of years to have a public process of planning.

Well, I am very proud that we have been able to announce that we will be proceeding with that. We are going to be having a province-wide series of public meetings. We have a very excellent steering group. We have broad representation from stakeholders, and we will be going to Manitobans and actually asking them the question, what kind of transportation system we need. Obviously, highways; obviously, other aspects of the system, but we are committed to developing that plan.

We have gone one step further. For the first time in Manitoba history, we have committed to a five-year construction plan. In fact, in this Budget, we increased the Highway capital program by 16 percent, and we have committed, over the next five years, to maintain that level at a minimum, and I want to stress at a minimum, because we continue to pursue funding from the federal government. We have basically committed to a five-year, \$600-million program, a very significant additional investment, and it has already resulted in our ability to announce a number of significant new projects.

I know the Member for Portage will recall a very significant announcement in his constituency, a highway that people have been waiting 42 years for upgrading, as I was told at the meeting. Actually, that is a highways

minister's dream when you are able to go in and, because of the additional resources we put in, make that announcement. There are many other significant projects, and we will get into that, I am sure, in detail: rivers, a very significant project.

I also want to note that we have also been able to sign an agreement with the federal government that the SHIP program—we have also had the Prairie Grain Roads Program. Because of those two programs, we are finally starting to see some federal money into the system. Not enough, certainly, in the case of the SHIP program, but because of that, we have seen our ability to announce a number of enhancements to the national system.

Ms. Marianne Cerilli, Acting Chairperson, in the Chair

I want to indicate that we had not received, under the SHIP program, any federal money on the national system for five years. So that is very significant. Because we put in additional resources, what is very critical in the note here is, we have not only passed on the federal spending, unlike in 1993 when the SHIP money was actually taken out of the base budget of the highway capital program, but we put in additional money, as well. I think that is very significant because we are making an additional commitment.

That is a very significant development on the infrastructure side, on the highways side, and I look forward to the participation of Manitobans in terms of defining our vision in putting in place a long-term plan for Manitoba. I want to stress again that we have said all the way through that one of the key elements here is for the federal government, which takes out 10 cents a litre, to reinvest in transportation, something that is very important.

That is not the only infrastructure that we have moved on. On our winter road system, this year, I think we made a dramatic change in the way we treat winter roads. Up until recently, winter roads have been seen as an annual expenditure. There has not been much consideration as to whether a winter road is

eventually going to become an all-weather road. When you have 37 Manitoba communities that do not have all-weather road access, what we have said, and it may sound like a very basic thing to say, is that we should be looking at winter roads as the future location for all-weather roads. I can tell you, for example, this year, out of the capital budget, we announced a number of improvements to bridges that will enhance our winter road system, will enhance our winter road season. That is very significant because what it will mean is, over time, we can upgrade those winter roads.

In fact, beyond that, we are looking at winter road access over land. That is quite critical because anybody who knows winter roads will tell you that the difficulty tends to be in terms of the areas where you have to cross over ice. That is the first area to fail when the weather is inclement, so we have made a significant difference. I want to put on the record that is over and above the initiative we took. I am very proud that we, as a government, within months of coming to office, were able to work with the federal government to extend the winter road system into Tadoule Lake, Lac Brochet and Brochet. I put on the record last year that we, at the time, assumed that was every Manitoba community. Actually, we were wrong, but we extended into the remaining community in Manitoba, Granville Lake, that did not have a winter road access. That was very significant.

Other forms of transportation, we have moved in a number of areas to enhance our ferry system. I want to commend the Member for the Interlake for raising an issue involving Matheson Island. We have been able to enhance that service. York Landing, we have been able to enhance that because, once again, that is a critical part of our system. We have made, often with some very minor increases in budgets, some dramatic changes that affect the communities that are dependent on the ferry system.

We have made a significant investment in airports. I put on the record that, in the 1990s, at one time, I think we hit a bottom level of about \$650,000 in terms of our airport capital. We have had a significant increase. We have more than tripled the airport budget. What it has

allowed us to do is to move away from where we had barely enough money in the nineties, in many years, to provide gravel to airports to where now we are extending airports, and we are bringing in new navigational systems. We are looking at new airport locations in a number of communities. We have made a significant commitment in terms of our air system. I think it is important to note, as well, that we have continued our support for airports, not only in remote areas, but also throughout rural Manitoba, very important part of our system because the air system, even with all-weather road access, is important, particularly for medical reasons. I am very pleased with some of the investments we have been able to put in place.

There are still some frustrations, once again, with the federal government, which takes a lot of money out of the air system. We believe there is a lot of difficulty with viability for a lot of the medium-sized airports in this province, this continued unfairness with Brandon and Thompson, which have the \$24 surcharge applied for security. In fact, many of the flights out of Thompson and none of the flights out of Brandon have security, so it really is nothing more than a direct tax by the federal government. We have made it very clear, though, that it is a very important priority for us.

We are moving ahead while we define the long-term vision in terms of many of those areas. We also, by the way, have, I think, made a real commitment to the Port of Churchill, not only in terms of promotion, working with OmniTRAX, working with the town of Churchill, but most recently, with the announcement of the ministerial advisory board. I was very pleased to be able to announce the appointment of a number of prominent Churchill supporters. Obviously Lloyd Axworthy, who may be remembered as Mr. Foreign Affairs most recently, but was Minister of Transportation in the 1980s, in fact, was very much responsible for the current establishment at Churchill of OmniTRAX.

We also had Ed Schreyer, no stranger to anybody in this room, former Premier, former Governor General, long-time supporter of

Churchill, very instrumental in getting the town complex into Churchill.

We also had Dwain Lingenfelter, who was the former deputy premier of Saskatchewan, and we have to recognize that much of the catchment area for grain comes from Saskatchewan, one time he was minister of everything.

John Plohman, a Minister of Transportation, who was very instrumental in the 1980s of a lot of our efforts at the time of getting reductions in premiums with Lloyd's of London and, you know, the only difficulty was there are many other people that could have been, I think, equally supportive of Churchill. But what we wanted was a voice for Churchill to report directly to the minister, but also be a voice for Churchill with the different levels of government. So I am very pleased to be able to announce that as well. I think that is important, too, because Churchill and the Bay line and rail continue to be an important part of our system throughout the province, and, indeed, we will continue to support the port at Churchill.

Now that is a quick overview on the infrastructure side, but we have also obviously made some very significant improvements in terms of other areas, the regulatory side, particularly on the safety side.

I want to start with the continuing rollout of graduated drivers' licensing. I know that this is one area the critic and I have shared as a passion for a number of years prior to being implemented. I can indicate on the record that one of the first things that was a priority for us as a government, certainly myself as a minister, was that, in fact, I think we have here at the committee tonight with the Member for Transcona (Mr. Reid) and the Member for Portage (Mr. Faurichou), myself and I look around the room, many people who were involved very early on. In fact, the Member for Transcona was very instrumental in the report that was drafted. I am very pleased to say that it has been rolling out, I think, very effectively and notwithstanding, there are some people that obviously might have some difficulty in terms of the system. I think it is very clear it is going to

significantly enhance safety in this province, but that is not the only initiative.

* (23:10)

Obviously, we have already passed this year legislation in terms of photo enforcement and red light cameras. Without revisiting the discussion and debate that took place at that time, I think that will make a fairly significant difference, and I am very pleased there has already been an announcement of additional police resources that will come from the anticipated revenue from photo enforcement. It is not a revenue-driven initiative, but we have always said that the safety element should be there on both ends; the safety of the initiative itself and any of the proceeds going to that purpose as well. So I am very pleased to see that. Without commenting on legislation that is before the House, I think we have made some significant improvements on the trucking side.

I just will briefly mention the role of the Manitoba Trucking Association, I think, in identifying the need for shippers' liability legislation, and certainly I think that is evidenced. We are also considering snowmobile legislation, something that was a priority for us. We have had a significant number of deaths in the province. It varies from year to year, usually depending on the season, and I do not want to preempt the committee hearings or the debate in the Legislature, because obviously that is coming up over the next period of time. But our safety initiatives were not restricted only to the direct Department of Transportation.

I did want to for a few moments talk about the safety initiatives on the taxi industry side. It was just over a year ago today that Pritam Deol was killed in a senseless murder. I remember at the time meeting with the industry, one of the toughest things I have ever had to do as an MLA was, I wanted to go talk to the family. Because there were two things. One was to express my condolences, but the second was to indicate that while we could not change history, we could not change what happened, that we had to find a way to try and prevent this in the future. There was a report in the 1980s which Wally Fox-Decent conducted. There was even a one-time requirement for mandatory shields that was

never really implemented. But we put in place a report. The report was an excellent report. It provided a comprehensive action plan and, through a surcharge, if you like, a charge for safety on each taxi fare for 25¢ a trip. We are putting in place what we believe is going to be the start of getting the safest taxi industry in Canada, probably in North America, if not the world. Now, I want to stress that we have already have the cameras in place. We are proud of that. We are proud of the work that has been done by the industry, by the Taxi Board, by everyone involved.

By the way, it is working incredibly well. We have already had an alleged bank robber arrested because of the cameras. We have had a number of assaults that have been prevented. I took a taxi ride, recently, and, yes, I do take taxis, being an out-of-town member who flies in. I take taxis on a regular basis and I talked to a driver who said, because of what you have been doing and what the Government has been doing, he said, I am staying in the industry. I asked him why and he said two years before, about a year and one half, two years, he had been assaulted, his cab had been stolen. He said I have a young family. I was going to get out of the industry. I just could not risk what has happened to people happening to me. That is what it is really all about.

So, when we talk about safety, we mean it in terms of, not just the highway system itself, but the application of this. To my mind, this is just a fundamental application of workplace safety and health. It is no different than the kind of situation you will see at a convenience store late at night. You see what? You see shields and, Madam Chairperson, you also see cameras. We are committed to moving on that. There are many steps we see ahead.

I want to indicate, quite frankly, there are many other issues that we have been dealing with over the last number of years, and, generally, without trying to cover all of the issues, those are the key things we are looking at as a government, dealing with the infrastructure challenge and dealing with safety. If there is one label I would like to attach to the Department of Transportation, and, certainly, our vision for the

department, I think it is very much a safety department, because those elements are clearly interrelated.

Madam Chairperson in the Chair

I want to commend the department, too, in dealing with a lot of the challenges we put forward. Internally, we have had challenges in the last number of years. For example, there was a complete lack of investment in highway maintenance equipment. I want to indicate we dealt with that, Madam Chairperson. I always like to check because, as the Chairs do change over time, I want to make sure I am referring to it correctly. *[interjection]*

But we have made some significant investment in equipment. Just to put it in perspective, when we came into government, there was a 97-year replacement cycle for highways equipment, 97 years. Now, we have a lot of equipment. Some of the newer equipment is 16 and 17 years old. You go to a business or you go to a rural municipality, they will tell you the most efficient way is to cycle through the equipment on a managed cycle, 3 or 4 years.

Now I would not suggest, Madam Chairperson, that there was any intention of the previous government to let our maintenance system grind into the ground and then have some excuse to privatize it. I am not suggesting that for one moment. That may have been a consideration. Whatever it was, we have taken action to reinvest in our maintenance equipment. It is a start. We have much more to do and it is important.

By the way, we have also, in the first year we have been in, dealt with some of the underfunding of highway maintenance, but when I talked about infrastructure before, that also does include maintenance, which is an ongoing challenge for the department. In fact, I think we have been able to, because of our commitment on the equipment, and because we have also been able to look at the trial that was done in some cases where maintenance was privatized, I am not talking about the percentage that has been on an ongoing basis provided outside of the department of highways. We found, in a number

of cases, that it was advisable to bring the maintenance back within the department. I am not sure what the opposite of privatizing is—publicizing. I guess we will have to invent a new verb for this. But we have done that, and, actually, upon the recommendation of municipalities, service remains our continued commitment. Quite frankly, we have also worked since 9-11 on the increasing challenges beyond our borders. I was fortunate to be asked by the Premier (Mr. Doer) to be the co-chair of our Security Committee in Cabinet. Quite frankly, I included the role, both in terms of the EMO side, but also the Transportation side. We certainly have been monitoring developments.

We have also, through our Driver and Vehicle Licensing Branch been involved in ongoing discussions, in terms of driver's licences. That has a number of dimensions. We have announced, in fact, have brought in, in terms of legislation, an ability to have driver's licences made available, the same kind of ID, if you like, to Manitobans that do not have a driver's licence, as a form of identification. But, quite frankly, since 9-11, we are also dealing with the ongoing need for national and international standards. Standards do exist but to make sure that they are appropriate, given 9-11, because what happened 9-11 is a number of the terrorists were able to obtain driver's licences, which then became a primary source of identification. We have already acted on that through Bill 2, particularly targeting people that make false representations in terms of driver's licensing because I think it is very clear from 9-11 that the driver's licensing system can play a key role both as a service to Manitobans, but, on the other hand, we have to make sure that it is appropriate, that it is going to provide the security and protection.

Increasingly, we have done this in terms of our trucking side, the last couple of years. We are increasingly working in an environment where we are trying to establish a situation for Manitobans that is applicable across North America and, in many cases, international. We have done that in terms of trucking regulation, very much with the support of the Manitoba Trucking Association, and we will continue to do that. That is very important, I think, because, increasingly, we have to ensure that our truckers

and our motorists are able to operate, to travel freely in an environment in which it is not unusual for a Manitoba trucker to be, pretty well, anywhere in North America. The new system we put in place on the trucking side has made a significant difference on that side.

I could get into detail about many of the things, the various different areas that our department is involved with, and I could talk about the excellent policy work we are doing. For example, in terms of the corridors, the Mid-Continental Trade Corridor, we have been leaders in that process. With the Great Plains organization, I had the opportunity to attend the re-signing of the commitment of the four states and two provinces that are part of that, to continuing co-operation. With the shift in trade patterns from not only east-west to north-south, I think we are seeing that is quite significant. I want to credit the work that has been done.

* (23:20)

I am very pleased with the ongoing increased support that we, as a government, have been able to give on our policy side. By working with the University of Manitoba Transport Institute, they have been a very good resource for us, and I am very excited by some of the new developments. We are very supportive of those new developments at the university. I think it is a tremendous opportunity for the University of Manitoba Transport Institute to be able to provide a key role in providing education, particularly in terms logistics, which is a growing field. You know, the world's biggest company is Wal-Mart. Wal-Mart is a leader in terms of logistics.

ISIS has done tremendous work. I could talk on the Government Services work about the high-tech element of the Golden Boy. They are going to monitor the Golden Boy's heartbeat. Yes, the Golden Boy does have a heart. Actually, we are going to be able to monitor wind and temperature and humidity conditions, but they are probably best known for their work on the transportation side. That is where they have a worldwide reputation in the application of smart technology. This may sound like an oxymoron, you know, a smart bridge, but there are smart bridges. You can go to the ISIS Centre at the University of Manitoba, the Faculty of

Engineering, and you can see the monitoring that takes place of a bridge in British Columbia. We have the application of that here, use of composite materials, in terms of preserving our ageing infrastructure, particularly our bridges.

So we are very much a department that is working very closely with the post-secondary community. I think that is very important because there are some real advantages, I think, for both sides in terms of that. I am very proud of the work we have done with UMTI and with ISIS.

I could run through each and every area of the department, and I think what you will find is the Manitoba Department of Transportation, even though it is not the largest department, has an excellent reputation. We are major contributors across the country in terms of whatever field you are talking about.

I am very pleased this year that we are going to be hosting in Manitoba not only the ministers' conference, but the TAC conference, which, I think, will be a very significant event. We will have people from the transportation sector from across the country here in Manitoba. You can bet we will show them some real hospitality. I know the organizing committee has been working very hard on that. We are going to promote Manitoba, and it would be very nice to see. I think it is very important to note that our Transportation people are significant players.

What I want to do is finish off with just a few quick comments in terms of the challenges ahead. I have talked about some of the significant changes we have made just in the last couple of years. What I want to do is stress something that I talked about in a couple of the areas that we have taken initiative, well, really two things. One is a vision, second is a plan.

Vision, to my mind, is kind of like a road map. Well, I could have mentioned that we have also put all of Manitoba on the road map. I forgot that one. Anyway, it is like a road map. You need to know where you are going. That may sound like a simple process, but how we could have had a situation develop where essentially we have not had a developed vision, I do not know. Two years does not do it. It has to be five years, ten years, in fact. Our vision

process is Manitoba Vision 2020, which, I think, is the kind of time frame we should be looking at.

So you need a vision, but you also need a plan. If there is one area of concern—we are moving provincially here—but if there has ever been any indication of why we need a vision and a plan, it has been some of the recent developments in terms of the national level. We see, for example, rumours that the federal government is wanting to work out a legacy for the Prime Minister of four-laning Trans-Canada 1 from coast to coast. It is pretty bad when, 10 years into your mandate, you have to float a trial balloon as to what your government's legacy is. You want a legacy. You start year 1, and then after 10 years you have something in place.

What I want to put on the record is certainly premiers, our Premier has said, we are certainly interested. Any time there is any mention of any federal investment in our highways system, we are interested. I hope, by the way, the vision does not just involve the Trans-Canada 1. I hope it involves other aspects of the national system.

I would note, for example, that we announced with the federal government a SHIP project on Trans-Canada 1, but also a very significant project on 16. The Yellowhead is a very significant part of our national highway system. I think that is important as well. It is not one or the other. It has to include the Yellowhead as well. It also has to include other components of our national system, our north-south links, of course, with 75 and with the Perimeter. I think there were some significant needs even in the Perimeter itself, the north Perimeter.

But I want to point to, I think, a bigger issue than whether the federal government has a vision or not, or a plan or not. One of the issues we have to recall, I think, with transportation, is that this Government was founded on a vision of transportation, and a plan of transportation. This province was founded very much in the same vision, including when the borders of Manitoba were extended in 1912 to the 60th parallel, the vision of Churchill, the extension of the rail line to Churchill. I think of the great untapped potential that is there.

One of the issues we keep getting into, what I find is clear at the national level, is, technically, the federal government—and I have heard this, by the way, from Transport Canada officials. They will tell you, transportation is not a federal jurisdiction. Well, I just want to run through what is a federal jurisdiction, just to wrap up my comments here. It is foreign policy, the armed forces—I do not want to get into how effective we are on that score—and taxation. They do a good job in the taxation side. Let us admit it here. At 10 cents a litre, is a good example of that.

Now what is interesting, by the way, is what provinces are responsible for. Pretty well everything else. When have we ever had any true national development in this country? It is when we have had a federal government that has said, yes, health is a—what? It is a provincial jurisdiction. Education is provincial jurisdiction. Transportation is a provincial jurisdiction. But there is one thing that is not in the BNA Act and it is not in the Constitution of Canada. You know what it is? What I consider the residual power of the federal government? Nation building.

Sir John A. Macdonald in 1867 did not have anything in the BNA Act that said, the federal government had to build railroads. He knew that was critical. British Columbia would not be a part of Confederation today in Canada if it had not been for the extension of the rail line. I am not even sure Manitoba would still be part of Canada. It was the same vision with the extension of the airport system, the extension of our road system, and floating a trial balloon about a vision and a plan 10 years into your mandate, about four-laning of the Trans-Canada is not as important. As important as that is, as I have been getting national recognition that it is time for national building again, and transportation, I think, is a part of that.

Now, I almost do not feel so bad anymore, because, for years, there has been this perception that transportation is ignored relative to health care. But I can tell you right now we are on a path where—I can confirm this, I am sure, with the Minister of Health (Mr. Chomiak)—of the way the federal government is getting out of

health care. Pretty soon health care is going to be about the same level of federal support as transportation is. We have gone from zero in the highway system to about five cents on the dollar. We are down about 14 percent of health care expenditures coming from the federal government. That is not national building. That is going to destroy this country over time.

So as much as we are working in the province of Manitoba, it is very hard to develop our vision, develop our plan. I want to stress again that we recognize it is not enough. When we talk about a five-year, \$600-million commitment; it is not enough. It is a minimum commitment. We want to see that federal funding put in place whether it is for Highway 1 or 16 or 75 or the Perimeter. When we talk about developing a five-year plan, we think, quite frankly, we should be looking even longer term plans, but including with the federal government as well because whether you are dealing once again with Highway 1 you cannot do it in a given year.

So what we need is a vision. We need a plan. We are trying to do our bit here in the province. I encourage the members of the Legislature here to participate in that, including the opposition critic but I will finish off by saying that it is only going to be part of the picture. We need the federal government involved. We need to get back into an era of nation building in this country. We, as the Province of Manitoba, we in the Department of Transportation are ready, willing and able. We hope to see the federal government become increasingly a part of that.

* (23:30)

Madam Chairperson: We thank the minister for those comments.

Does the official opposition critic, the honourable Member for Portage la Prairie have any opening comments?

Mr. David Faurshou (Portage la Prairie): I do appreciate the minister's comments. I would like to note that the minister was in dialogue for almost 35 minutes without one note in front of him. It is truly impressive that he was able to detail his entire Department of Transportation

without any aids whatsoever. I believe he did quite an admirable job. I will say that he touched upon most items to which I would like to touch on as well.

I would like to start out by echoing the minister's comments in regards to department personnel. I have a familiarity with many individuals who have dedicated themselves through a lifetime of employment to the Transportation Department here in the province.

In Portage la Prairie, currently, we have a very dedicated group of individuals that take an extraordinary pride in the road network and transportation responsibilities out of the Portage la Prairie district office, and really, truly, regardless of what weather one may be faced with throughout the year, the dedication shows through glowingly by department personnel taking their job extremely seriously and making certain that our roadways are passable, and passable in a safe fashion. So I would like to, at the outset, offer my congratulations and accolades to their accomplishments year in, year out.

I know the department personnel are not with us this evening, so I will delay asking specific questions of the number of personnel available to the department full-time equivalents, percentage of vacancies at the present time, those specific questions to a later time within the committee.

Now, I do want to pick up on one very short clip of the minister's opening remarks, and that involved the word "logistics." That is the fundamental element of the Transportation Department. Recognizing that the movement of goods and services and persons in and about our province is the reason for the department's existence, I want to encourage the minister to emphasize at every opportunity with his Cabinet colleagues and the members of his caucus that, regardless of what their discipline or responsibility may be as government here in the province, it is premised, it is based upon the function of his responsibility, and that being transportation. There will be no delivery of health care here in the province without transportation. There is not the delivery of education without transportation. There is not

the delivery of environmental concerns or sport or any of the other responsibilities of government without an efficient transportation network here in the province. So that is something that I would like to see the minister continually emphasizing and bringing to the attention of his Cabinet colleagues and caucus members.

I believe that the Department of Transportation is once again in review of the finances, is left wanting once again, insofar as there is significant deficit in our infrastructure as it pertains to transportation here in the province. I believe in 1999, when I was last offered the opportunity to peruse some of the information from Transportation, and it was related from the minister at that time, that over \$40 million each and every year was removed through wear and tear on our roads and airport facilities here in the province that were not addressed by the current level of funding. In other words, we are seeing about proximately \$120 million invested in the construction and reconstruction, retrofitting of our infrastructure. We were using up approximately \$60 million each and every year through wear and tear, so, hence, the \$40-million deficit through depreciation of our infrastructure.

I see that still exists today, and I believe it is going to be in an expedient fashion of increase as the years progress. In other words, it may have been \$40 million three years ago; it is probably \$50 million, \$60 million plus right now, because we now have both viewed the Estimates from the Manitoba Heavy Construction Association here in the province of Manitoba, estimating now that, instead of 10 years of significant increased expenditures, it is going to be over 20 years.

I believe they have increased an annual expenditure of upwards to \$240-million estimated construction, reconstruction dollars being expended over 20 years, just to bring our highway systems and airports up to current recognized standards.

That is going to be a significant challenge. But without support from other Cabinet colleagues in this regard, we are going to see this situation continue. Even though I will be the first to recognize the progress made this year in the

strategic planning into five years, which is a very positive step—an increase in the capital expenditure, another positive step in the right direction.

However, just in very quick calculations, the transportation industry here in the province of Manitoba yields up to, each and every year, the provincial Treasury in excess of \$300 million. I believe it is about \$310 million estimated revenues from the Department of Transportation, and that is direct taxation through motive fuels and gasoline tax, licensing fees and levies and from the department.

I asked the question in the Department of Finance Estimates as to what the minister realizes from the sale of vehicles here in the province, whether they be trucks, cars, vans, et cetera, in provincial sales tax; which is directly attributed to a vehicle which will hit the roads and offers up to the government revenues. The minister did not believe that he could extract that from his figures, but he was going to make an attempt. So there are significant dollars generated by the transportation of goods and services here in the province.

* (23:40)

Currently, the Transportation Department, if we give up the section which is administration, which is not a significant amount of dollars in the scope of things, under \$10 million, if that is divided evenly between Government Services and Transportation, maybe another \$5 million here. So we are looking at expenditures about \$268 million, which is \$40 million less than what the department generates in direct monies to the Treasury of Manitoba.

So I think the minister has significant room to grow in the monies that his department should very concisely, very, I am looking for the right word to express, but should be deserving of and I hope that the colleagues of the Government side of the House recognize the importance of the transportation infrastructure and can legitimately go to the other Cabinet ministers and state emphatically that the Transportation Department is in deficit of \$40 million-plus, and that can very easily be addressed by no increase in taxation from the transportation side of things,

increases in gasoline taxes or licensing or anything of that nature. It is already there, and the department is deserving of that money. So we could at least break even with current levels of revenue generated right within the province of Manitoba. We can get onto the federal side of things, and the minister and I will completely agree. He and I could give exactly the same speech, if it pertained to the federal government, at any function here in the province. *[interjection]* Sorry for the interruption. We were clarifying the length of time we are to sit here this evening and when we reconvene here in the morning.

I do want to emphasize once again that the minister has, within his department, the revenue to generate construction and reconstruction here in the province of Manitoba from revenues generated within the province of Manitoba very legitimately because it is in black and white within the Estimates here, currently.

Having said that, I do also want to thank the minister for some of the opening remarks. I will get right out of the way of my own constituency's pleasure from seeing the improvements which the minister just made statement will take place next year on Provincial Road 227, which the constituent of mine enlightened both myself and the minister that it had been 42 years in the making, for the announcement to improvement of Provincial Road 227. I will say that there has been a great deal of delight shown on behalf of those that work at the University of Manitoba field station at Delta, which 227 serves. I know that there has been a significant increase in traffic there with the bird-watching and other activities that the University of Manitoba has come to be known for.

Also, we have seen improvements to two industrial park accesses, one on the west side of Portage la Prairie, the Poplar Bluff Industrial Park, where construction is now underway with the J.R. Simplot potato processing facility and on the east side of Portage la Prairie in that providing access, long overdue access, to the McCain's potato processing facility in the McMillan Industrial Park. Other industry is also there that will benefit, as well, but those are the two primary benefactors of that improvement.

I look to the replacement of the sign at the outskirts of Portage la Prairie on the bypass reading the name of Portage la Prairie in full. The economy of the previous New Democratic Party erected signs some 20 years ago that saw it as a frugal measure to shorten our name for Portage la Prairie to just Portage, much to the chagrin of Portage la Prairie residents. I believe that the current minister now has seen the light. I believe that the new signage that will be placed there, hopefully, in short order, will display Portage la Prairie. I know the member for Brandon is looking to that signage again because I think he has had opportunity to drive right into Portage la Prairie without that sign directing him around Portage la Prairie to his home constituency of Brandon. Anyway, maybe it has offered him opportunity to visit his relatives in Portage that he has neglected over the years.

I digress, Minister, but I would like to pass on the positive comments that have been in and about the city in rural Manitoba, Portage la Prairie, that the minister has seen fit to improve those two intersections. They have been completed over the last short period of time.

I will say, though, that the minister mentioned the Trans-Canada Highway and the Yellowhead Route, which both transverse my constituency of Portage la Prairie. I concur with his comments that they should be viewed as national roadways, nation builders, and continue to bring to us a sense of unity coast to coast, through the ability to travel on those roadways from coast to coast, and really truly experience this great land we know as Canada.

The deplorable state that those roads have come to be in, as one that travels those roads here in Manitoba each and every day—just last night travelling Highway 75, hard to keep my posture correct in bouncing over the dips and—
[interjection]

An Honourable Member: They are natural speed bumps.

Mr. Fourschou: The minister states that they are natural speed bumps and, indeed, they are. To speed on that stretch of highway would be a challenge, but I want to encourage the minister, as I believe I have in the past, that he is also

responsible for the disaster assistance that the federal government shares in. I do not believe that it would be a stretch for our engineers from the department to put together a case that would be viewed as valid. That the state of Highway 75 is a result of the 1997 flood and the total inundation of that roadway in many stretches that precipitated the state of affairs that we see today—

As we can all appreciate, sometimes damage is not evident in the short term, but in the little longer term, it becomes abundantly clear that damage did occur and was the result of the flood. I am not aware of a statute of limitations with that particular program, for us to put together a case to the federal government that that road should be, in fact, totally rebuilt because water permeated the hard surface and tends to separate the aggregate below the hard surfacing. The aggregate has separated so that the fines as well as the courses no longer are in mix and provide a stable bed for that hard surfacing. So that is why we see the up and down movement. So, if I can encourage the minister to consider that claim with the federal government as being one worthy of pursuit, I would like to do that at this time.

* (23:50)

I also want to mention that the Port of Churchill was in the opening remarks of the minister. I want to bring him up to speed, if he is not already there, that last week was the opening of the port. For the first time in the history of that port, that the vessels that berth at the port, cruise ships outnumbered cargo vessels. There was only one cargo vessel loaded last week with grains, and there were two cruise ships that docked at Churchill. I know the Minister of Tourism said, no, no there were more vessels last year, but not to split hairs here, there were vessels that did visit the Port of Churchill, but they did not dock. Only one vessel docked last year, and already we have had two cruise ship vessels, doubling that. Not to be of a partisan nature, but I do want to stress that the increased activity at the Port of Churchill could, in fact, be traced back to the change by the previous administration's Finance Department exempting the bunker fuel that is taken on by vessels that dock at Churchill, as being an added incentive to

see additional vessel traffic at the Port of Churchill.

I have been, as my father before me, a strong advocate and supporter of the Port of Churchill. I believe it is a significant asset to the transportation network here in the province and one that we should view with pride and undertake it in consideration when need for infrastructure improvements is called upon.

I also want to mention that the minister remarked that the trucking interest here in the province is a significant one. He and I both shared receipt of a report looking into the future, 2020, that showed significant increase in trucking activity down the 75 through Interstate 29, Interstate 35, Interstate 94, that linked Manitoba with the Midwest and the eastern U.S. and Canada. It was shown that Interstate 94, Interstate 90, would be a significantly travelled route from southern Ontario through to western Canada in the absence, obviously, of improvements or the thought of any improvements, on the Canadian side of the border. The Trans-Canada Highway is only single-lane traffic and really known for unsafe travelling conditions many times throughout the year.

My brother was one who travelled that very, very extensively when he had the mail run between Winnipeg and Toronto. He did that almost every second day, in a pair. He stated to me that there was not one occasion, not one single occasion that he did not view a wreck on his route between Winnipeg and Toronto. Wrecks either involve 4-wheel vehicles or 18-wheelers. It was devastating for him, and, in fact, after just short of a year, he personally could not take the tragedy which he viewed, the toll in human life and limb as well as the loss that was experienced by family members.

That continues to be travelled each and every day because of the need for the mail to get through. I could not be a stronger supporter of the announcement by the two ministers, Dhaliwal and Collenette, their support for improvements to the Trans-Canada Highway across Canada. It is a safety issue, and I know that it would not take too much to find individuals who have been touched personally

by unsafe conditions and what it has taken on as a human toll in tragedies with automobiles and accidents on the roadways.

I know that we only have a couple of minutes left there here this evening, but I do want to discuss more fully that 2020 report because I, personally, as a Manitoban, do not want to be seen by other members of the agreement as not pulling our fair share. I believe that it is vitally important, as was displayed by the huge numbers of economic activity; hundreds of billions of dollars of freight and services that are travelled annually along these roadways.

It is imperative that the Province of Manitoba view Highway 75 as a vital artery for the economic activities that we see here in the province of Manitoba and the continuation of those activities over that roadway to our trading partner, the United States. As well as the trade that we are seeing with eastern Canada, that was displayed by the information that we obtained. Let us hope that we have the opportunity to look at that report more extensively.

I also would like to commend the minister as stating that he is going to be participating in public dialogue in the development of a strategic plan. I hope that strategic plan and the dialogue that takes place in the province gives—the minister will provide some of his ideas first off to provide the foundation, the starting point, for discussions. If the public is presented with a blank piece of paper, we are going to be all over the map—pardon the pun—in our discussions. I hope that the minister can initially have a framework of discussion, unlike his Cabinet colleague, the Minister of Health (Mr. Chomiak), when it was, perhaps, too narrow. I think there is a balance between not having anything at all, and having it all over the map.

Madam Chairperson: We thank the member for his statement. The hour being 12 midnight, committee rise.

CONSUMER AND CORPORATE AFFAIRS

* (18:30)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please.

This section of the Committee of Supply will be considering the Estimates of the Department of Consumer and Corporate Affairs. Does the minister have an opening statement?

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): I do have a brief opening statement. Thank you.

It is my pleasure to place the 2002-2003 Estimates for Consumer and Corporate Affairs before the committee for review. First, I want to highlight a number of consumer protection initiatives.

Protection for borrowers under reverse mortgages introduced in the last session, with amendments to The Mortgage Act, came into effect June 1 of 2002. Reverse mortgages are loans based on the equity of a borrower's home. The amount of the debt in a reverse mortgage can accumulate quickly and consume equity that the owner is counting on using for other purposes. It was important to ensure that Manitobans thinking about taking a reverse mortgage were fully aware of the cost and conditions.

The new provisions in The Mortgage Act will require reverse mortgage lenders to provide prospective borrowers with critical information in plain language. This information must be provided at least seven days before the borrower signs the mortgage. The Consumers' Bureau was given the authority to investigate and mediate concerns involving reverse mortgages.

For many Manitobans, the equity in their home is a major source of their savings. You must be protected. Consumers must be able to make decisions based on informed choices in these new requirements to ensure that they receive the information they need to do that.

Amendments to The Securities Act in Bill 24 will provide the commission with the authority to order reimbursement of losses to an aggrieved investor. With these amounts, Manitoba will be the first province in Canada to allow its securities regulator to make whole an investor's losses directly attributable to the improper conduct of an adviser. There is a cap proclaimed of \$100,000. When the market

participant commits a breach of the act, or of the duty owed to a client, the Manitoba Securities Commission holds a hearing to consider the individual's continued licensing in Manitoba. At the hearing, a panel of the commission can remove the person's or firm's licence temporarily or permanently, levy a financial penalty, and order costs.

Before now, the commission could not order compensation for the investor's losses even where it was clear that the breach led directly to those losses. The aggrieved investor had to attempt to recoup the losses in court or through the arbitration at his or her own expense. The costs or attempted recovery often provided an insurmountable obstacle for the average Manitoban. These amendments will remedy that situation. This represents a benefit to the average Manitoban investor.

Another consumer protection initiative is being undertaken by the Manitoba Securities Commission. The commission is currently seeking comment from the industry groups on a proposed regulation of deposit agents. Deposit agents are individuals and companies that accept funds from Manitobans often in rural and northern communities for deposit with financial institutions. This is one area where the financial service industry is not currently regulated, and the commission is proposing a registration system for those in the deposit agent business and the development of appropriate forms, agreements and guidelines. These measures will enhance the level of assurance that investors may expect concerning their money from time to time as it leaves their hands until the time it is actually deposited with the financial institution.

Last year the staff at the Manitoba Securities worked with the Manitoba Real Estate Association to develop and implement a mandatory continuing education program for brokers and salespeople. This initiative has been well received by the industry, and it is an important facet of the public protection.

The Manitoba Securities Commission will continue to expand its programs for investor education in 2002-2003. Working with teachers groups and junior achievement, commission staff will continue to provide educational

support to the province's schools. The goal is to reach students early with a message about the importance of savings and investing, as well as the understanding of the practice. The commission will be issuing new print materials on investor education this year and will continue to make regular presentations to consumer and seniors groups.

The commission is also continuing to develop programming specifically aimed at rural communities, women's organizations and First Nations groups. In partnership with their departments and enforcement authorities, the Consumers' Bureau is co-ordinating the development of a fraud prevention calendar for 2003. The calendar will provide information to educate consumers about deceptive telemarketing, home renovation fraud and other scams, and inform consumers about important marketplace topics.

I also want to spend just a short bit of time talking about the department's efforts to enhance and improve service delivery. A major project in the department is a continuation of the re-engineering of the Residential Tenancies Branch and the Residential Tenancies Commission business process and technology. Re-engineering has involved the total review of how business is conducted with an emphasis on improved client service. The review has resulted in the redesign of nine processes, including: mediation, hearings, claims, utilities repairs, abandonments, lockouts and rent increases, compliance and appeals.

Implementation of these new processes is under way and will be completed with an installation and implementation of the new technological system. The new system will enable the branch to conduct primary dispute resolution when the client first contacts the branch. It will also provide multiple access points for clients to obtain information and services. Overall work flow will be improved, resulting in faster resolution of issues and quicker decisions, as well as the ability to file claims and rent regulation notices electronically in the future.

Our Government is committed to expanding the range of government services delivered over

the Internet. Since early May this year, business owners have been able to reserve the names of their new companies with the Companies Office over the Internet. Businesspeople or their lawyers will no longer have to travel to the Companies Office or use the mail in order to receive the service. In addition, if the business owner requests a response by e-mail, then the response can be shortened by as much as seven hours.

Beginning in April of this year, notices of new company restrictions and regulations have been posted on the Government Web site. Previously, these notices were published only in the *Manitoba Gazette*. We recently proclaimed legislative amendments to allow for the publication over the Internet, which makes the information much more accessible. There is no cost for this access.

Access to Manitoba on-line is now available for public users through the Internet. This means that clients of the Land Titles system and Companies Office system can now use the Internet as a gateway to make searches of land titles data and information on business names and corporate registrations.

Consumer and Corporate Affairs is proud to participate with other provincial departments in partnership with the government of Canada and the city of Winnipeg in the recently opened bilingual service centre in St. Boniface. Clients visiting this centre will be able to access information about programs and get referrals to the department in either official languages of their choice.

The department will be participating in two more bilingual centres in St. Pierre-Jolys and Notre Dame de Lourdes, which will be opened this year. We are looking at extending the implementation of the new consumer complaint system at the Consumers' Bureau to licensing functions this year. Currently, the Consumers' Bureau manual system's issuing licenses takes anywhere from 10 to 14 days. By automating the system, the time will be reduced by at least half.

As a result of the events of September 11, 2001, we continue to review our processes to identify measures to enhance security. Under Bill 2, The Security Management Act, amend-

ments proposed to The Vital Statistics Act create new offences for penalties up to \$50,000 or imprisonment of not more than one year or both for making false statements or providing false information when applying for vital documents like birth certificates or possessing false vital documents.

The Vital Statistics Agency is also improving security for vital documents such as birth certificates by expanding information links for vital documents such as matching birth and death records. As a member of the Vital Statistics Council of Canada, we will be developing and working with best practices for issues of vital statistics documents.

* (18:40)

Just in closing, I want to commend the staff of Consumer and Corporate Affairs for their dedication, knowledge and ongoing commitment to client services and many improvements in service over the past few years. I am proud of our accomplishments and remain committed to continuing our efforts to achieving this goal with fair, efficient and an informed marketplace for consumers and businesses in Manitoba. Thank you very much, Mr. Chair.

Mr. Chairperson: We thank the honourable minister for those comments. Does the opposition critic, the Honourable Member for Carman, have any opening comments?

Mr. Denis Rocan (Carman): Thank you very much, Mr. Chairperson. It gives me great pleasure this evening to participate in the Estimates process, along with my good friend, the Minister responsible for Consumer and Corporate Affairs.

At the outset, I would like to acknowledge the fact that it has been a real pleasure for myself to be able to work with such a fine individual who takes his work quite seriously. It is a pleasure when you have a minister who has the capability of working quite closely with his staff in making sure that the affairs of the province are looked after in a diligent manner. This minister, on several occasions, has taken quite seriously some of my comments and/or suggestions in trying to alleviate some of the concerns that have been raised through me as a

critic. So I would just like to take a few moments to put a few comments on the record, and, then, I believe, we can move on to examining that department's Estimates.

Recently, this Government saw fit to withdraw Bill 12, The Consumer Protection Amendment Act, for further review and consultations. Our caucus had received a significant number of calls, letters, faxes and e-mails on this particular issue. I am going to take a few moments to read a few of these comments that we have received into the public record, just as a reminder to the Government about why they need to go back and to look carefully at what they are trying to accomplish through these legislative changes.

A credit officer from one of the rural consumer co-operatives stated, and I will quote: If Bill 12 goes through and I am unable to contact a member about a past due account after attempts to do so by mail have failed, we will have no alternative but to suspend the accounts and possibly stop charging practices altogether. If this happens, farmers cannot get fuel for their tractors and/or combines, no twine for bailing and no fence posts to keep their livestock in. She continued, and I will quote: If they cannot get their crop off, they receive no income and then they have to go on town assistance or ask the government for money that they will not likely get. The town will suffer. The farmers will suffer, and so will all the businesses.

Another rural co-op general manager stated: These changes will make it impossible to contact the debtor by phone and make collecting less effective. Ninety percent of our customers, who are farmers, rely on credit to operate. With these changes, we will be forced to restrict credit, which will harm our businesses as well as others.

Yet another rural co-op general manager stated of Bill 12: Restrictions such as the ability to call people to settle outstanding accounts will result in eliminating credit privileges for a portion of our members and using litigation to collect delinquent accounts more than we presently require. This amendment will punish our entire membership for the one or two percent that create the problems.

A Winnipeg businessman said of Bill 12: Two outcomes are possible with such ill-advised

law. The number of uncollected accounts will increase. Consequently, the cost of extending credit will be higher to the business operator extending credit. These costs will ultimately be passed on to other customers, and the willingness to extend credit to individuals will become more restricted, inconveniencing and hampering the operation of those consumers and fledgling businesspeople who conduct business as individuals.

As one Winnipeg businessman so aptly put it: It will simply be a fact of life that no cash, no sale will be a reality. Both the Winnipeg Chamber of Commerce and the Canadian Federation of Independent Business also raised a number of concerns about Bill 12. As Chamber President, Dave Angus, pointed out: While it is important to protect consumer interests, that protection must be balanced with industry needs to maintain an open, fair, and healthy business-consumer relationship.

There are a number of questions that this Government needs to examine before it proceeds with the proposed changes to The Consumer Protection Act. In particular, I would like to know if the changes being made under section 98 re: Prohibited collections, and Prohibited collection practices, are meant to apply strictly to collection agencies, or, if they would, in fact, apply to all credit granters or sellers of goods and services. This could include provincially and privately run utilities, banks, department stores, and virtually any other business or service provider that is forced to collect on an outstanding debt. For example, it may have an impact on provincially-owned institutions such as Manitoba Hydro and Centra Gas.

There is also a lack of clarity about how these changes to collection practices would apply to firms that are based in other provinces and the United States that are contacting Manitobans about debts owed to their businesses. Will they be subject to the same types of enforcement and fines as Manitoba-based businesses trying to collect on outstanding debts? How will they be policed? Moreover, what are the implications for home-based businesses?

As previously agreed, I believe, and in order to facilitate the proceedings and to move on in

an orderly fashion, the minister is unaware of it, I know that, but I am going to make it easier for the entire department, because there a few questions that, I believe, should be asked, but I am going to do it in a letter form that I will be sending over to the minister this evening, to do with political staff, departmental staff, Companies Offices, Vital Stats, Residential Tenancies Commission, and so forth. By doing so, I believe I am trying to fulfil a commitment that my House Leader had made with this member's House Leader. I am a firm believer when you give your word, you must stand by it. Unfortunately, the honourable Member for Dauphin took the opportunity a while ago to relinquish his word in this House. For that I take great exception, but I am more than prepared here this evening, in providing this letter to the minister with said questions. Unfortunately, I wish I would have put in there questions with regard to his bilingual services that are presently in St. Boniface. I know, for a fact, as the minister stated in his opening statement, the towns of St. Pierre and Notre Dame de Lourdes will be the beneficiaries very shortly, I believe, in the coming year, the minister has said, with providing these services in those said communities. For that, we will be eternally grateful to this Government for forging ahead. I am sure it will be at great expense, but there is a right, and the minister is set on a particular course to right that.

* (18:50)

Also, just in a passing comment, I take great comfort, I guess, knowing one of this minister's staff, an individual that I worked with for many years because this minister's department worked very closely with the Legislative Assembly, the Speaker's Office, an individual by the name of Fred Bryans, I mean, just one of the nicest individuals that you could ever have in your employ because the man was very straightforward and committed to righting whatever it is that individuals would need. So kudos to Fred Bryans. Kudos to this minister for having him.

Therefore, in closing, while I appreciate that this Government was trying to make changes to The Consumer Protection Act, and that would better protect consumers, the proposed changes pose a significant challenge to businesses. These

changes could, in fact, have a negative impact on consumers if it becomes more difficult for businesses to offer credit or if businesses are forced to increase the price of goods and services, if they are unable to collect an outstanding debt. These types of outcomes would benefit neither consumers nor businesses. Therefore, these general questions about the operations of the department that I am prepared to table with the minister, so that his department staff might examine them and to provide us with the requested information. Therefore, Mr. Minister, at this point, I am prepared to move towards the passage of the Estimates of the Department of Consumer and Corporate Affairs.

Thank you very much, Mr. Chairperson, for your indulgence in this matter, and you can proceed on calling off the numbers.

Mr. Chairperson: The Chair thanks the official opposition critic for those comments.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of item 5.1.(a) and proceed with the consideration of the remaining items referenced in Resolution 5.

5.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$361,400—pass; (2) Other Expenditures \$47,700—pass.

1.(c) Administrative Services (1) Salaries and Employee Benefits \$537,200—pass; (2) Other Expenditures \$201,100—pass; (3) Less: Recoverable from Legislative Assembly (\$185,000)—pass.

1.(d) Research and Planning (1) Salaries and Employee Benefits \$179,800—pass; (2) Other Expenditures \$48,200—pass.

1.(e) Vital Statistics Agency, blank.

2. Consumer Affairs (a) Consumers' Bureau (1) Salaries and Employee Benefits \$932,900—pass; (2) Other Expenditures \$250,600—pass.

2.(b) Residential Tenancies Branch (1) Salaries and Employee Benefits \$2,770,700—pass; (2) Other Expenditures \$706,700—pass.

2.(c) Automobile Injury Compensation Appeals Commission (1) Salaries and Employee Benefits \$465,400—pass; (2) Other Expenditures \$122,900—pass.

2.(d) Residential Tenancies Commission (1) Salaries and Employee Benefits \$448,200—pass; (2) Other Expenditures \$109,300—pass.

2.(e) Grants \$88,700—pass.

Resolution 5.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,895,400 for Consumer and Corporate Affairs, Consumer Affairs, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 3. Corporate Affairs (a) Financial Institutions Regulation (1) Salaries and Employee Benefits \$697,000—pass; (2) Other Expenditures \$259,000—pass.

3.(b) Public Utilities Board (1) Salaries and Employee Benefits \$543,600—pass; (2) Other Expenditures \$713,100—pass.

3.(c) Manitoba Securities Commission, no dollars—for the record.

3.(d) Property Registry, no dollars.

3.(e) Companies Office, no amount.

Resolution 5.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,212,700 for Consumer and Corporate Affairs, Corporate Affairs, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 5.4. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$94,700—pass; (2) Amortization Expense - Enterprise Software \$16,900—pass; (3) Enterprise Software Licenses \$38,400—pass.

4.(b) Amortization Expense \$63,300—pass.

4.(c) Interest Expense \$36,000—pass.

Resolution 5.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$249,300 for Consumer and Corporate Affairs,

Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: We are now reverting to 5.1 (a) Minister's Salary \$28,400—pass.

Resolution 5.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,218,800 for Consumer and Corporate Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

* (19:00)

Mr. Chairperson: That completes the Estimates for the Department of Consumer and Corporate Affairs.

The next set of Estimates that will be considered by this section of committee is the Estimates of Advanced Education. Shall we recess briefly to allow the minister and the critic the opportunity to prepare for the commencement of the next set of Estimates?
[Agreed]

The committee recessed at 7 p.m.

The committee resumed at 7:09 p.m.

ADVANCED EDUCATION

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of the Committee of Supply will be considering the Estimates of the Department of Advanced Education. Does the honourable minister have an opening statement?

Hon. Diane McGifford (Minister of Advanced Education): Yes, Mr. Chair, I do.

Mr. Chairperson: Please proceed.

Ms. McGifford: Let me begin, Mr. Chair, by congratulating the MLA for Tuxedo (Mrs. Stefanson) on her appointment as critic for

Advanced Education. I have been told that she has experience as a student activist, and I am certain she will bring this experience to her duties.

I want to assure both this committee and the public that this Government has made and will continue to make advanced education a priority. Our Premier (Mr. Doer) has delivered a consistent message during his visits to Manitoba communities, an economic strategy without an educational strategy is absurd. This Government recognizes, too, that the best indicator of a sound income is a post-secondary education. Personally, and I am sure members will agree, I think that education contributes to healthy communities and enriched lives. In other words, the economic development of our province, the health of our communities, and the well-being of our people intimately tie to post-secondary education.

This relationship explains why we have made our commitment, another sign of which is that in January 2001, the Premier created a second Education ministry, bringing our province in sync with most other Canadian jurisdictions. It was my honour, of course, to be named as Manitoba's first Advanced Education Minister, and I am delighted with the position.

* (19:10)

Mr. Chairperson, I believe that vision is important, but equally vital is a plan, a strategy, to achieve one's vision. We might remember as the poet T. S. Eliot put it, between a concept and a deed falls the shadow, but in this case my Department of Advanced Education has averted the shadow by developing our set of goals. I will address them briefly and pass on to members the information that a more detailed description appears on the Advanced Education Web site, which I recommend to all members.

Briefly speaking, and I point out that, in the interests of lifelong learning, these goals are shared with Education, Training and Youth, these are our goals: (1) to improve success rates in all programs and institutions; (2) to expand the range of people we serve; (3) to better integrate and support knowledge and skill development within economic and social

priorities; (4) to build the capacity of institutions and the communities to support learning; (5) to build a learning continuum in the province. We have, of course, developed specific strategies and priorities in working towards these goals. Again, details can be found on our Web site, and I invite all members of the House to browse. Better still, stay a while and read, let your constituents know about the site.

Developing goals and their accompanying priorities and strategies are important steps. As I have said, it is necessary to have a plan, a map, a location and a sense of where we are, where we want to be and how to get there. Equally important, I think, and certainly one of the ways of getting there, that is, accomplishing our goals, is to work with our public institutions.

In this regard, let me assure members that during the past year I visited all our public universities and colleges in order to share our goals, discuss them and benefit from institutional wisdom and advice. Without the co-operation and knowledge of the institutions, reaching our goals would be impossible. I am delighted to say that these meetings were extremely well attended, thought provoking and fruitful. As a government, we have fostered a civil, co-operative working partnership with our institutions, all of whom, without exception, are delighted to have their own minister. I am pleased to report that relationships with our post-secondary education institutions are excellent.

We cannot, of course, reach our goals or develop excellent institutions without supporting them, that is, without funding. In this regard, I am pleased to tell members that during my Government's three years in government, here I am referring to the three Budgets of our Government, the operating and capital funding to our public institutions has increased by 18.2 percent. By way of context and contrast, let me note that the previous government in 10 years increased the funding by 16 percent. Mr. Chair, 18.2 percent is the equivalent of approximately \$56 million and is a testament to my Government's remarkable support to post-secondary education, possibly the largest three-year increase in Manitoba's history.

Our commitment and funding are central to the recovery, stabilization and growth of the

post-secondary education sector. As the VP administration from the U of M stated last summer, this is the first year in years that we do not need to cancel programs, and this is true again this year, no programs have been cancelled.

I am pleased as well that government took action and, over a period of five years, will phase out property taxes for our public institutions. This decision will mean that our institutions receive the same exemption for municipal property taxes enjoyed by all institutions in western Canada. We believe in fairness, and this change places our institutions on a more level playing field commensurate with our sister institutions. Let me note here that this change will, over a period of five years, put approximately \$19 million more into the system, money, which, as the president of the University of Manitoba has noted, can be used to offer more programs, attract staff and support students.

I should point out that post-secondary private institutions do not pay property tax, so here we have established consistency. Post-secondary private institutions have never paid property tax, Mr. Chair.

This Government is determined to increase the range and number of people we serve. Consequently, we are dedicated to affordability and assessability. We believe in post-secondary education. This is clear in our commitment to students. In spring 2000, we initiated a \$6-million Manitoba government bursary to replace the bursary canceled in the nineties. We have cut tuition by 10 percent in our first three Budgets, so Manitoba tuition is among the lowest in Canada.

We have maintained \$5 million in matching funds for the Manitoba Scholarship and Bursary Initiative, and over the course of our three Budgets we have increased ACCESS bursaries. We have legislated students' rights to bursaries and loans in The Student Aid Act. Each year we provide between \$20 million and \$30 million in Manitoba government student loans.

I take this opportunity to congratulate staff members responsible for the negotiating, opening, and smooth sailing of the Manitoba

Student Loan Service Bureau, which opened August 1, 2001.

As members know, the withdrawal of the Royal Bank from student loans servicing meant the establishment of an alternate model for service delivery. After extensive work, Manitoba decided to create its own bureau, which is highly successful and on target towards implementing the next stages of loan administrative services. Indeed, so successful is the new Manitoba Student Loan Service Bureau that other jurisdictions are seeking advice on this model.

Earlier I noted our goals for post-secondary education, and here I note that one of the most important initiatives is the delivery of these goals in the College Expansion Initiative. Towards this end, we have, to date, put \$29 million into this plan, and the achievements are commendable. I am sure we will discuss the CEI in greater detail as our deliberations progress, but at present I want to indicate our investments in health care professionals, aerospace workers, information communications technology people, and agriculture training. But, of course, this is a partial list.

I add that the regional centre plan at Keewatin Community College and our investments in distance education are an excellent way to promote access and lifelong learning, especially in the North. As I have said, details can come later. But the point I want to make here is that the College Expansion Initiative will not only increase the numbers and range of our learners, but will also fuel economic development and provide literally thousands of Manitobans with meaningful careers.

Speaking of the College Expansion Initiative gives me a segue into my remarks on post-secondary capital spending. All of us, of course, are familiar with the Princess Street Campus, and the vital role it will play in revitalizing our community college education, and Winnipeg's Exchange District. With both these goals in mind, government will invest \$31 million in the campus.

Phase 1 is scheduled to open in fall 2002, and its programming will include digital multimedia technology, radio and television broadcasting, and technical communications. I know that those who have not yet heard will be

delighted to know that the campus has been nominated for a prestigious international award in recognition of its environmental measures. The ceremony where that award may or may not be awarded is to take place in Norway this fall.

The success of University of Manitoba's Building on Strengths campaign is another good news story. In fall 2000, government announced a \$50-million grant to this campaign. This commitment and this leadership were essential in stimulating private-sector donations.

I know that all members will be pleased to hear that in mid-May the chair of the Board of Governors, Paul Soubry, informed me that the Building on Strengths campaign had surpassed \$152 million, and was growing weekly.

I might add here, Mr. Chair, that Paul Soubry, Sr., recently completed his term as chair of the Board of Governors. I would like to thank him publicly and on the record, as I have already done privately, and thank him for his public service and commitment to the University of Manitoba. He chaired the board for a number of years and acquitted himself admirably, and we all owe him a debt for his public service.

Mr. Chair, I have mentioned the Princess Street Campus and the capital contribution to the University of Manitoba. Government has also provided capital to the University of Winnipeg, \$14 million for, among other things, the refurbishment of the historical Wesley Hall; to Brandon University, \$5 million for a new health sciences building begun this spring; and to CUSB, \$1 million towards their student centre.

In short, government has invested over \$100 million for the purpose of rebuilding universities and colleges.

We inherited a demoralized, suffering, post-secondary system and we have breathed new life into these institutions, and we are not finished yet.

* (19:20)

I know as today's process proceeds we will have the opportunity to explore the achievements of the Government. Some have been mentioned, and I will just add these: support for

innovative programs in colleges and universities; support for prior learning assessment in post-secondary education institutions, so important in ensuring that learners are able to achieve their goals more quickly and effectively; expansion of nursing and physician education; the development of laddering, which links colleges and universities, allowing, for example, an individual to train as a health care aide, later become an RN, and then earn a bachelor's degree, all of those particular achievements would be linked together; joint programs across institutions; the further development of Campus Manitoba as a multi-institution distance delivery system; we have increased consultation with institutions, students, faculty and community groups; the establishment of the student aid on-line application process; lastly, the development of a new institutional designation policy for student aid and the tabling of The Private Vocational Institutions Act. Well, that act has now passed the Legislature, Mr. Chairperson.

These achievements have only been possible through the efforts of a very talented, dedicated staff who work hard and make excellent use of the available resources to meet our priorities. This seems to me a good time to recognize staff, to congratulate them on their performances, and to ensure them that their work is making a positive difference in the lives of Manitobans.

Recently, all our universities and colleges have held their convocations, and my colleagues and I have attended many, listening to Her Excellency the Governor General speaking about the importance of our ACCESS programs, hearing the honest, tough visionary words of Justice Sinclair, watching hundreds of young people and not quite so young people cross the platform to receive their degrees and diplomas, buoyant and happy. As I think about these lives and potential, I experience one of those relatively rare conjunctions of sensibility where thought and feeling coincide.

During these moments, I know with my mind and heart that by virtue of my position I am among the most fortunate of Manitobans, because I love my work and see its results. During these times I know too that Government's education policies are working for our people. Thank you.

Mr. Chairperson: Does the official opposition critic, the honourable Member for Tuxedo, have any opening comments?

Mrs. Heather Stefanson (Tuxedo): Yes, I do, Mr. Chairperson.

Mr. Chairperson: Please proceed.

Mrs. Stefanson: Thank you very much. I would like to start by congratulating the Minister of Advanced Education (Ms. McGifford). I believe that she is the first Minister of Advanced Education in this province, and I would like to congratulate her on her role. I believe this is her second year in her role. I congratulate her on the work that she has done in the department. I also would like to thank the department staff for all their work that they have done. I know that the minister and, indeed, all of Manitoba rely heavily on their hard work and dedication in this process. So I would like to thank them for their hard work.

Just in a quick response to some of the things that the minister had brought forward in her opening statements. First of all, she mentions the Premier's (Mr. Doer) message that an economic strategy without an education strategy is absurd, I believe those are the words that the minister mentioned. I agree with those words. I think one area is perhaps going ahead, and that is the area that the minister is involved in and that is the education strategy. I think it is unfortunate that the economic strategy in this province is perhaps lagging behind, and I think that many of these things do go hand-in-hand and it would be absurd for them not to. Unfortunately, I believe the Government is not following through in the one area, and that is perhaps causing them to lag behind somewhat.

Having said that, I have really enjoyed my role to date as the critic for Advanced Education. I have been the critic for several months now, and very much enjoyed my work. I am pleased with my role and the challenges that I have faced so far, and that I face in the months ahead.

In my capacity, Mr. Chair, I have had the opportunity to meet with several people whose daily lives are affected by the post-secondary education system in our province. I have listened

to everyone, from students to professors to administrators, to business professionals, as well, who are trying to encourage our youth to stay here in Manitoba and work for them after they graduate. I have learned a great deal from each and every one of these people about our post-secondary school system in Manitoba. I want to sincerely thank all of the people who I have met with for their advice and their guidance throughout this process.

As a new critic to the Estimates process, I believe, more often than not, it can be often a confrontational experience. My intent in this Estimates process is not merely to criticize the Government for what they have done in the post-secondary system in Manitoba to date, but more to seek information from the minister in some areas that I feel that we have a tremendous opportunity to enhance our post-secondary education system in our province. I believe very strongly that we need to provide a significant level of education for our young people in this province that is superior to all other provinces in Canada. Until we achieve this, I believe our work as administrators in this process is not complete.

We need to encourage ways to develop stronger links between the private sector and those who are seeking employees in our province and our post-secondary education institutions, or those who provide the skills for our workforce. Until stronger links are made in these areas, I believe we will continue to lose our youngest and brightest youth to other provinces, where, perhaps, some could argue that the real job opportunities lie. I think it is unfortunate that we have seen some of these people leave, and I would hope that we could work with the educators and the business professionals in our community to make sure that we could provide the job opportunities to keep these people here.

If we continue to encourage our young people to leave our province and effectively subsidize the workforces in Ontario, Alberta and B.C., which, indeed, is where the majority of those leaving our province are headed, we are jeopardizing the future of our province if we continue to lose our youngest and brightest to other provinces and, indeed, to the United States as well.

Fear not, I have not given up on our young people. In fact, I believe very strongly in our young people, and that is one of the reasons that I ran for a seat in the Manitoba Legislature. I believe our young people are among the brightest in our country. All we have to do is start providing them with the skills they need to succeed in the workforce in our province, and provide them with the job opportunities that will encourage them to stay here in Manitoba, and work and live and raise their families right here in this great province.

Until we find a balance in this process, I believe we are missing a tremendous opportunity to create a sound economic environment for people to want to come here and to live and work in our province. So it is not just about keeping people here, but it is about attracting new people to our province. We are losing an opportunity in our province, because without providing incentives for our young people to stay here after they graduate from university, the future of our province becomes, indeed, questionable. What happens if all these people leave? Where will we be 10, 15, 20, 25, 50 years from now, if we do not at least try to create an economic environment that is worth living in?

* (19:30)

So in general, my issue with this Government is not necessarily with the way that they are running the Department of Advanced Education, because, believe it or not, I think that this minister truly believes in the importance of providing a quality education for our young people. I believe that she believes very strongly in that, and I respect that. But more, my issue with the Government is with what happens after these people graduate from our schools, from our post-secondly schools. I have deep concerns about the direction that this Government is taking.

Having said this, Mr. Chair, there are some areas that I have questions on, and I reiterate, my purpose here is not to try an back the minister into a corner, but more to have an opportunity to seek some information from the minister in some areas of our education system that fall under her jurisdiction. I believe I represent the taxpayer of our province. I want to look very closely at

where the money is being spent in the Department of Advanced Education.

I am looking for value for every dollar spent, and also looking to ensure that services are not duplicated. Most importantly, I am examining this Government's plans for advanced education for inclusion of innovative educational programs of quality in our province. As well, I am looking to ensure that any infrastructure costs are carefully considered. I am also looking for advancements in distance education.

Distance education is important for those students who live far away from our post-secondary education institutions, especially those in our rural and northern areas of our province, Mr. Chair. Distance education is critical for our students in Manitoba, but also can be considered a marketable quality for any post-secondary institution that could generate revenue from students outside this province. I think we have a tremendous opportunity with enhancing our post-secondary education system and encouraging young people all across our great country and all across the United States to, indeed, come here to Manitoba to seek out their quality education right here in our province. I think we could very much benefit by attracting people from outside our province to our post-secondary institutions here in Manitoba.

Some of the items, Mr. Chair, I am especially interested in are the progress of the Red River College expansion, the University College of the North and just an assessment of the new in-house Student Loan Bureau. Those are some of the areas I would like to touch on. There are many other areas, as well, but, indeed, most of the focus will be in those areas, my line of questioning.

The new Red River Campus on Princess is a very exciting addition to the college. The course content appears to be adhering to the new digital economy, Mr. Chair. As of late, there has been some controversial information regarding the progress on the facility, and I would very much just like updates on how the facility is developing, and how things are moving forward.

I have had a chance to also, Mr. Chair, review the MKO proposal for the University

College of the North. This concept of a university with a unique northern focus is interesting, and, I believe, deserves further discussion. I am interested in discovering what progress has been made on this venture to date.

The student loan process has changed from a bank facilitated program to an in-house service bureau, run by the Government. I am very interested in how this process is working now, and the costs involved with the changeover that has taken place, Mr. Chair.

So, having said that, again, I want to just say there are some areas of concern that I have, mostly in keeping our young people here after they graduate from our post-secondary education institutions. But I do have some areas of concern. Certainly one of the areas that is of concern is some of the decisions made by the Government that has decided to do with the Manitoba Learning Tax Credit; the offloading of the university taxes onto the property taxpayers in Winnipeg and Brandon.

These are some questions that I will have throughout the process. Again, not trying to back the minister into any corner. They are just very straightforward questions that I am just curious as to why some of these decisions were made, Mr. Chair.

Again, I want to thank the staff of the department for their hard work, and I look forward to discussing the future of our post-secondary education system in Manitoba with the minister in this Estimates process. So, Mr. Chair, without further ado, I think we could probably get into some questions in the Estimates process. Thank you very much.

Mr. Chairperson: We thank the official opposition critic, the honourable Member for Tuxedo, for those comments.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in Committee of Supply. Accordingly, we shall now defer consideration of line item 44.1.(a), and proceed with the consideration of the remaining items referenced in resolution 44.1.

At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce the staff in attendance.

Ms. McGifford: I thank the member for her comments. I would like to introduce my staff: Dr. Ben Levin, who is the Deputy Minister of both Education, Training and Youth and Advanced Education; and Tom Thompson, who is the Director of Finance for both Education, Training and Youth and Advanced Education.

Mr. Chairperson: Thank you. At this time, we wish to ask whether the committee will proceed through these Estimates in a chronological manner, or in a global discussion.

Mrs. Stefanson: I hope we could maybe, just for the purpose of tonight's discussion, be able to look at things in a global basis. I am sort of new at this process. I was hoping that that might be acceptable.

Ms. McGifford: Yes, Mr. Chair, that would be fine with me if the member wishes to proceed globally.

Mr. Chairperson: The floor is now open for questions.

Mrs. Stefanson: I thank the minister for that. Being new at this process, it is a little helpful. Hopefully, I will be able to move through this in a speedy manner.

I am wondering if the minister could take a few minutes to explain the purpose of the role of COPSE, versus the Department of Advanced Education. What are their roles and the differentiation between the two?

Ms. McGifford: As I am sure the member knows, the Council on Post-Secondary Education was created during the former government. The way I understand the role of the council, it is to function as an arm's-length council composed of laypersons from about the province. Presumably, each government would like to see geography represented on that board, as well as both genders, a variety of talents and skills. It is that board that makes final decisions on allocations of grants, et cetera, to our universities and colleges.

Government would decide globally what the amount of the funding, but the Council on Post-Secondary Education then makes decisions

about funding to each university and college. It is in September that the universities and colleges make presentation to COPSE of the estimates for their forthcoming budget. Then COPSE considers all these estimates, and then sends their estimates to the department, which takes them to the government Estimates table. I do not know whether that helps the member, or if she would like any more information.

* (19:40)

Mrs. Stefanson: I thank the minister for those comments. Perhaps I will jump in to one of the issues of concern that I have, and that is the offloading of the university property taxes. Property taxes are being eliminated from the universities' budgets over time. I am wondering if the minister can explain if the school boards and municipalities affected by this will be compensated for their reduction in tax revenue.

Ms. McGifford: As I indicated in my opening remarks, our reason for doing this was to bring the universities in Manitoba in line with universities across the country. In just about every other jurisdiction, universities do not pay property taxes. I believe Manitoba is the only province in western Canada where that was the case. As well, school boards that lose revenues—and I know that has been a concern of some members opposite—will get partial compensation through the provincial funding formula for schools. I could also tell the member that there was a change in the regulation to The Municipal Act that created the current situation.

Mrs. Stefanson: I thank the minister for her comments. By no means, am I opposed to universities not having to pay for their property taxes. As the minister has stated, there is a precedent that is set across our country, and I believe that it is prudent to look at that. However, I do have some concerns about who ends up picking up the cost of this. I would think, if government decides to make a decision such as this, that they should be willing to also incur the costs associated with it. As I understand, the universities used to be given money to compensate for the majority of the taxes. My question for the minister: Does the department still allocate this money to the university? Do they still allocate the money to the university?

Ms. McGifford: The property tax money we do not allocate to the university. They simply do not pay municipal property taxes, so it is a saving rather than a revenue to them.

Mrs. Stefanson: As I understand it, prior to this, the government used to offset the property taxes that the university paid. They used to give it as part of the general revenues. As I understand it now, I am just wondering if that money is still being given through general revenues to the university that was to offset the property taxes? I am just wondering if that money is still being given to the universities, and if it is, what is being done with that money?

Ms. McGifford: Yes, the grants that used to be called the grants in lieu of taxes are still part of the universities' budgets and they are using that money to fund their programs, to pay for their students to do research, et cetera, et cetera, to meet the various fiscal demands that running an university entails. The member may or may not be aware, but our universities, while we think we are doing a fairly good job of funding them, are certainly not lavishly funded.

So it was a great gift to universities for them to experience this change. They had been lobbying for this change for a long time, and I might point out, Mr. Chair, that there is a real benefit to all communities; to the Fort Garry community, for example, because of having the university there, or if we take Brandon, for example, the city benefits from having a university in terms of population, in terms of jobs, in terms of spending on local services, in local restaurants, et cetera. So I do not think it is unreasonable for the local community to join and contribute towards the benefit that they, in turn, receive.

Mrs. Stefanson: So I guess what I am hearing is that the grant that was given for the property taxes is now still being given to the universities, but the entire property taxation bill is then going to be put on the backs of the taxpayers in Winnipeg and Brandon.

Ms. McGifford: Mr. Chair, I must confess, I was conferring with my deputy, and I did not hear the member's question. I wonder if she would repeat it for me, please.

Mrs. Stefanson: Yes, absolutely. So, as I understand it, the monies that were given

previously to the university to offset the property tax bill, are still being given to the university. But the entire property tax bill is then being offset onto the backs of the property taxpayers in Winnipeg and Brandon.

Ms. McGifford: What we used to call grants in lieu of taxes has become part of the budget for the university as the member has identified. The property tax, as I think the member knows, is being phased in over five years. So I think it was universities where the rate was set at 65 percent of assessed value and so this year there will be a 13 percent reduction, and over each of the next five years. So there will be some relief in municipal property taxes for universities each year over five years, and then the rate will be zero.

I could provide the member with some more details if she would like. For example, there is a net saving of \$2.2 million for the year 2002; the year 2003, it is \$2.8 million; 2004, it is \$2.8 million and so it goes on, and finally, by the time five years have expired, the University of Manitoba will save a total of \$14 million dollars a year; University of Winnipeg about \$2.5 million—actually it is \$2.4 million; university of Brandon, \$1.7 million; and St. Boniface College, \$670,000; for a total of just under \$19 million.

Mrs. Stefanson: Okay, so as I understand it. Yes, the universities in Manitoba will be saving roughly around \$19 million over five years. The universities are saving the money, but someone has to pay for the property taxes. If the Government is not willing to pick up the bill itself for the property taxes, then who will be stuck with paying the property tax bill?

Ms. McGifford: Well, those are questions that will ultimately be decided by school boards and municipal governments when they set their tax rate. I could point out, for the year 2002 in the city of Brandon, the shift is approximately \$100,000 to other ratepayers. So, especially since there is some recompense being made in school grants, perhaps it is not too severe a penalty to pay for having the university in its community, Mr. Chair.

Mrs. Stefanson: Well, I thank the minister for her comments, Mr. Chair, but this is a cost of \$19 million in property taxes that the Government used to provide for some monies to offset the amount. The universities used to pick

up a portion of it, but rather than just taking the portion that was over and above what the Government gave in grants-in-lieu, they have now offset the entire property taxation bill, which will be the \$19 million over five years. Someone has to pay for that bill.

I guess I am asking the minister: Are she and her Government prepared to offer \$19 million to the cities of Winnipeg and Brandon, or the school boards and the municipalities that will be affected by this? Will they cover the costs associated with this, so that it is not just offloading the responsibility onto the municipalities and to the school boards, who then will have to increase the taxes of the property taxpayers in those areas?

* (19:50)

Ms. McGifford: Mr. Chair, as the member indicates, the elimination of property taxes, of course, is another way of providing supports to our universities, and another way of helping our universities meet the educational challenges of the future. This Government recognized that the burden and the responsibility for paying property taxes has been placed on Manitoba universities, but not on other universities in Canada. We believe that the overall impact to other taxpayers will be relatively small, and that the phased-in, five-year plan will ease the transition. We are aware that as the tax base increases, that burden will be even lessened.

Municipalities and school boards, of course, do not have to increase their taxes. They can look at their budget priorities. Another way to look at this is to say that for many years these communities have benefited from the presence of these institutions without paying their fair share. It is another way of putting it. So I just offer that information to my colleague.

Mrs. Stefanson: I thank the minister for her comments. I just want to say that I ran in a by-election a couple of years ago, so it has been almost two years. One of the biggest issues, going door to door, was property taxes with people. I just have to say to the minister that I would strongly advise that they consider properly compensating for this decision to offload onto the backs of the property taxpayers; that they reconsider this decision, and make sure

that property taxes will not go up in Winnipeg and Brandon.

Having said that, I would like to just shift my focus onto the University College of the North. I know the minister indicated in Estimates in May 2001 that the Council on Post-Secondary Education was preparing a Cabinet paper. I am just wondering if this Cabinet paper has been prepared, and where it is at?

Ms. McGifford: Before I answer that, I will take this opportunity to point out to the member that we do take the issue of property taxes very seriously, and, like the member opposite, I, too, have canvassed, and I am aware that citizens are concerned about property tax. I am also aware that citizens are concerned about a variety of taxes—income tax, for example. But to return to property tax, by increasing property tax credits, this Government has, by cutting the ESL by \$10 million, certainly shown our commitment to the issue of property taxes.

As far as the University College of the North, I want to assure the member that we are moving ahead. We did take a paper to Cabinet, I believe it was early September of 2001, it was just before September 11. Of course the events there necessitated some slowing down and some reconsidering. Currently we are moving ahead with great vigour, and we have contracted a former university professor, Verna Kirkness, an Aboriginal woman who is very, very well respected in the North, I am told and, in fact, throughout Manitoba.

Professor Kirkness is going to hold consultations on this project with interested parties in the North, and, in fact, across the province. Perhaps not everywhere in the province, but particularly in the North and in some of the other communities.

The consultations will take place this fall, and I expect to have a report from Professor Kirkness by about the end of the year. I certainly, personally, look forward to participating whenever I can in these consultations, at least travelling to one or two communities with Professor Kirkness. She says that she would like that idea very much. So I am really happy to tell the member that we feel that we are moving

ahead, and, as I say, we expect a report later this year.

Mrs. Stefanson: I thank the minister for her comments. I guess I would just ask: Does that mean they are delayed? I know the minister had mentioned last year that they were looking to open this in the fall of 2003. Am I to indicate from the minister's comments that that has been delayed?

Ms. McGifford: Not necessarily. It certainly is not going to open fully by 2003, but there is a possibility of some beginnings in 2003. We have always perceived this as an evolutionary project, a growing institution that may well begin in 2003, but certainly will not begin completely at that point. I could pass on to the member that most of what will be the University College of the North is already there, for example KCC access programs.

What we are really wanting to do is to create a new institutional framework operated and controlled by northern people in northern Manitoba, and certainly an institution with a stronger Aboriginal component. So, for example, Mr. Speaker, when it comes to governance, we would—and do not quote me here but, well, you can if you want—be thinking very strongly of having strong, strong Aboriginal representation on that board. One of the things we are talking about is replacing the name University College of the North with a more appropriate Cree word, and I know Doctor Kirkness has some ideas on that front, and she will be talking to people in the North. We look forward to her report.

Mrs. Stefanson: The minister also indicated in last year's Estimates that there would be a grant pertaining to the University College of the North, and these Estimates—and I am just wondering where I would find that, or are they not there? Just sort of looking for information.

Ms. McGifford: There is not a line devoted to University College of the North. In fact, the cost that we have, and I did explain to the member that there had been some delay. But the costs that we have are being incurred by the Council on Post-Secondary Education, and I expect there will be something in the '03-04 Budget specifically designated to the University College

of the North, or whatever we might be calling the institution at that time.

Mrs. Stefanson: It does seem that with Inter-Universities North, Campus Manitoba, distance education from universities and community college and with the Keewatin Community College itself that the northern area of Manitoba is serviced in part, as far as post-secondary education goes. My concern is that these programs are operating without relation to one another, and the services are being duplicated. Can the minister describe if any of the northern elements of these existing programs will be restructured and integrated under the University College of the North umbrella?

Ms. McGifford: I think the member makes an excellent point, and as I think I said a few minutes ago, one of the things that we believe is that most of the components for the University College of the North are already in place.

For example, the Inter-Universities North's program, one that I taught in years and years ago, and Keewatin Community College will certainly be part of the UCN, and we will also look at ways of bringing Campus Manitoba programs into alignment with the University College of the North. I know that I am not a northerner, so I cannot claim to have had extensive experience in the North, but I have visited KCC a couple of times, and talked to students and heard stories of how much better served they feel they would be if they were able to take the courses that they had to travel to The Pas to take, in their own community. So certainly community-based education is something that we think is really important, and then, of course, on-line education is experiencing a great surge of interest among educators.

* (20:00)

Mrs. Stefanson: Thank you very much for those comments. Brandon University, I believe, has an Aboriginal Studies program and delivers many programs to students living in northern Manitoba. Brandon University will, undoubtedly, suffer an enrolment loss as a result of starting up the University College of the North. The minister has indicated in the past that Brandon University has been consulted on the developments of the University College of the

North and I am wondering if the minister can describe how Brandon University has been involved in the development of the University College of the North.

Ms. McGifford: I wonder if I could ask the member, she was talking about Brandon and its programs in the North, if the member was referring to Brandon University's north teachers education program, better known as BUNTEP.

Mrs. Stefanson: Yes.

Ms. McGifford: Mr. Chair, we have not spoken extensively to Brandon University, although I know that President Lou Visentin is informed of our plans for the University College of the North. I know this because I met with the COPUM, committee of presidents of universities of Manitoba. Anyway, the presidents of the universities have a committee, an ongoing committee, and I have met with them and talked about the University College of the North. So I know that the president, Dr. Lou Visentin, knows about it.

Mr. Chair, part of the consultations that Doctor Kirkness will be undertaking will include her talking with Brandon University and the University of Manitoba about how we can bring their programs into alignment with the University College of the North. Those discussions are just starting. They are not completed, so I cannot really give the member any more information than that. But, certainly, we are not trying to kill all the programs in Brandon and the University of Manitoba. We recognize that there are some valuable programs there and that they are contributing to education in the North, and we will continue those programs in one way or another.

Mrs. Stefanson: Mr. Chair, I am wondering if the minister could indicate in her consultation process that has taken place to date if there has been any indication as to how many students, universities, like Brandon University and other universities and post-secondary institutions in Manitoba, how many students those institutions will lose as a result of setting up a new University College of the North.

Ms. McGifford: Well, as I said, Mr. Chairperson, it is really quite preliminary, and I think it is too soon to talk about enrolment losses. There are lots of different ways this could develop, for example, and we have talked about this in our department, such as the University College of the North contracting with Brandon University to deliver its programs. In fact, if the University College of the North works well, there could be more students in the North wanting to come south for more advanced education. For example, a student may successfully complete one or two years at the university in the North and then decide to come south seeking to complete his or her degree or even for more advanced education.

So we do not see the creation of the University College of the North as hurting Brandon or hurting the University of Winnipeg or hurting the University of Manitoba. We really see it as a way of encouraging northerners to enroll in post-secondary education. The enrolment rates in northern Manitoba are not great, and we believe, and we are told, that if people were able to take their education in their community, these enrolments would likely grow. In fact, Mr. Chairperson, it is not a zero-sum game in which one place's gain is another place's loss. We think everybody is going to benefit through the creation of this kind of educational institution in northern Manitoba.

Mrs. Stefanson: Is it the intent of the minister, then, to ensure that there is not duplication in some of the programs that are already offered with new programs that will be offered with the University College of the North?

Ms. McGifford: Yes, Mr. Chairperson, that is certainly the intent.

Mrs. Stefanson: So does that mean that Brandon University and some of the other post-secondary education institutions in Manitoba will do away with some of their Aboriginal study programs in order to ensure that these will be offered under the University College of the North; and therefore, these initiatives and programs will no longer be offered in the institutions where they are right now?

Ms. McGifford: No, Mr. Chair, I do not think so. I think, given our demographics, we need to have the Aboriginal courses in all our institutions. Our population is 10 percent Aboriginal and growing. We know that, among Aboriginal people, the youth population is growing. So we do not think it is duplication. We do not intend duplication, but we may have Aboriginal education programs in more than one institution, indeed, as I say, in all institutions, because we need them there.

Mrs. Stefanson: Okay. I thank the minister for her comments. The Post-Secondary Strategic Initiatives Fund, the Estimates of expenditure has increased from 500,000 to 1.4 million. I am wondering if the minister could explain this increase, which has essentially more than doubled; in fact, almost tripled.

Ms. McGifford: Yes, Mr. Chair, I am advised that the strategic restructuring fund is a fund that is used, as its title indicates, strategically. It is usually built up and then is drawn from, and comes down, and once the amount of money becomes fairly low, then it is replenished again. So what happened last year, this year, was that it was replenished. It is not an anomaly, as I understand it.

Mrs. Stefanson: So are there any new initiatives that the minister is encouraging in any programs?

Ms. McGifford: Mr. Chairman, a lot of that money is used for priorities that the universities and colleges bring forth. But we also have our priorities. I addressed our priorities in my introductory remarks.

Mrs. Stefanson: Can the minister indicate the breakdown of college grants?

Ms. McGifford: Mr. Chairman, is the member asking about how the funding to each college?

Mrs. Stefanson: Yes.

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Ms. McGifford: Mr. Chairman, I want to point out that the amounts of money are determined by the council in post-secondary education and not

by the department. Having said that, the approved Estimates for Red River College last year were 42,000,411. For Assiniboine Community College, 12.8 million; Keewatin 11.0, a little bit more; École technique et professionnelle, 1.56; Winnipeg Technical College 500,000; well, the Inter-Universities North is not part of that. The total for colleges was \$69.2 million and a little bit more.

Mrs. Stefanson: It looks like the grant for the Inter-Universities North has increased. I am just wondering if the minister can detail what new developments are occurring within the Inter-Universities North program.

Ms. McGifford: I am advised that it is just an increase in operating. It is \$14,000 extra, and it is just part of the operating.

Mrs. Stefanson: Under the College Expansion Initiative, Red River community college, Princess Street expansion, phase 1 is to be completed by September 2002–September of this year. I am wondering if the minister can indicate if this is on schedule so far.

Ms. McGifford: Yes, and, in fact, I am informed that we believe furniture was beginning to be brought in today.

Mrs. Stefanson: That is good to hear, Mr. Chair. I am wondering if the minister can indicate if, to her knowledge, there are any construction cost overruns that are being projected.

Ms. McGifford: The costs are incurred in Government Services, so I would suggest that the member ask her questions in Government Services.

Mrs. Stefanson: Well, I thank the minister for her comments. Is it not the Department of Advanced Education that offers funding to the Red River College?

Ms. McGifford: Yes, the Council on Post-Secondary Education funds the programs. Advanced Education will fund the building once it is up and running, once it is built and occupied. But, before that, the actual building is the responsibility of the Department of Government Services.

If I might just add, that is standard government practice, that Government Services creates the buildings if they are government buildings, and then the department in question is responsible for the building once it is occupied and once it is up and running.

Mrs. Stefanson: So am I to understand that the Council on Post-Secondary Education, which is overseen by the Department of Education, is not providing any funding for Red River community college for this expansion initiative?

Ms. McGifford: We will be funding it once it is open and occupied. But, no, we have not funded it to date. That has been the Department of Government Services.

Mrs. Stefanson: So if there are any cost overruns that are incurred, then those will not be incurred by the Department of Advanced Education or the Council on Post-Secondary Education, but will be incurred by the Department of Government Services?

Ms. McGifford: The cost of paying for the building, through its lease, will be the responsibility of Advanced Education.

Maybe I could point out to the member that the Princess Street Consortium is a four-way partnership. The Princess Street Consortium is designing and building it. The Department of Government Services is monitoring the building on behalf of government. Advanced Education is involved and we will, eventually, pay for it. And Red River, of course, is fully involved, since they will occupy it, and will be responsible for the programs in that institution. So all four parties, Mr. Chair, are at the table as decisions get made about the building.

Mrs. Stefanson: Under the College Expansion Initiative, is there no money that goes toward buildings, themselves, in that initiative?

Ms. McGifford: The answer to the member's question is: To date, no money from the College Expansion Initiative has gone toward buildings. It has gone toward programs. But eventually money from the College Expansion Initiative will go to the Princess Street Campus.

Mrs. Stefanson: What is the number of students that will be enrolled in the Princess Street Campus in 2002?

Ms. McGifford: Mr. Chair, we expect, when it is fully developed, that there be 2000 students enrolled on the Princess Street Campus and I believe that, this fall, we are expecting around 350. The first phase, I believe it is around 350.

Mrs. Stefanson: It is my understanding that phase 1 was originally to be the infrastructure phase, and phase two was the classroom construction. However, in order to facilitate a fall enrolment, these phases were reversed, and classrooms were thus constructed first before student services were available. Will the minister just indicate if the phases were reversed in order to make sure that the Princess Street Campus will be open this fall?

Ms. McGifford: Not at all, Mr. Chair. In fact, the phases were changed as a result of the Cosman expropriation. The member might remember that. We had to wait for the legal process, and we did not want to stop working, so we changed the building we worked on and began working on the William Street building, as opposed to a building on Princess Street, the name of which eludes me. All the same building, I am told. So, no, what determined the order of the building was the legal problem with Mr. Cosman.

Mrs. Stefanson: So what role did the minister's office have in authorizing these changes?

Ms. McGifford: Well, Mr. Chair, I mentioned the four parties earlier. The Princess Street Consortium, the Department of Government Services, Advanced Education and Red River, and we were all at the table. We all wanted to keep the project going. We had tradespeople lining up. We just did not want to sent them away for a few months, and then get them back, so we, together, made a decision that made most sense, and that was to change the strategy and create the William Street building first, as opposed to the building on Princess Street. But I do want to reiterate that it was really driven by the legal complexities introduced by Mr. Cosman, and the very laborious—

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Mrs. Stefanson: There were some concerns that I brought forward in Question Period from some students who were attending Red River College

currently, and will be moved because their programs will be moved to the Princess Street Campus. Some of those concerns were that proper facilities were available for the students in the Princess Street Campus, facilities like lockers, a cafeteria, a library, a print shop and an elevator, and so forth.

I am wondering if the minister can just update us as to what services will be available for the students in those areas.

Ms. McGifford: Well, Mr. Chair, I was informed that the member had visited the Red River College campus, and had spoken to Ken Webb, and had come away quite reassured. So I am surprised at the question.

So let me reiterate that my understanding is that Red River has dealt with these concerns. They are putting elevators in phase 1. They will be putting in food services. They are paying a great deal of attention to security. Of course, not everything will be open at once, but that is often the case with new large buildings. They will open in stages. They are taking every step to ensure that students have the necessary services to be successful while the rest of the project is completed. They have made arrangements for the use of a print shop, a kind of a vehicle going back and forth. They have made arrangements for library services. I am informed that there will be lockers.

So I think that the people at Princess Street and at Red River are doing yeoperson service in preparing this building. I might add that I know that there are a very small number of students who are concerned. I believe I personally have had two phone calls, and they have both been by a student's mother, not by the student, and the same student's mother.

I think what is important here is the students who are attending this new facility will have world-class opportunities. They are going to have an absolutely marvelous classroom, a much better learning venue than they had at Red River. So let us not lose that, and I certainly hope that the member will join us in October, when we have the official opening, and I hope that she has the opportunity before then. We could probably arrange it to tour Princess Street and see it for herself. I am sure she will be most impressed.

Mrs. Stefanson: I thank the minister for her comments, and, indeed, I have made some arrangements to go and visit and have a tour of the facility. I very much look forward to doing that. I have certainly spoken to the administration at Red River and met with them on these issues, and I was very pleased with what I heard and I believe that the administration is doing a wonderful job in facilitating this.

I am wondering if the minister on one thing that has not been indicated to me, if there will be any cost overruns as a result of some of the changes that have taken place to provide these services, and ensure that these services are available to the students upon the opening of the Princess Street Campus this fall?

Ms. McGifford: There have been some design changes such as the energy efficiency initiatives that I mentioned to the member earlier. I think I mentioned that because of these energy efficiency aspects, the building has been nominated for quite a prestigious award. I am sure the member is happy to hear that. All Manitobans are.

Mr. Doug Martindale, Acting Chairperson, in the Chair.

I do want to point out that there are costs associated with the delay, due to the Cosman issue. However, we expect to handle the costs within the approved budget for the project, I am happy to report.

Mrs. Stefanson: In light of some of the changes that have occurred in ensuring that students will have the proper services, which has been reiterated to me, and I am pleased that those are going to be available for the students, particularly in the areas of safety and security. I am asking for a little bit of information as to how much these costs—it has to cost a little bit more in order to ensure that these services are available, or there have to be some cuts in other areas. I am wondering if the minister can explain where the money will come from to ensure that the services are available, and what areas will be cut in order to ensure that these services are available.

Ms. McGifford: I am sure that the member can appreciate with a project of this scope, there is a reasonable contingency fund built in at the outset. I cannot say how much the additional costs are. I refer the member again to the Department of Government Services and their Estimates. There are constant changes being made in the project as it develops, as with any large project of this type. Sometimes things have to be added. Sometimes things are deleted as circumstances change. Our commitment is to bring the project in at the approved budget.

Mrs. Stefanson: If there are cost overruns in these as a result of the administration at Red River ensuring that these services are available for students, does that mean that if there are cost overruns associated with it, I appreciate that the minister is trying to come in on budget, but if these are costs that were not originally anticipated, these funds have to come from some place. I appreciate that there is a budget for this; but, if we give on one hand, we need to take away on another, unless there will be more government funds going toward the project. Could the minister explain what will be cut in order to ensure that these services are there?

Ms. McGifford: For example, the member is referring to the security services. Those are not coming out of the capital budget. They will come from Red River's budget. Again, I want to make the point that it is a \$30-million-plus project. We will make adjustments as we need, to ensure it is on budget. At this point, there are no cuts, but choices are being made all the time about things like furnishings, furniture, where sometimes we can choose to spend less in order to use the money for something that is important, those choices will be made. There are four parties making these choices.

Mrs. Stefanson: If these changes to the services that are going to be provided for students are coming out of the Red River budget, the Red River budget is funded by the Council on Post-Secondary Education, which is indeed funded by the Province, the provincial government. Am I to conclude from the minister's comments that, because any cost overruns will come out of the Red River budget, those cost overruns will then be incurred by the provincial government?

Ms. McGifford: Well, Mr. Chair, paying for security is not a cost overrun. It is part of the ongoing budget of Red River, and the ongoing budget is in excess of \$60 million. I am personally not concerned about the cost of security, and Mr. Ken Webb, neither he nor Jacqie Thachuk have brought to my attention any concerns about paying for security. So I do not think they are over concerned about it. I think that they feel a responsibility, as does the University of Winnipeg, to provide security for their students. I do not think that they are worried about it; I have not heard any concerns about the budget for security.

* (20:30)

Mrs. Stefanson: No, I appreciate that we are concerned about security and we are also concerned about other services that are provided for students in ensuring that they are provided. I guess I am just asking how these will be paid for. I know the minister has mentioned that it will come out of the existing budget, and I have indicated to her that, in order to balance the budget, you have to take from one side to give to another.

So, if these were costs that were not anticipated originally, it has got to come from some place. I guess I would just indicate that if it is, you know, it has got to come from some place within the budget. You know, if it does not come from within the budget, then obviously the budget is going to be increased, which means that there has to be more funding to Red River College in order to pay for the costs associated with these.

So, again, I ask the minister, I appreciate that these are very important services that need to be provided for students in the area of safety, and also in the areas of providing lockers and cafeteria and the library and the print shop and all the other facilities, that these students absolutely need to ensure that they can complete their programs. I am just sort of simply asking where the money will come from if she knows, in light of the fact there will be an increase in costs in those areas.

Ms. McGifford: Well, Mr. Chair, food services, for example, is a break-even proposition. It does not make money, and it does not cost extra.

Some of the other amenities that the member has referred to, lockers for example, have always been part of the budget. We have always needed lockers. Library services were always needed. Duplicating services were always needed. I think the most expensive of the services that we have discussed is the elevator, and it was always part of the building, so I do not know what the extras are. I could undertake to get more details to the member and send them to her after the Estimates if she would like. We could certainly communicate with Red River and see if we could find more information for her.

Mrs. Stefanson: Okay, I thank the minister for those comments, and I would very much appreciate just being kept apprised if there will be any future cost overruns associated with the Princess Street Campus, and just what those cost overruns may be. So I appreciate that the minister will get back to me with an update on that.

Grants for the College Expansion Initiative have risen from \$10 million to \$14 million. Can the minister explain where these grants are going?

Ms. McGifford: We had an ongoing commitment to increase the College Expansion Initiative over four years, so it will be increasing every year. As I indicated earlier when we were talking about the College Expansion Initiative, the money is devoted to programming and creating new programs in our community colleges. I know there are quite extensive lists of all those programs. I could share some of those with the member either here, or else we could get back to her. Could the member indicate whether she would like me to speak a little bit about some of the programs that we have created?

Mrs. Stefanson: No, that is fine. One area that I have noticed is, the minister announced a \$600,000-increase in funding in distance education at Red River College. I am just wondering if the minister can detail which programs in particular are expanding their distance delivery.

Ms. McGifford: I can tell the member that, over three years, Red River has witnessed a dramatic

increase in enrolments in distance education courses. CEI recognized that in order to sustain the growth, the college required a significant investment in production and support services. In 2000-01 the College Expansion Initiative invested 179.4 in programs, which were to be converted into a distance format. Over the past year, CEI has worked with Red River to reframe the distance education expansion proposal as a capacity building initiative.

In February 2002, the Council on Post-Secondary Education approved two fundings of distance education expansion at Red River community college totaling \$200,000. That was over a number of years and, hence, the sum mentioned by the member opposite.

Mrs. Stefanson: I thank the minister for the information on that. Moving to the Advanced Education and Training Assistance, it seems that, just looking in the Estimates, this has more than doubled. I am wondering if the minister can detail what new developments are occurring in the interprovincial training agreements. Why has this increased significantly?

Ms. McGifford: As the member may know, students from Manitoba travel to the universities of Saskatchewan and Saskatoon to study veterinary medicine. We do not have a veterinary medicine program in Manitoba. In fact, there are three in Canada. We buy spaces for veterinary medicine. In September of last year we were told by the University of Saskatchewan that in order for them to sustain the program they had to increase the cost per seat. After careful discussion, et cetera, we agreed that they were right. Consequently, that explains the increase.

* (20:40)

Mrs. Stefanson: Is this program just set up to seek out programs in other provinces for our students in the cases where we do not offer the programs for students in Manitoba? Are there any programs that we offer here that other provinces do not offer that attract students from other provinces to Manitoba?

Ms. McGifford: I understand the member to be asking do we merely send students or do we

have our own unique Manitoba programs where students habitually come and study in Manitoba, and I understand that is true of OT and PT, occupational therapy and now called physical therapy, used to be called physiotherapy.

Mrs. Stefanson: How many students do these programs attract from outside our province?

Ms. McGifford: I understand that, in 2001-2002, nine Saskatchewan students attended the program at U of M, and we expect training to be provided for up to three new students in each year of a new three-year program, Mr. Chair.

Mrs. Stefanson: How many students are leaving Manitoba as a result of programs that we do not offer here in our province?

Ms. McGifford: Well, Mr. Chair, thousands of students travel across the country going to various provinces, but I think what the member wants to talk about is the interprovincial training agreement. We have an interprovincial training agreement with Saskatchewan to ensure those places in veterinary medicine, and part of the interprovincial training agreement is Saskatchewan is ensuring places for their students in physical therapy and occupational therapy, so that is the IPTA. I cannot really say how many students from Manitoba might go to another jurisdiction, I am not sure that we have those figures, or how many from other jurisdictions necessarily come here.

Mrs. Stefanson: You know, as this program works, you had mentioned that, in the occupational therapy, we attract nine students, roughly around there, and three additional a year. How many students are going to Saskatchewan? Well, the occupational therapy program is offered here and not offered, I gather, in Saskatchewan or something, so how many students are going to Saskatchewan? What is the trade-off here? Is it even, or are more students leaving than are coming? What is the deal?

Ms. McGifford: I am informed that we probably get more Saskatchewan students here than students from Manitoba go there, but that, of course, is not to do with the interprovincial training agreement. If we are talking about this one program, then we can undertake to provide

the member with exactly how many places we have bought in Saskatchewan. I am informed we buy 12 per year, and Saskatchewan buys 9 per year OT, PT places.

Mrs. Stefanson: I thank the minister for that. I will move just to asking a couple of quick questions on the Stevenson Aviation Centre. In Administrative Support, there were 3.5 full-time employees. There seems to be a 66% increase in the cost for this Administrative Support. I am wondering if the minister could enlighten us as to why there is such a significant increase.

Ms. McGifford: I wonder if I could ask the member if she could tell us where she is in the Supplementary Information for Legislative Review, because we seem to be a bit lost.

Mrs. Stefanson: It is actually page 183 of the Estimates, and it is under Administrative Support, the Salaries and Employee Benefits. Administrative Support has increased from about, I believe that must be, \$80,000 to \$133,000 for the same number of employees. I am just wondering if she can indicate to us why there is such a significant increase.

Ms. McGifford: Mr. Chair, it will take us a second to find the detail on it, but we do have the information, and we are endeavouring to locate it.

Mr. Chair, we do not seem to have the information here. I wonder if we could communicate to the member at another time when we have the information.

Mrs. Stefanson: Well, I guess, yes, the minister can certainly get back to me. I find it just interesting that they would not know why there would be a 66% increase in Administrative Support, but I will just ask, as well, under Employee Benefits, there seems to be a 68% increase there and also, in the Professional and Technical Support, only an increase of two people, yet the expenditure is doubled. I think we need some questions answered in these areas. Perhaps, the minister, if they do not know the one area, does that mean that they do not know the other areas, as well?

Ms. McGifford: Well, Mr. Chair, this is one of the problems when we do Estimates in this way. We do not have the right staff here, and so we are not able to provide the detail. I can assure the member we will get the detail as soon as possible.

Mr. David Faurshou (Portage la Prairie): Mr. Chair, I do appreciate the opportunity. You are on a line that is of interest to myself, being the representative from Portage la Prairie, and Stevenson Aviation being located in Portage la Prairie.

With the change there, I hope to have the opportunity to visit the site shortly. I regret not having the opportunity to attend the grand opening. However, I was not made aware of it in time to attend. But it is very nice to see the support from Air Canada for the students to have opportunity to work on, I believe it is, a 767 that is located on the Tarmac just outside the new facility at the Winnipeg International Airport.

I want to be very specific, because we do not have a great deal of time, so I would like to ask the minister, in regard to the College Expansion Initiative and within the preamble of section 44.2. Support for Universities and Colleges, College Expansion Initiative, it states that the areas of strategic labour market importance, and where skills shortage exist, it is the intent to retain and graduate students to build better linkages.

* (20:50)

I would like to ask the minister, in fully understanding and comprehending skills shortages within the province, what meetings, what connections has the minister's office had with, say, different professional organizations, different trade associations and, for instance, also, the Chamber of Commerce as an umbrella organization to business in Manitoba. Has the minister pursued those angles in which to garner this information?

Ms. McGifford: I am sorry that the member was not at the Stevenson opening. I very nearly was not myself, because the Minister of Education, Training and Youth and I went to the wrong building and somehow got into a secure building, but, anyway, we turned up at the right

place, eventually. I am sorry that the member was not included in the invitation list. I was not a part of creating that list. So I do apologize, nonetheless, if he would have liked to have been there.

In response to his question, we use a variety of means, but we rely heavily on our Labour Market Information Unit and the statistical data we get on job vacancies and shortages. It is important, I think, here that the member may wish to talk to, it is important, pardon me, to talk to industry, and we often do it. But we equally get a fair sense of the total picture. We need to have a good statistical analysis and data.

The College Expansion Initiative works closely with staff in training to assess labour market needs. This includes the consultations we did last year around our training strategy, which brought together several hundred community leaders to discuss training needs. We also work with the federal government in this area. The member might remember that we had quite an extensive session at the Fort Garry Hotel and met with leaders in labour and business, et cetera.

Mr. Faurshou: I thank the minister for her response, and I do not believe it can be overemphasized, the importance of understanding. Good communication and the value of it project out a number of years.

Moving on to another item of concern, the Council on Post-Secondary Education and available resources towards a program very, very well utilized in the constituency of Portage la Prairie, for instance, that being the Campus Manitoba program. I believe we were looking at upwards to 120 individual students that are being spared the time of commute or the cost of relocation for further post-secondary education.

I do want to state at this time that it is viewed that the importance of the program in a community, and the community should effectively bear the cost of housing the program. That is understood. However, there are other individuals, organizations within communities that would like to help and assist the initial setup, for instance, whether it be a big screen TV or some computer technology desks, hardware, renovations, these sorts of affairs.

I would like to see the minister's department look very strongly at a vehicle in which, I as Joe Citizen could look to donating monies to Campus Manitoba and making certain that dollars are there directly. I believe that they are attempting now to receive charitable status, but I do not believe that that has been yet accomplished.

Is the minister aware as to whether that has come to fruition or not?

Ms. McGifford: Of course, we always think fundraising is an excellent idea. The member, I know, will read my introductory remarks and read the good news about the success that various university campaigns are having. We think it is a good idea and we will certainly take his suggestions under consideration. So I thank him.

Mr. Faurshou: I know that this program has been very, very successful to date. I just want to leave a strong emphasis with the minister that she continue to encourage the Council of Post-Secondary Education to support Campus Manitoba because it really is welcomed by rural residents because of the cost and time that it takes.

I want to also state that once an individual has their bags packed, ready to move to Winnipeg or to Brandon to attend university, it is not a long stretch to leave those bags packed and to relocate either in Brandon, Winnipeg or elsewhere. We in rural are once again denied the schooling or the expertise garnered by the young people or those individuals who are pursuing their education at later stages in their lives. That is what is really, really needed in our rural communities to keep them going. So once again I want to emphasize that.

Now moving to one program in particular. Is the minister wanting to respond?

Ms. McGifford: I thank the member for his remarks on Campus Manitoba, and it is kind of interesting because I was having a discussion with the Minister of Industry, Trade and Mines (Ms. Mihychuk). She brought to my attention that the government of Saskatchewan had put forth some sort of proposal on paper and planned

to have 200 distance education courses in place by the year something or other, and wanted to know how we were doing. So I asked staff in the council to take a look at it. In fact, we have 253. Now that is not all Campus Manitoba, but a good part of it is, so I think we are quite successful and I thank the member for his comments.

Mr. Faurshou: In identifying skills and requirements for addressing the shortages in our province's labour market or professions, I realize—and I will take the licensed practical nursing program that was held in Portage la Prairie through Assiniboine Community College—a number of candidates were denied opportunity to go into the program because of slight deficiencies in required skills prior to entering into that program. These individuals took it upon themselves to go to the Portage Learning Centre and elsewhere to garner the necessary skills to be considered for the program.

Now, all of a sudden, we, this year, learn that Assiniboine College, which is supported by your department, has initiated a program specific to those from the Aboriginal community to recognize that skill levels are not quite where they need to be in order to enter into the licensed practical nursing program.

Now there is a recognition by ACC to upgrade the certain skill levels so the persons can continue on with that program. That is offered right within the package offered by ACC towards receiving your licensed practical nursing. Now, I am not wanting to say that this is racially based or anything to that nature, but I do want to say that there are others that are outside the Aboriginal community that are short a few skills in order to be able to start into that program. I will say that these young ladies that were denied last year are seeing persons entering into the program, and this program is specifically to persons of status. That is dismaying to others. I am wanting to ask the minister: Is she considerate of making this program available to the general public?

* (21:00)

Ms. McGifford: Of course, we want to provide as many opportunities to as many people as

possible, but we cannot do everything at once. We recognize that people need skill upgrading and we are taking action on that front, for example, Mr. Chair, \$12 million for adult learning centres. As well, CEI is putting money into upgrading and retention. PLAR is another vehicle in this area. So it is unfortunate that the women that the member mentioned were not able to enter their program, but perhaps, since they have completed their skills, they will be able to do so in the future.

Mr. Faurshou: It is more to make the minister aware. I know the intent is to make it as broadly accessible as can be possibly achieved; however, I think at any juncture in time the minister runs the risk of making decisions based upon ethnic background, and I think that is wrong. It is curious that Monty Hall was recently quoted in the media as being a recipient of an award from the Order of Manitoba, I believe. He said that he wanted to enter into the Faculty of Medicine. But at that time there was a definite quota offered by the faculty based upon ethnic background. He was of Jewish descent, and each year one could only accept a certain number of persons from Jewish background. He never was able to be accepted because of that quota and because others of Jewish background, perhaps, had higher marks. But, in any event, it is disappointing to see that still exists today.

Now, I do want to ask the minister one last question, and I remain on nursing. It is of paramount concern for rural residents in regard to the shortage for registered nursing, persons that do have the Bachelor of Nursing or persons that have the Registered Nursing diploma offered by Red River, and yet that program is only offered at the Red River campus here in Winnipeg and at a couple of locations in the North. When is the minister prepared to see that program available to other areas of the province?

Ms. McGifford: Mr. Speaker, I do want to respond to the member's comment about the Aboriginal nursing program because I really make no apologies for giving Aboriginal people something special for once. Aboriginal people have suffered so terribly in this province. I think a small advantage, once in a lifetime, maybe, for most of them, is something that I make no apologies for at all. I think it is something that

we can call affirmative action, and I am very pleased that we were able to do that for a small number of people in the Aboriginal community. I have already indicated to the member that, as much as we try, we cannot do everything at once, and I am very sorry that the individuals that he referred to in his community were not able to take their program when they were ready to do so.

Now, I believe the specific question was: When is the registered nursing program going to be offered at locations other than Red River community college?

Mr. Chairperson in the Chair

We run the psychiatric program in Brandon, for example. Mr. Chairperson. We do not run that all over the province. We cannot run the registered nursing program all over the province, and, if I remember correctly, members opposite were not interested in running a registered nursing program at all.

Mrs. Stefanson: I am going to shift the line of questioning here just to a couple of Orders-in-Council that came to my attention, and I just had a couple of quick questions about them.

One was the Board of Governors of the University of Manitoba, there were two members that were let go from the board prior to the completion of their terms, in specific, Ron Black and Ken Shiffman. I am just wondering if the minister could explain why these people were terminated from their positions.

Ms. McGifford: I do not want to discuss matters pertaining to individuals in the House. But I can say that we were very anxious to include Aboriginal representation on the board at the University of Manitoba because there was absolutely none. This Government believes that Aboriginal education should be a priority, and we want to create an institution that has some understanding and empathy with and sympathy for the Aboriginal perspective. So I felt it was extremely important to have Aboriginal representation on that board, and I continue to think that.

Mrs. Stefanson: I am wondering if the minister can indicate whether or not these were paid positions on the board.

Ms. McGifford: None of our university or college boards are paid positions.

Mrs. Stefanson: What is the process in termination? Would these people have been contacted by the minister, verbally or in writing to inform the individuals of their termination?

Ms. McGifford: Mr. Chair, individuals whose positions are either expiring or who government wishes to end for one reason or another are in my case always contacted by my office, first by telephone and then secondly in writing.

Mrs. Stefanson: It is to my understanding, if that is the policy, that these members have not been given anything in writing to date to inform them of this. I am wondering if the minister has any comments on that?

Ms. McGifford: Well, Mr. Chair, I can check into that in my department. I had assumed that they had received a letter, but I can check into it for the member.

Mrs. Stefanson: I thank the minister for that. I think it is important and prudent for people to understand why they are let go from specific positions on boards, whether paid or not. So I hope that the minister will endeavour to look into this and see if there has been a letter sent out to these individuals.

Ms. McGifford: Mr. Chair, I think that the expression "let go" is unfortunate. The individuals in this case were replaced and I certainly spoke to one individual. A second individual did not return my phone calls, so I obviously was not able to speak to that person, but I will certainly look into the letter.

Mrs. Stefanson: I thank the minister for looking into that. Just one other quick question on another matter of an Order-in-Council. This is an appointment of board members to Red River College Board of Governors. There were four people that were appointed. This is the Order-in-Council dated April 10, 2002, and I am wondering if the minister can indicate for the House, there is an Iona Starr, who has been appointed to the Red River College Board of Governors, if this is the same Iona Starr that was

the NDP candidate in the Tuxedo by-election in 2000?

* (21:10)

Ms. McGifford: I really do not have an answer to that question. If this person was a candidate, it is not something that I am aware of at this time.

Mrs. Stefanson: Okay. I think the minister answered my other question previously, that these are not paid positions on the boards of either universities or colleges.

Ms. McGifford: Yes, Mr. Chair, positions on universities and colleges are not paid positions.

Mrs. Stefanson: Thank you very much. I will just shift quickly. The Manitoba Learning Tax Credit is something that I was really quite disappointed that the Government has done away with. I am wondering if the minister can explain the reasoning for the removal of this credit.

Ms. McGifford: This Government is certainly very concerned about the question of accessibility and affordability when it comes to post-secondary education. I think I mentioned during my earlier remarks that we wanted to increase, not only the numbers of learners, but the range of learners. The Learning Tax Credit was not primarily needs based. It went to many people who were not involved in extensive post-secondary education study.

For example, one of my favourite stories about the learning tax credit is about my husband. He took singing lessons at a very distinguished institution, the Manitoba Conservatory of Arts and Music. My husband did this because he loves music, but it was basically more recreational than educational, and he was able to get a Learning Tax Credit. As I say, it went to many people who really were not involved in extensive post-secondary education study.

We felt it was more important to use the money for the direct support of students through loans and bursaries and lower tuition. We believe that this will take money directly to students at the time they need it, not a year later on their tax returns. Also, the federal

government had increased their tax credits so that we felt our support could better be used directly instead of through tax credits.

Mrs. Stefanson: As I understand it, the Manitoba Government now assumes responsibility and thus all the risk for students loans, with the credit unions acting only as sort of the monetary conduit. Have there been any costs of principal or interest associated with defaults on student loans to date and, if yes, are these costs reflected somewhere in the Estimates?

Ms. McGifford: We are just looking for the costs in the Estimates, but I want to let the member know that the Manitoba Government assumes responsibility only for the Manitoba student loan. The Canada student loan portion is a federal government responsibility. I think it is 60% federal, 40% provincial. The information that the member is seeking is on page 189 in the Supplementary Estimates.

Mrs. Stefanson: In Estimates of May 2001, the minister indicated the in-house service bureau would cost \$5.7 million. Now that the in-house program is complete, does the minister have any information on what the conversion cost was?

Ms. McGifford: I am informed that the monies reflected in the Estimates book are the costs of the interest, that we are only giving money out because we have only started the bureau. We have not yet taken in repayments for the loans.

Mrs. Stefanson: Regarding staffing, the minister has indicated that a staffing level of 24 for the service bureau is desired for 2006. I am just wondering what the staffing level at this time is, as the staffing estimate has risen.

Ms. McGifford: As the member can see in the Estimates, we see 20.75. I am informed we have not yet reached that level. We are around 16 or 17.

Mrs. Stefanson: Does the minister still feel that 24 is an acceptable staff level for the loan bureau?

Ms. McGifford: Yes, that is our estimate. The increases will be gradual because the work is being gradually phased in. For example, this year, we are just starting to give out loans. As

the number of loans increases, we will start getting repayments, so more work will be done. Consequently, we will need more staff.

Mrs. Stefanson: Regarding capital grants, on the end of 2000 the Government committed \$50 million to the University of Manitoba capital campaign. Public Accounts ending 2001 indicated \$2.9-million contribution to the university. Can the minister outline the schedule of contributions to the University of Manitoba that balances to the \$50-million commitment?

Ms. McGifford: The money is being given over a number of years. In '00-01, we provided \$16 million; in '01-02, \$4 million; in '02-03, \$4 million, and the following two years we expect it will be \$8 million each year.

* (21:20)

Mrs. Stefanson: Is this indicated somewhere in the Estimates book, this money that is going to be going to the University of Manitoba?

Ms. McGifford: Yes, it is 44.4. (a) Universities.

Mrs. Stefanson: The capital grants to universities have declined in these Estimates from \$17 million to \$12 million. Can the minister explain why this is so?

Ms. McGifford: The answer is that there is less money going to U of M this year for capital projects. We have an understanding with them, and the difference will be made up eventually.

Mrs. Stefanson: But the 4 million that the minister indicated earlier that will be going, as I understand, to the University of Manitoba this year, is still reflected in these Estimates?

Ms. McGifford: Yes. It is 4 instead of 8.

Mrs. Stefanson: I am wondering if it would be possible at this time to get a list of the department and political staff, including name, position and the indication as to whether or not they are full-time employees or part-time employees.

Ms. McGifford: I only have two political staff: Doreen Wilson, who is my executive assistant,

and Susan McMurrich, who is my special assistant.

Mrs. Stefanson: So that is the political staff that is in the minister's office. I am wondering if it is possible to get a list of the department staff as well.

Ms. McGifford: Is the member asking for a list of all department staff?

Mrs. Stefanson: Yes.

Ms. McGifford: It is a list of about 70 people. We can provide it.

Mrs. Stefanson: Okay, that would be great. You were saying it is about 70 people currently employed in the department. I am just wondering how that has changed each year, from 1998 through to this year.

Ms. McGifford: Well, you cannot really compare, because there was no Department of Advanced Education until January 2001.

Mrs. Stefanson: Okay, I appreciate that, just for the last couple of years since the department has been created.

Ms. McGifford: There has been an increase in staff related to the Student Loan Service Bureau. There has been an increase in Stevenson Aviation, but that will disappear when those persons are transferred to Red River.

Mrs. Stefanson: Could I possibly get a listing of all the vacant staff positions?

Ms. McGifford: Yes, of course.

Mrs. Stefanson: And a description of any position that has been reclassified?

Ms. McGifford: I would appreciate if the member would give us a time frame for classified. Since when?

Mrs. Stefanson: Since the establishment of the department.

Ms. McGifford: If the member wants a list of all positions that have been reclassified since the

department was established, we can provide her with that list.

Mrs. Stefanson: Can I also have a listing of the staff members that have been hired since the department was established, and whether they were hired through competition or appointment?

Ms. McGifford: I can assure the member it is all competition, but we can provide the list.

Mrs. Stefanson: I am just wondering if I could also have a listing of any relocation from one department into Advanced Education and also relocations from Advanced Education into other departments, like sort of switching around within the Government, of employees.

Ms. McGifford: Everybody was relocated into Advanced Education. So is the member suggesting after the establishment of Advanced Education then?

Mrs. Stefanson: Yes.

Ms. McGifford: There are very few, if any, but we can certainly check into it.

Mrs. Stefanson: Mr. Chair, I am prepared, at this point in time, to look at going through the Estimates book on a line-by-line basis.

Mr. Chairperson: 44.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$204,200–pass; (2) Other Expenditures \$73,000–pass.

1.(c) Administration and Finance \$300,000–pass.

2. Support for Universities and Colleges (a) Council on Post-Secondary Education (1) Salaries and Employee Benefits \$643,900–pass; (2) Other Expenditures \$239,900–pass.

2.(b) University Operating Grants \$251,057,000–pass.

2.(c) Post-Secondary Strategic Initiatives Fund \$1,400,000–pass.

2.(d) College Grants (1) Operating Grants \$68,365,900–pass; (2) Inter-Universities North \$857,000–pass.

2.(e) College Expansion Initiative (1) Salaries and Employee Benefits \$197,700–pass;

(2) Other Expenditures \$48,200—pass; (3) College Expansion Initiative Grants \$14,700,000—pass.

2.(f) Access Program \$5,513,100—pass.

2.(g) Advanced Education and Training Assistance \$2,669,600—pass.

2.(h) Stevenson Aviation Centre (1) Salaries and Employee Benefits \$1,401,700—pass; (2) Other Expenditures, no amount—pass; (3) Less: Recoverable from Red River College (\$1,401,700)—pass.

* (21:30)

Resolution 44.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$345,692,300 for Advanced Education, Support for Universities and Colleges, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 3. Manitoba Student Aid and the Manitoba Student Loan Service Bureau (a) Manitoba Student Aid (1) Salaries and Employee Benefits \$2,081,400—pass. (2) Other Expenditures. Question.

Mrs. Stefanson: In 44.3.(b), just a couple of quick questions on that. First off, under Salaries and Employee Benefits, the Managerial salary has increased by 14 percent. I am wondering if the minister can explain that increase.

Ms. McGifford: We transferred an existing manager into that position, so probably we might have budgeted too low, but this was an existing manager, so that is the reason, Mr. Chair.

Mrs. Stefanson: So this is the same manager whose salary has been increased by 14 percent?

Ms. McGifford: No, his salary has not been increased. In fact, that was his existing salary, the salary that he was paid when he was transferred into this position. The point that I was making is that we had budgeted it at too low a cost because we did not know at that time that we were going to transfer an existing manager whose salary was higher into this position.

Mrs. Stefanson: In the Professional and Technical Support, the same number of full-time employees has increased, that is, the estimate of expenditure has increased 28 percent. Can the minister explain that?

Ms. McGifford: Well, Mr. Chair, I am informed that for '01-02, we do not have complete costs. It was not a full year.

Mrs. Stefanson: The Administrative Supports, I see, has increased significantly. I am wondering if the minister can explain that increase.

Ms. McGifford: It is ramping up the service bureau. Mr. Chair, the member might see that the FTEs have moved from 7.5 to 15.7.

Mrs. Stefanson: Yes, I recognize that. I guess that has increased somewhat. That has increased by doubles in terms of numbers of full-time employees, but the benefits have increased fourfold. I am wondering if the minister can explain why the Employee Benefits would be so significant, the increase.

Ms. McGifford: I am told that it reflects the costs of pensions, that we had to pay pension costs after October 1.

Mrs. Stefanson: So the number of full-time employees has essentially doubled and the Employee Benefits have increased fourfold. Does the minister see that that is normal in the practice of the way this Government is managing funds?

Ms. McGifford: Well, in this particular case, it really has nothing to do with the way in which this Government is managing funds. I am told that the cost is because pension funds that were covered off centrally are now paid by the service bureau, and that explains the increase in Employee Benefits. So it is not a matter of money management. It is a matter of employee benefits.

* (21:40)

Mrs. Stefanson: Okay. I also revert to 44.2.(h), and I am hoping that the minister can endeavour to get me the information that I had asked for earlier, the same full-time employees of 66% increase and also the 68% increase in employee benefits, as well. This is for the Stevenson

Aviation Centre, and I am hoping the minister will endeavour to get back to me, as well, on those significant increases for the same number of employees.

Ms. McGifford: Yes, Mr. Chair, I am told that we will have the information for the member tomorrow, and we will send it to her tomorrow.

Mr. Chairperson: 44.3. Manitoba Student Aid and The Manitoba Student Loan Service Bureau (a) Manitoba Student Aid (2) Other Expenditures \$685,700–pass; (3) Loans and Bursaries \$2,562,100–pass; (4) Manitoba Millennium Bursary Fund \$6,260,000–pass; (5) Manitoba Scholarship and Bursaries Initiative \$5,000,000–pass; (6) Manitoba Learning Tax Credit, no amount–pass; (7) Canada Millennium Scholarship Fund \$11,000,000–pass; (8) Canada Study Grants \$2,100,200–pass; (9) Tuition Rebate Grants \$11,027,800–pass; (10) Medical Student/Resident Financial Assistance \$2,891,300–pass; (11) Less: Recoverable from Health (\$2,891,300)–pass.

3.(b) Manitoba Student Loan Service Bureau (1) Salaries and Employee Benefits \$908,400–pass; (2) Other Expenditures \$294,300–pass; (3) Loan Portfolio Administration \$6,115,300–pass; (4) Interest Relief and Debt Reduction \$1,762,400–pass.

Resolution 44.3: RESOLVED that there be granted to her Majesty a sum not exceeding \$49,797,600 for Advanced Education, Manitoba Student Aid and the Manitoba Student Loan Service Bureau, for the fiscal year ending 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 4. Capital Grants (a) Universities \$12,975,000–pass; (b) Colleges \$2,245,600–pass.

Resolution 44.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,220,600 for Advanced Education, Capital Grants, for the fiscal year ending 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 5. Amortization and Other Costs Related to Capital Assets (a) Desktop

Services (1) Amortization Expenses - Hardware and Transition \$68,700–pass; (2) Amortization Expense - Enterprise Software \$12,300–pass; (3) Enterprise Software Licenses \$21,600–pass.

5.(b) Amortization Expense \$133,900–pass.

5.(c) Interest Expense \$107,600–pass.

Resolution 44.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$344,100 for Advanced Education, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: We now revert to Minister's Salary. The staff will leave according to tradition and practice.

1.(a) Minister's Salary \$28,400–pass.

Resolution 44.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$605,600 for Advanced Education, Administration and Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This concludes the Estimates of the Department of Advanced Education.

The next set of Estimates that will be considered by this section of the committee is the Estimates of the Civil Service. Shall we recess briefly to allow the minister and the critic the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: No, let us go on.

CIVIL SERVICE COMMISSION

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order?

This section of Committee of Supply will consider the Estimates of the Civil Service Commission. Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister responsible for the Civil Service): No, I do not.

Mr. Chairperson: We thank the minister for saying no.

Does the official opposition critic, the honourable Member for Morris, have any opening statements?

Mr. Frank Pitura (Morris): No. Thank you.

Mr. Chairperson: Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for the department of the Committee of Supply. Accordingly, we shall now defer consideration of line item 1.(a) and proceed with the consideration of the remaining items referenced in the Resolution. At this time we invite the minister's staff to join us at the table and we ask the minister to introduce the staff in the Civil Service.

Mr. Selinger: Yes, I have the Civil Service Commissioner with me, Shirley Strutt. I will ask Shirley to introduce the staff within the commission.

Mr. Chairperson: Order, please. We have to have a recording of this. The honourable minister will introduce them one at a time.

Mr. Selinger: The Civil Service Commissioner, Shirley Strutt; Human Resource Director, Mr. Bob Pollock; and the Director for Administration and Finance, Mr. Ray Chase.

Mr. Chairperson: Does the committee wish to proceed through these Estimates in a chronological order or have a global discussion?

An Honourable Member: Global.

* (21:50)

Mr. Chairperson: Global. Is it agreed?
[Agreed]

The floor is now open for questions. No questions asked. No answer given.

17.1. Civil Service Commission (a) Executive Office (1) Salaries and Employee Benefits \$184,700–pass; (2) Other Expenditures \$57,000–pass.

1.(b) Administrative Services (1) Salaries and Employee Benefits \$500,800–pass; (2) Other Expenditures \$259,900–pass.

1.(c) Human Resources Management Services (1) Salaries and Employment Benefits \$788,300–pass; (2) Other Expenditures \$507,400–pass.

1.(d) Employee Assistance Programs (1) Salaries and Employee Benefits \$496,900–pass; (2) Other Expenditures \$160,500–pass; (3) Less: Recoverable from other appropriations (\$67,600)–pass.

1.(e) Internship, Equity and Employee Development Programs \$1,331,900–pass.

1.(f) Organization and Staff Development Agency, no salary allocated, no money–pass.

Resolution 17.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,219,800 for Civil Service Commission, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 2. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$32,500–pass; (2) Amortization Expense - Enterprise Software \$5,800–pass; (3) Enterprise Software Licenses \$11,800–pass.

2.(b) Amortization Expense, \$41,400–pass.

Resolution 17.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$91,500 for Civil Service Commission, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This concludes the Estimates for the Civil Service Commission.

The next set of Estimates that will be considered by this section of the committee is the Estimates for the Department of Sport.

Shall we recess briefly to allow the minister and critic the opportunity to prepare for a commencement of the next set of Estimates?

An Honourable Member: No, we are ready.

SPORT

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order? This section of the Committee of Supply will be considering the Estimates of the Department of Sport. Does the honourable minister have an opening statement?

Hon. Ron Lemieux (Minister responsible for Sport): I do not. I would certainly relinquish my opportunity to give an opening remark, even though the staff have provided such a great speech, in order to allow the Opposition to ask as many questions and make the best use of their time.

Mr. Chairperson: We thank the honourable minister. At this time we invite the minister's staff to join us at the table.

Does the honourable critic for Sport have any opening comment to make?

Mr. Marcel Laurendeau (St. Norbert): No, Mr. Chair. I do believe that we will possibly have a couple of questions on one or two lines, but we are prepared to move ahead at this time.

Mr. Chairperson: At this time we invite the minister's staff to join us at the table and we ask that the minister introduce the staff in attendance.

Mr. Lemieux: I am pleased to introduce Mr. Tom Carson, the Deputy Minister of Culture, Heritage, Tourism and Sport. With him is Mr. Terry Welsh. Mr. Welsh is the Executive Director of Community Support Programs and Sport. Thank you.

Mr. Chairperson: Does the committee wish to proceed through this estimation in a chronological manner, or have a global discussion?

An Honourable Member: Global is fine.

Mr. Chairperson: Global discussion? *[Agreed]*
The floor is now open for questions.

Mr. Laurendeau: Could the minister fill me in on what is new with the Team Canada volleyball team this year? Were there some new funds that were required or acquired for them? Could you give us a little bit of a briefing on that?

Mr. Lemieux: I beg the indulgence of the member from St. Norbert. The grant itself that was provided for the volleyball teams came under Community Support Programs, so we are scrambling a little bit to take a look at it, but I just want to say that I know that what we try to do is help them out with their deficit reduction plan. In order to help them do more fundraising and put a better plan together to do that with, Mr. Ernst is working very, very hard with them trying to do that, and I know we are trying to cooperate with them.

* (22:00)

We put an extra, I am just going by memory, but I know it is over \$26,000 additional monies to the volleyball centre to help them get rid of their deficit because, when they are going to the corporate sector, they are trying to say that we are starting with a clean slate. The moment corporations know that you are in a deficit, they do not want to put good money kind of after bad. They are not wanting to put those kind of dollars into just getting rid of your debt. They would like to see their name put onto a centre or a team or an organization that is trying to move ahead and to improve what they have. They do not want their name necessarily associated with teams that are in the hole.

So what we try to do is try to provide them with more dollars to clean the slate off. This is in partnership with the national volleyball association, also with the feds, I believe, the national sports centre, and Volleyball Canada and Manitoba trying to get rid of their deficit and trying to get them on a sure footing so they can be able to do better fundraising. So I know it is over \$26,000. Those numbers I could be corrected on, but I know it is around \$26,400.

Mr. Laurendeau: Thank you, Mr. Minister, for that answer. Mr. Chair, could the minister give us a brief description of what the Team Builders Program is doing this year and how successful it has been?

Mr. Lemieux: Mr. Chairperson, I thank the Member for St. Norbert for the question. Just looking through the Estimates of Expenditure, there is \$100,000 put aside for the Team Builders Program. That Team Builders Program

is currently being developed. It has not been put in place yet, and it is currently being worked on right now. Initially, the Team Builders Program was to address a couple of concerns. One was the ability for people who may not be able to afford either travel expenses, equipment or registration fees.

Initially, that was the basis of the criteria that we were looking at for a Team Builders Program. So those dollars have not been funneled anywhere yet. Those dollars have not gone anywhere. That program is just being developed. Thank you.

Mr. Laurendeau: Correct me if I am wrong, but I thought Team Builders Program was an initiative in the 2001-2002 and that 2002-2003 was a carry-forward. What happened to the first \$100,000 from the first year then?

Mr. Lemieux: Those dollars have been placed in trust with Sport Manitoba, but Sport Manitoba currently runs a program called KidSport, which is very similar to the Team Builders Program, which is a very successful program. But those dollars lie with Sport Manitoba currently and are in trust with Sport Manitoba until we can devise a program and not duplicate a program which will currently exist.

* (22:10)

Mr. Laurendeau: So correct me if I am wrong, but your last year's expenditures showed \$100,000, so you flowed that to Sport Manitoba for a program that did not exist. Now they are holding it in trust for a program that still does not exist, and you are flowing another \$100,000 this year for a program which still does not exist. Can the minister tell us when it is going to exist?

Mr. Lemieux: I am sure the Member for St. Norbert (Mr. Laurendeau) would not want us to be funneling money and putting money into programs which is duplicating what already exists. What we are trying to do is make sure that it is a separate program that is valuable to the community, not something that is already contained within KidSport or within Lighthouse Project or within Neighbourhoods Alive! So, as I mentioned previously, wanting to ensure that those dollars are addressing the need that is out in the community, so we are going to pursue that

particular line. I am pleased to say that the dollars are there, and we are wanting to ensure that the program that is being developed and worked on currently, I have to say that the person who was previously in the position left to go to a different position and so now there was a break in continuity, and so now we are continuing to work on the program, to develop that.

Mr. Laurendeau: Could the minister see if we could get a copy of the statement, the audited statements from the Sports Federation, which would show that \$100,000 in an account? As well, why is it you are projecting another \$100,000 this year? We are halfway through the year. What is the budget expected to be for this Team Builder? If you put \$100,000 last year for a program that did not exist and a \$100,000 this year, is it a \$200,000 program for the last six months of the year? Or how are you funneling these funds? I am trying to put this all together.

Mr. Lemieux: I thank the Member for St. Norbert for the question. Just wanting to clarify, if nothing else, a point that, and I hope the member from St. Norbert does not feel that all of a sudden there will be a ballooning of money in the last six or three months. That is not the intention of the program. Fair enough, I understand what his question is, but I have to tell you that the needs that I went through and the criteria I went through before for that Team Builders money, those dollars went to Sport Manitoba. Those dollars, there is a Western Canada Summer Games which are happening in Selkirk.

Now the need for Manitoba athletes, are those needs going to be addressed by that first \$100,000 going to the Western Canada Summer Games to help those athletes in Selkirk be able to participate from all over Manitoba in those games? Each province is responsible for paying and assisting their athletes to come to those games. That first \$100,000, that Team Builders money is going to be used to assist the athletes and to assist the programming in the Western Canada Summer Games in Selkirk. The second \$100,000 is the program, the \$100,000 I am referring to for the year '02-03, which we see before us, is those dollars are going to the program that I described previously. The one \$100,000 is going to be going towards the

Western Canada Summer Games to assist those athletes and programming that are going to happen.

The \$100,000 you see before you is going to be dealing with the new programming that Mr. Welsh and others are developing, the Team Builders structure, and the dollars are going to be sustainable. There is not going to be a ballooning of dollars and an expanding of programs. As I see it right now, the dollars will be staying primarily as they are. It was a tough year this year. A lot of departments, including mine, whether it be Sport or Community Support Programs, had to take a reduction in dollars, so the Team Builders Program, I do not see that as being a huge program or an expanded program.

Mr. Laurendeau: I am not saying that it is an expanded program. I am saying that, so far, it has not been a program, according to what you are saying, because you are still developing the criteria, but now you are telling me that last year's money is going to be spent this year to help team-build for the Selkirk games this year? So last year's money is going to be spent this year.

So is this year's money going to be spent next year in 2003-2004 because, at the beginning, you said that the \$100,000 is put into an account. I would probably suspect it would be an interest-bearing account with Sports Manitoba. I am sure that they would not want to have it just in a bank account, just gathering dust for a year. I cannot see how the minister could just flow money to a program that does not exist, and then they are allocating it this year for a program which does not exist, but you are calling it Team Builders. I am still not catching the whole drift of where you are coming on in this one.

Mr. Lemieux: The Team Builders Program which was being worked on was not completed. Therefore, that \$100,000 sat in an account and then was going to be used. So those dollars are going to be used in a way that was most efficient, and those dollars were to be flowed to the Western Canada Summer Games which that committee has been working on, the Western Canada Summer Games, now for certainly over a year, almost a year and one-half. So they need

the dollars, obviously, to pursue their goal of making sure those games are successful in Selkirk. The \$100,000 on the Team Builders Program, which we are talking about and developing, those dollars will be spent this year. The program will be put together and will be rolled out. So the dollars just were not gathering dust.

The Western Canada Summer Games Council had been working on the games now for about two years, or certainly a year and a half. They needed dollars to be able to do it. The dollars just did not go there and collect dust. The dollars flowed to that organization. The Team Builders Program, those monies are not going to be stockpiled anywhere. Those dollars are going to be rolled out once the program has been fully developed. It is going to be there very shortly.

Mr. Laurendeau: I thank the minister for that explanation. I am just going to pass the puck over to my colleague for a little while, and I will be back in five minutes when I straighten out the other room.

Mr. Ron Schuler (Springfield): Several weeks ago I sent a letter to the minister. I am sure the minister is well aware of the letter I sent. It had to do with the various leagues that play in the province. I understand some of the teams outside the city were not being allowed to play in the championships within the city.

I wonder if the minister has had a chance to look at the letter and had a chance to look at the concerns that were raised therein.

Mr. Lemieux: I guess the short answer is I have not had an opportunity to see the letter yet. The Member for Springfield certainly can apprise me of the content of the letter. I understood, at least staff have mentioned briefly they thought it was baseball. We receive quite a few letters, but I am not sure if the Member for Springfield would like to take this opportunity to apprise us of the letter just to refresh our memories and maybe we can address it.

* (22:20)

I just want to say the sport governing bodies, there is baseball, hockey, soccer, all of those organizations belong to Sport Manitoba. They

are the ones that make the guidelines and the rules with regard to, not only tournaments but different competitions whether it be provincial championships or zone championships and so on.

I have not had an opportunity to see the letter. If the Member for Springfield wants to refresh my memory, I would appreciate it very much, and maybe I can attempt to answer the question right here, as opposed to waiting to see the letter and read it myself.

Mr. Schuler: Thank you very much. Unfortunately, I do not have my copy of the letter here. What it does deal with is where teams can play for the finals. I think it raises some very legitimate concerns.

Again, I know the minister does not want to get into micromanaging everything that deals with sport in the province because that, of course, is not his role. He is probably more on the policy side, but I guess there was a sense of frustration. I included their letter in with my letter. I was just wondering if the minister could have his department look at it and perhaps if there is advice that could be forthcoming then if that could even be sent to myself, and then if there is someone specifically that we should be addressing our correspondence to.

As the minister may or may not know, seeing as he and I both came into this grand Chamber at the same time, we do get a lot of requests from different organizations. Being on a rather steep learning curve myself, one often does not know who one is supposed to turn to. So what I had done is I had suggested to those parties who were very concerned and felt they were not being given the same opportunity to participate in sport that what I would do is I would send it to the minister, to yourself, and see what I could get accordingly.

Mr. Lemieux: I thank the Member for Springfield (Mr. Schuler) for those comments. I have an appreciation for that. Even though we have been here for three years, there are still many things we are still learning, but I too get a lot of phone calls and letters that people are not sure where those letters should go or be placed.

In this case we have Sport Manitoba, which is an arm's-length body. Essentially, the Government writes a cheque to an organization that is responsible for running sport and dealing with a lot of policy issues related to sport. They do a very good job, but often we get letters and people are not sure where to send those letters. Often we just refer those letters to Jeff Hnatiuk and Sport Manitoba to deal with those sports specific questions. Often the rules change from baseball to soccer to hockey and they all have different guidelines as to their playoff structure and so on.

The Member for Springfield is correct. We do not want to micromanage what is going on within each designated sport area, but it is important for us to know if there are concerns out there and the public is concerned, even though we write the cheque and the staffing are very good staff at Sport Manitoba. They do a very good job. It is important to note that if there are concerns out there we want to know about it at a political level and be able to pass those concerns on. Often that is the reason why the letters come to us is because it is often a case of last resort and people want to have some input into the process.

If I conclude by just saying that Sport Manitoba gets many, many letters via different minister's offices or different MLAs' offices. They arrive to different MLAs in this building, and then they forward those letters on to Sport Manitoba.

It is a difficult one without knowing the particulars of the letter but I certainly will undertake to ensure we get a handle on the letter and find out the questions that were raised within that. Then I will have an opportunity to raise that with Sport Manitoba and see where they want to go with regard to these issues. Often it can be taken care of very quickly but we will pursue it. We will make sure we find the letter and find out what is being asked, pursue it with Sport Manitoba and see if there is a way to resolve the concern. If not, I am sure then that will be also addressed as well.

Mr. Schuler: I certainly appreciate the minister's words and that he will be taking this issue up. I know the minister has a reputation for

getting the job done. I, however, know some of the individuals who run the department for him.

His deputy minister I happen to know quite well. Mr. Tom Carson I have known, alas, much longer than I have known the minister, and I know that Mr. Carson will probably be more than willing to advise on that. I am pleased to see Deputy Minister Tom Carson here. It is always a pleasure. I happen to know him much better as Deputy Minister of Multiculturalism, where I worked with him and I became a great fan of his and the work he did in the department of Multiculturalism and with Immigration. He earned a very good reputation there. I do not know if he is planning on stepping aside or if he is going to continue. He certainly has served this province well and served various governments well, and we are pleased that he is here. I am sure the minister is ecstatic and should be ecstatic to have the calibre that he has got. The other gentleman, I do not remember his name, but I recognize him as well. Anyway, I do look forward to a response and we would like to move on with that issue.

If I could just ask, in a few other areas: there is a sports complex in Hazelridge, Manitoba, one at Anola, Manitoba, and one in Oakbank, Manitoba, as well as Dugald. I take it there are probably a few grants right now in with the minister's department. Could the minister identify which ones they are and what is the status of them?

Mr. Lemieux: The Department of Culture, Heritage and Tourism handles quite a few grants. As well, Community Support Programs handle grants, and, as well, Sport has some. But I am not sure if these are Community Places grants that are taking place that are to refurbish or fix up these facilities. I guess I am asking for clarification because then I would be able to know where to look and to see what is happening with regard to those grants.

I should tell you, though, that the member from Springfield is correct. Mr. Tom Carson, as well as Mr. Welsh, are very, very competent. If there are any questions we cannot answer here today, we will follow them up immediately and we will make sure that we get those answers as

was pointed out on the previous question with regard to a letter we received from a sports body.

So I guess I would like to ask the member from Springfield just to clarify: Were they applying to Community Places? I am not sure if he is aware what grant it would be, or what area it would be that they were requesting monies, because I am not sure.

* (22:30)

Mr. Schuler: I, again, thank the minister, and I know we have to stop this Tom Carson fan club thing and move on with the business of Estimates, but I do not believe Mr. Carson has yet met a question he could not answer.

I will leave the question as it is to the minister, because you know what? I do not have the list of them. I guess I would like to ask the minister what he sees happening with Sport. It sort of follows along the lines of what happens with school divisions. As the populations move out further, out to the ring of the city, and younger families buy newer homes and such a thing, the schools in the inner city, there are less and less students. I know there has been a real move—certainly, when I was on the board of River East—that we try to utilize our schools in the city more, even if that means transporting a little bit rather than just always building new ones and having other schools lay vacant.

The same thing goes with sportsplexes, and we see that there is just a brutal demand for sports facilities in the outlying areas of the city and in the Capital Region. I know the minister represents an area that is just booming, I dare say, if not quite as much as the area I represent, pretty close, and I think in some respects perhaps even greater. It does create a difficulty for government. If the minister could just reflect where his departmental planning is going for that.

We know Gateway has magnificent facilities. I do not know what usage there is right now, if it is dropping off, and I understand they still have a mortgage. East St. Paul, we had 800 children in the spring sports program, overwhelming by any stretch of the imagination. The facilities just are not there.

I know the minister representing Lorette, and I do not know if now is the time to get so political as to tell the minister to stop stealing a lot of my residents. *[interjection]* I have not asked my question yet. I was just saying, minister, please stop stealing all my residents. A lot of them move from East St. Paul into La Verendrye because the assessments in East St. Paul are starting to go up. The taxes are starting to go up with the assessments in East St. Paul, and people are looking for a little bit larger lots, and they tend to go to Lorette and those areas. I know the minister is also experiencing a major influx of young families into his area.

So how are the minister and his department going to deal with that? We do have some magnificent complexes in the city. Is there a better way to be building these facilities? Is there a better way to be utilizing them, because there is really no value in building magnificent edifices and then not having them being used because the population shift, it goes very quickly. So I do not know if the minister has been able to get his thinking around that.

Mr. Lemieux: I guess just to clarify, the Government of Manitoba not only provides the cheque, but there is a saying that he or she who signs the cheque gets the say, which is true. But Sport Manitoba is doing a very good job. They are arm's-length. They have now come up with a recently adopted Manitoba Action Plan for Sports. It is called MAPS. What Sport Manitoba is trying to do is they are trying to address emerging societal issues and trends as they impact on amateur sport development. This has a lot to do with facilities but also with the movement of families moving outside the city, as well as shifting from one area of the city to the other.

People are coming back, also, to the core area. Facilities in the core area have been run-down too. Now we see families are starting to come back. Neighbourhoods downtown are starting to change. You have the Point Douglas area. Those kids in that area have to go all the way to McPhillips to use an arena. I do not think it is right, but these things cost dollars. So it is not just people moving outside of Winnipeg. There is a shift even within the city of Winnipeg of movement of different families. So it is

something that Sport Manitoba is going to have to get a handle on.

I can tell you that I attended a sports ministers' conference in Nunavut and Iqaluit, and I raised the issue with Mr. Paul Devillers, who is the Secretary of State for Sport, a federal representative. I was able to get a lot of support from other provinces and territories when I said, why can we not get an infrastructure pot of money that just will deal with facilities, either fixing them up or repairing them or building new facilities where need be.

Well, the federal government certainly is not interested in it right now. I am hoping that they will be in years to come because there was a big push in 1967 at Canada's Centennial to build all these new arenas everywhere. I know the arena in Portage la Prairie I believe was a Centennial Arena, home of the Portage Terriers, and that was a great facility in its day, and the Lorette arena. Many other arenas around Manitoba either were built in '67 or built in 1970 at Manitoba's Centennial.

So the whole question comes up as to what are you going to do with all these facilities that are becoming run down now? They have been repaired once or twice over. I raised this with our federal counterparts, and they said they would certainly look at it. It is part of the new action plan on sports nationally on what to do with facilities. So he is going to be pursuing it with his Cabinet and his colleagues to see where the federal government wants to go and if they are willing to partner some time down the road. I am not sure when that will happen, if it will ever happen. I am confident it will happen eventually, but I am not sure when that would be.

I can tell you that Sport Manitoba is really the organization that implements, manages and they fund specific sport development projects. They are the ones who are trying to determine what is out there, what are the facilities like, what is the movement of families and young people, where are they going? They have got a good handle on registration of baseball, soccer, hockey and they can see where the numbers are jumping up. They are the ones through the Manitoba Action Plan for Sports trying to address it through their sport policy.

I can tell you right now Community Places staff who deal with Community Places grants, they often go out and they do a lot of analysis of different facilities. They will actually go into Oakbank's arena and determine what the cost would be of fixing up that arena. Now the Oakbank Arena is a facility which is an older facility. The community has almost outgrown the use of that facility. Even though it has served its time well, it is getting to the point now where the community is growing and the arena has not expanded and they can only do so much with what they have. Does that mean that you build a new arena in Oakbank or do you have one arena, a new arena in Oakbank that will service Dugald, Oakbank and Anola, like one regional facility?

So Sport Manitoba has a real challenge because you can look at many different areas of the province and it is the same thing. It is: Do you need a personal care home in each community? The answer is, no, you do not need a personal care home in each community nor, possibly, do you need an arena or recreation centre or community centre in each community, because population shifts happen. It is cyclical and we are not sure what is going to happen in 20 years down the road. If you build a new big arena or facility in Oakbank, is the population going to remain the same or is it going to decrease in 20 years time?

It is a very, very difficult question, but it is a very good question because this is the challenge from the day I became Minister responsible for Sport. This is one of the first issues in an issue paper that was listed on a page for me about facilities, population movement, the new Manitoba association, the action plan on sports and how that is going to try to address all those challenges. So this is a very interesting time because it is hard to do the demographic. You cannot just go ahead and do things on a knee-jerk reaction basis. You have to have some planning and looking at the demographics and what does the future entail, not necessarily crystal-balling it but you have to try to base it on something more than just the population of the day, I think, as the Member for Springfield (Mr. Schuler) mentioned.

* (22:40)

My own constituency is growing, as well as Springfield. I know that Taché municipality and Ritchot municipality, not so much Ritchot but certainly Taché, is growing quite rapidly, as are Springfield and East St. Paul, a lot of beautiful homes, a lot of new families moving out. The quality of life is a real issue for a lot of those families. They are going to move out there. They want not only good schools but they want to have access to churches, community centres and recreation facilities. That is what the quality of life is all about for a lot of families. So I hope I have partially answered the question of the Member for Springfield.

I know this issue is going to be around for a while yet because the Province of Manitoba or municipalities cannot do it alone. I really think we need, this is not meant to pass the buck off to our federal counterparts, but we need to have the federal government involved, just as we do in sewer and water. The federal government has to be at the table with money, because I know the Province and the municipalities are willing to do their share but right now we do not have that third partner to be involved with facilities or other recreation centres.

Mr. David Faurichou (Portage la Prairie): I want to echo the Member for Springfield's comments about strategic planning for sports facilities. I want to add one further dynamic though for the minister's consideration, that being the partnering between not only municipal, provincial and federal governments, but the school divisions have a very, very important part to play in the development of sports facilities, because that is where the children of our communities spend a great deal of their time. Sports facilities can enhance significantly the physical education programming that is very, very necessary in all-round scholastic programming.

I want to say if one were to consider the support for sports facilities that school divisions be in that consultative process so that perhaps school facilities—I will say specifically that I was involved with the committee struck by the City of Portage la Prairie to entertain discussions involving an aquaplex in Portage la Prairie, a year-round aquaplex. I still believe to this day the facility that was in discussion should be

attached to a school. That way then the programming with the physical education department can make use of the facility during school hours, then off school hours the facility is available to the general public for its use. That not only goes for the aquaplex that was in discussion for Portage la Prairie but also to the track and field facility that is located at Yellowquill School that serves as a regional track and field facility for areas in and around Portage la Prairie.

Which leaves me to my very specific question which I asked the minister earlier this year: In light of the Portage Collegiate Institute boys track and field team being awarded the provincial banner for their achievement at the meet in Brandon that saw them crowned with a provincial championship, they were in there in receipt of a certificate recognizing their achievement. I believe in the past medals had been issued by the minister's department in recognition of this very significant achievement. I am wondering whether the minister has had opportunity to research the question I had posed to him at an earlier date.

Mr. Lemieux: I thank the Member for Portage la Prairie (Mr. Faurichou) for the question and also his comments. I know he feels very, very sincere about a lot of those issues related to swimming facilities. I believe it is The Pas that has a nice swimming pool right next to their school. It is used often and part of the school program as well. So the member's point is well taken.

With regard to the issue of certificates as opposed to medals, for those who have participated in sport you will know that a piece of paper often ends up torn or filed away in some file, often a garbage bin for a lot of kids but a medal will often hang on the wall and hang on a shelf and will be kept forever. I have had the opportunity to ask the question. I have not had the answer back, certainly to my satisfaction, as to what happened. I know it is a cost-saving measure. It is a cost-saving measure, but these young people, for all their hard work, go through a lifetime and when they are 65 years of age they will still have that medal to look back fondly upon their achievement when they were 15, 16, 17, 18 years of age.

So the Member for Portage raises a good point. I have raised it. I know the answer that is going to come back. Financially it has been tough. We are looking for ways of saving money and cutting back. So I am trying to find the difference. That is my question: What is the difference between providing certificates compared to providing the medals? I personally do not think there is a great deal of difference in money, but I guess I would like someone to show me where the big saving is and what was the rationale behind it.

Again, as the Member for Springfield (Mr. Schuler) mentioned, he said, no, I would not want the Minister of Sport to be micromanaging what goes on in sport, and that is true. There is a fine line between saying, hey, look, just because I write the cheque, the Province writes the cheque, I want to make sure now you are going to get medals and not certificates. I am hoping that Sport Manitoba has a better rationale than just saying there is a small amount of money saved. I personally believe, and maybe it is my own mindset, that a medal lasts far longer and is of more value often to athletes who retain them than a piece of paper.

So I appreciate the question very much and I apologize for not getting back sooner on this, but I have not received, how can I put it, a satisfactory response as to, you know.

I will just conclude my remarks by saying I appreciate the question. As soon as I can get that answer, I do not mind sharing that with the member or other members in this Legislature as to why that decision was made, whether or not they are even seriously considering changing that decision, how long it takes to change that, even if they want to do that.

Again, I do not want to be micromanaging what Sport Manitoba does. They do a very good job. Certainly that is not my place to be doing that.

Mr. Faurichou: I really, truly appreciate the minister's recognition of the circumstance which I raise here today, which no doubt is taking place across the province. Our young people really do strive to be the very best they can be. If the

minister could ask for reconsideration in this light, I would certainly appreciate that.

I do concur with the minister that it is not a minister's place to micromanage his department. However, recognizing though that you are the people's representative, and I believe you understand the people of Manitoba and the importance that this particular recognition and the fashion in which it is bestowed is recognized by young people here in the province. So it is not too late, and if it is of a minor amount of dollars, I do not think that the representatives in this Chamber will balk at an allocation that recognizes achievement of this calibre here in the province of Manitoba. It certainly does spur the young people on to greater achievements into the future, and as the minister has mentioned, it is something to be shown and displayed and passed on to children and grandchildren, recognizing what they did achieve in their youth. So, with that, I will leave my comments in this regard. Thank you.

* (22:50)

Mr. Chairperson: 28.1. Sport (a) Support Services (1) Salaries and Employee Benefits \$16,500—pass; (2) Other Expenditures \$28,000—pass;

1.(b) Sport Manitoba \$10,065,000—pass;

1.(c) Major Sport Initiatives (1) Team Canada Volleyball Centre \$75,000.

Mr. Laurendeau: Mr. Chair, I wonder if the minister could supply me, this goes back one line, but could you supply me with the information on how much money Sport Manitoba has in their reserve account today?

Mr. Lemieux: For the member from St. Norbert, I will do my best to find out what that information is and pass that on as soon as I can.

Mr. Chairperson: 1. Sport (c) Major Sport Initiatives (1) Team Canada Volleyball Centre \$75,000—pass; (2) 2003 Western Canada Summer Games—no money; (a) Grant Assistance—no money; (b) Less: Recoverable from Rural Economic Development Initiatives—no money; (3) Team Builders Program \$100,000—pass; (4) Other Events—no money.

1.(d) Manitoba Boxing Commission \$29,100—pass;

Resolution 28.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,313,600 for Sport, Sport, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 28.2. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$1,100—pass; (2) Amortization Expense - Enterprise Software \$200—pass.

Resolution 28.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,300 for Sport, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This concludes the Estimates for the Department of Sport.

The next set of Estimates that will be considered by this section of the committee is the Estimates of Community Support Programs.

COMMUNITY SUPPORT PROGRAMS

Mr. Chairperson (Conrad Santos): Would the Committee of Supply please come to order for the consideration of Community Support Programs? This section of Committee of Supply will be considering the Estimates of Community Support Programs. Does the honourable minister have an opening statement?

Hon. Ron Lemieux (Minister of Culture, Heritage and Tourism): No.

Mr. Chairperson: We thank the honourable minister.

Does the official opposition critic, the honourable Member for St. Norbert, have an opening statement?

Mr. Marcel Laurendeau (St. Norbert): No.

Mr. Chairperson: We thank the honourable critic. At this time we invite the minister's staff to join us at the table. We ask the minister to introduce the staff in attendance. They are already here? Does the committee wish to proceed through the Estimates in a chronological manner or global discuss? Global discuss. The floor is now open for global questions.

Mr. Laurendeau: Mr. Chair, I guess I have one question for the minister on this department. Could the minister supply me with the Community Support Program grants for the years 2000, 2001, 2002?

Mr. Lemieux: I guess on a point of clarification, is there one area, like Community Services Council grants.

Mr. Laurendeau: Community Places.

Mr. Lemieux: I think the Member for St. Norbert is referring to Community Places grants. Those Community Places grants are under Culture, Heritage and Tourism, but I would be pleased to do that. I would. I just wanted to ensure, as I mentioned to my critic for Culture, Heritage and Tourism, that I wanted to make sure that the letters went out to those organizations before my colleagues or anyone in the Legislature started contacting people because I did not want any mix-ups.

If someone was not going to get a grant I did not want someone going out there and saying congratulations, I understand you have a grant and they were not getting one. I want them to get it first, to be notified they have a grant coming, or, if they do not have a grant coming, they are aware of it, because I did not want them to be surprised by a member of the Legislature first springing it on them prior to them even knowing about it. I am committed to the Member for St. Norbert. I am pleased to be providing that to him.

What I would like to do is, if it is okay with the Member for St. Norbert, if I provide the Leader of the Opposition with a full list of the grants then the Leader of the Opposition could distribute it to them, because a number of members opposite have asked me what they are. The member from St. Norbert has been asking, and people are concerned where those grants are

going. If I just send them to the Leader of the Opposition and then just ask the Leader of the Opposition to—*[interjection]* Okay. Thank you.

Mr. Chairperson: 33.1. Community Support Programs (a) Administration and Grants (1) Salaries and Employee Benefits \$126,100—pass; (2) Other Expenditures \$29,300—pass; (3) Grants \$193,800—pass.

1.(b) Festival du Voyageur \$319,800—pass.

1.(c) Folk Arts Council of Winnipeg \$301,000—pass.

1.(d) United Way \$2,216,300—pass.

1.(e) Valley Agricultural Society \$40,000—pass.

1.(f) Harness and Quarterhorse Racing Support, no money—pass.

1.(g) Manitoba Community Services Council \$1,980,000—pass.

1.(h) Winnipeg Football Club \$346,500—pass.

1.(j) General Council of Winnipeg Community Centres (1) Grants \$200,000—pass; (2) Less: Recoverable from Urban Development Initiatives (\$200,000)—pass.

1.(k) Community Festivals and Events \$175,000—pass.

* (23:00)

Resolution 33.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,727,800 for Community Support Programs, Community Support Programs, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 33.2. Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$2,000—pass; (2) Amortization Expense - Enterprise Software \$400—pass; (3) Enterprise Software Licenses \$800—pass.

Resolution 33.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,200 for Community Support Programs, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This concludes the Estimates for Community Support Programs.

The next set of Estimates that will be considered by this section of the committee is the Estimates of Employee Pensions and Other Costs.

EMPLOYEE PENSIONS AND OTHER COSTS

Mr. Chairperson (Conrad Santos): We are now dealing with the Estimates of Employee Pensions and Other Costs. Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister responsible for the Civil Service): No, I do not.

Mr. Chairperson: We thank the minister. Does the official opposition critic, the honourable Member for St. Norbert?

Mr. Marcel Laurendeau (St. Norbert): No.

Mr. Chairperson: No. At this time we invite the minister's staff to join us at the table. We ask the minister to introduce the staff in attendance.

Mr. Selinger: Yes, I would be happy to. I have the Associate Secretary to Treasury Board, Debra Woodgate, and I have the Director of the Labour Relations Secretariat within Treasury Board, Gerry Irving with me today, the Assistant Deputy Minister.

Mr. Chairperson: Thank you. Does the committee wish to proceed in a chronological matter or in global discussion? Global discussion. The floor is now open for questions.

6.1. Employee Pensions and Other Costs (a) Civil Service Superannuation Plan \$54,496,500—pass.

1.(b) Other Salary Related Benefits \$5,500,000—pass;

1.(c) Workers' Compensation Board (1) Assessments re: Accidents to Government Employees \$2,735,000—pass; (2) Less: Recoverable from other appropriations (\$2,720,000).

1.(d) Canada Pension Plan \$25,198,000—pass.

1.(e) Employment Insurance Plan \$17,522,500—pass.

1.(f) Civil Service Group Life Insurance \$1,610,500—pass.

1.(g) Dental Plan \$6,211,200—pass.

1.(h) Vision Care \$1,121,700—pass.

1.(j) Prescription Drug Plan \$2,680,400—pass.

1.(k) Ambulance and Hospital Semi-Private Plan \$308,700—pass.

Mr. Laurendeau: If I may just ask a question here on the Prescription Drug Plan: Why is it doubled?

Mr. Selinger: The collective agreement benefits improvements were only brought in for half a year last year. This is just the fully annualized cost now, so it doubled because it was only for half a year last year. *[interjection]* There was a collective agreement improvement that was only annualized for half a year last year and now it is a full year this year.

Mr. Chairperson: The honourable Member for St. Norbert.

Mr. Laurendeau: I think Greg is going to finish the answer yet.

Mr. Selinger: The short answer is they did not have a prescription drug plan until October 1 of 2001, and then it was only for half a year. Now we have annualized it, and that is the total cost for the system.

Mr. Chairperson: 6.1. Employee Pensions and Other Costs (m) Long Term Disability Plan \$4,424,000—pass.

1.(n) Levy for Health and Post-Secondary Education \$14,806,200—pass.

1.(p) Pension Liability for New Employees \$1,000,000—pass.

1.(q) Less: Recoverable from other appropriations (\$74,883,200).

Resolution 6.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$60,011,500 for Employee Pensions and Other Costs for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This completes the Estimates for Employee Pensions and Other Costs.

We will proceed to the next set of Estimates that will be considered. This is the Estimates for Enabling Appropriations.

* (23:10)

ENABLING APPROPRIATIONS

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please? This is the department of Enabling Appropriations. Does the minister have an opening statement?

Hon. Greg Selinger (Minister of Finance): No.

Mr. Chairperson: We thank the minister. Does the official opposition critic, the honourable Member for St. Norbert, have any opening statement?

Mr. Marcel Laurendeau (St. Norbert): Not at this time, Mr. Chairperson.

Mr. Chairperson: We thank the honourable Member for St. Norbert.

At this time we invite the minister's staff to join us at the table, and we ask the minister to introduce the staff in attendance.

Mr. Selinger: I have with us the Associate Secretary to Treasury Board, Ms. Debra Woodgate.

Mr. Chairperson: Does the committee wish to proceed in a chronological manner or a global discussion?

Mr. Laurendeau: Global is fine.

Mr. Chairperson: Global, agreed. The floor is now open for questions. No questions asked, no answers given.

26.1. Canada-Manitoba Enabling Vote (a) Flood Proofing Programs (1) Capital Grants \$2,020,000—pass; (2) Infrastructure \$2,609,800—pass.

1.(b) Framework Agreement on Treaty Land Entitlements \$450,000—pass.

1.(c) General Agreement on the Promotion of Official Languages \$850,000—pass.

1.(d) Infrastructure Program \$2,588,100—pass.

1.(e) Medical Equipment Fund \$19,300,000—pass.

1.(f) Primary Health Care Transition Fund \$5,200,000—pass.

1.(g) Red River Floodway Renewal and Expansion \$20,000,000—pass.

Resolution 26.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$53,017,900 for Enabling Appropriations, Canada-Manitoba Enabling Vote, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 26.2. Sustainable Development Innovations Fund \$3,400,000—pass.

Resolution 26.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,400,000 for Enabling Appropriations, Sustainable Development Innovations Fund, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 26.3. Justice Initiatives \$1,500,000—pass.

Resolution 26.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,500,000 for Enabling Appropriations, Justice Initiatives, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 26.4. Security Initiatives \$1,000,000—pass.

Resolution 26.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,000,000 for Enabling Appropriations, Security Initiatives, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 26.5. Internal Reform, Workforce Adjustment and General Salary Increases \$25,000,000—pass.

Resolution 26.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$25,000,00 for Enabling Appropriations, Internal Reform, Workforce Adjustment and General Salary Increases, for the fiscal year ending March 31, 2003.

Resolution agreed to.

Mr. Chairperson: This completes the Estimates for Enabling Appropriations.

OTHER APPROPRIATIONS

Mr. Chairperson (Conrad Santos): The next set of Estimates that we will be considering in this section of committee is the Estimates relating to Other Appropriations.

Will the Committee of Supply please come to order? This section the Committee of Supply will be considering the Estimates for Other Appropriations.

Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister of Finance): No, I do not.

Mr. Chairperson: We thank the minister. Does the official opposition critic, the honourable Member for St. Norbert (Mr. Laurendeau)?

Mr. Marcel Laurendeau (St. Norbert): No, Mr. Chair.

Mr. Chairperson: We thank the honourable critic.

This time we invite the minister's staff, which are already here, to join us at the table. We ask the minister to introduce the staff in attendance.

Mr. Selinger: As before.

Mr. Chairperson: She has been introduced.

How does the committee wish to proceed, through chronological manner or global discussion? [*Agreed*] The floor is now open for questions.

Mr. Laurendeau: Mr. Chair, I was wondering if the minister could bring us up to speed on the floodproofing programs and the expenditures that he is expecting to have this year.

Mr. Selinger: Just for clarification, is the Member for St. Norbert referring to capital floodproofing programs or emergency floodproofing programs as a result, for example, of the overland flooding this spring?

Mr. Laurendeau: Capital programs at this time, Mr. Chair.

Mr. Selinger: Actually, we just dealt with that under Enabling Appropriations, but I would be happy to go back and answer questions on it even though we passed it. [*interjection*] I know. No, this is just handling unforeseen events that have caused damage in Manitoba.

On the capital one, could the member sort of zero in a bit on what he is looking for?

* (23:20)

Mr. Laurendeau: Back, as the minister is aware, in '97, we had some high water in the St. Norbert constituency, and there are certain homes that were required to have sandbagging operations done. The City has sent out letters to a number of the homeowners saying that there is no more floodproofing money, that they have fallen outside of the program until such time as the Province is going to put more money into place. Well, basically, is the Government planning on putting any more money into place for the floodproofing programs for those who have been left out of phase 1, seeing as the rural communities received a lot more in floodproofing protection dollars than we did in the city of Winnipeg? Our little \$10 million did not go very far, and Mayor Murray made sure that he spent it on his pet projects and left a lot of us, where he considered did not know how to vote, out in the cold. We are hoping that maybe this minister would not be doing the same thing as Mayor Murray did in forgetting about the people in the south.

Mr. Selinger: The items that the member is asking about are on page 146 and they are \$2,020,000 for capital programs and \$2,609,800 for Infrastructure. Those are increases over the previous year, as the member can see. The first one is an increase from \$1.3 million to \$2 million, and the second one is a decline from \$3.7 million to \$2.6 million. This represents just 20 percent of the total program, the other 80 percent is in Conservation. That would mean in Conservation this year the capital amount is \$10,100,000, and in Infrastructure it is \$13,049,000 for a total of \$23,149,000 million in '02-03.

Now, does the member want to ask me a specific question about whether some of this will be applied to his area? Is that the question?

Mr. Laurendeau: It is not necessarily my area as such, there are other areas of the city that have been left out as well. They seem to have put the criteria at a certain level, and then they went around and checked on where the dikes were going to be and ran out of money before they got to the point of some of the homeowners in certain areas. In some cases, there are some in my area, but there are also some in probably the Minister of Justice's (Mr. Mackintosh) area as

well that would have required some of that floodproofing and are not quite in the criteria. Yet, if you look at the criteria that they have measured it against, it is going to cost them a lot more to do the sandbagging over the next 50 years, or even 30 years at the rate we have been going, than it is costing if they had just put the proper dikes in place in the first place.

Mr. Selinger: According to Lord Avenue residents, et cetera.

Mr. Laurendeau: Lord Avenue, Cloutier Drive. Lord Avenue is being corrected. They have already been approved, but Cloutier Drive has not been and they have just received letters stating that they will not be covered. There are other areas in Fort Garry who do not give me the names, but they have been also receiving the letters saying that they are not covered under it, saying that until the Province and the federal government come up with further monies, there will be no floodproofing for those people. So they have some concerns, in some cases they have spent \$80,000, \$100,000 reconstructing their homes and their lives, and they are still at risk of losing that if the waters come up again. They have some concerns and they would just like to know if the Province has any plans in putting any further monies in in the future.

We have heard about the floodway plans, the expansion of the floodway and that does assist us, but it does not prevent us from reaching the '97 flood levels in the city of Winnipeg even with the expansion of the floodway. Even if the floodway was expanded to double its width, as we are looking at, and you put in all the control mechanisms, we will still have the requirement to be covered up to the 1997 flood level. That does not mean that we have to have '97 flood level at all times, but we should at least have back to the '79 level and then we can put the other infrastructure in place on a temporary basis to the '97 level. But we should at least be protecting them to one level of flood so we do not have to go back year after year.

Even this year, which was not a flood year, we still had to do some small amounts of sandbagging. In some cases it was placebo dikes, but it is a fear that people have after '97 that the

water is going to come in. They are just looking for some stability to their lives and they would like to move on with it. The City of Winnipeg keeps saying that it is your responsibility and you are the ones who are not putting the money forward. I am just asking the minister: Are there any plans in the future, if not this year, are we looking at it in the future of putting forward some programs that these people could apply for so they could bring their lives back together?

Mr. Selinger: I am going to have to take under advisement the member's question because, as I indicated earlier, 80 percent is in the Department of Conservation, but we will undertake to find out what the status of the programs are and whether they apply to, for example, the residents on Cloutier Drive. I will make an undertaking to get that back to the member.

My next statement is not intended to be an excuse, but it is intended to put in context. The total program shared between the federal government and the provincial government does not provide sufficient resources to address all the floodproofing requirements in Winnipeg and in southern Manitoba. We have asked the federal government to consider increasing their amount. We are prepared to increase our amount. They have not given us a positive indication in that regard yet. So we are still pressing them on that. However, we are proceeding with the resources that we do have up to the maximum to do as much work as we can in southern Manitoba and Winnipeg. Then we are going to keep pushing them to do more so that we can make sure everybody gets covered in the program. That has been our strategic objective, to get the feds not to put these artificial caps on.

I cannot give the member comfort right now that they have responded to that. It might come as part of the Red River Floodway. I do not want to give false hope there, but it could be part of that overall package. We are certainly interested in doing the right thing for everybody here. Whether or not the existing resources allocated this year in the amounts of \$23.1 million plus what we have here of \$4.6 million, Treasury Board will undertake to clarify whether or not some of those would be applicable to the residents in your area.

Mr. Laurendeau: I thank the minister for that. It is just I guess I got frustrated after the '97 flood when the City of Winnipeg actually went to a homeowner on St. Mary's Road. They told him where to construct the dike and how to construct it, laid out the plans for it. He put in a clay dike for his home. It cost \$45,000 for the gentleman to put it in. After it was all over, they told him that he could not get reimbursed under EMO because it was a dike and that he should apply for the floodproofing. Then the floodproofing people said, well, no, you do not fall into the criteria, so you cannot recover it from us either. He said, well, that is okay, I will just eat the \$45,000.

That was fine at that point, but then the city came in a year later and demanded that he take the dike down. It cost him another \$40,000. So now he is on the hook for \$80,000 out of his pocket and no protection. He is saying, well, hold it. If I could turn around and build a dike and then have to take it down, should it not be covered? I said, well, it should be. I am going to be approaching the minister from EMO, but it is just that type of hypocrisy from the past. I thought we had corrected some of those inequities after '97 because the federal government had agreed to let us leave some of the infrastructure in place that we created.

We left some in place on Parkwood boulevard. I mean, it was a perfectly good clay dike that we put in place that we should have left in place probably years ago when we used to have to do it, those types of things. They allowed us to keep those dollars so, you know, we received 90-10 on it, which was nice. That was an improvement.

But there have got to be ways that we can get around this city system that makes us put up a dike and then take it down. It is just not cost-effective, and it is always the same areas and it is always the same homes. I mean, if we are heading in that direction, let us see if we can work together and get the federal government to do it once and for all. It is their 90-cent dollar, so it would save them money in the long run. I am in agreement with the minister on that.

At this time, I am prepared to pass the appropriations.

* (23:30)

Mr. Chairperson: 27.1. Emergency Expenditures \$20,000,000—pass.

Resolution 27.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,000,000 for Other Appropriations, Emergency Expenditures, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: 27.2. Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities \$775,000—pass; Manitoba Potash Corporation \$100,000—pass; Venture Manitoba Tours Ltd. \$675,000—pass.

Resolution 27.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$775,000 in Other Appropriations, Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: That completes the Estimates for Other Appropriations.

The next set of Estimates that this committee will consider are the Estimates relating to Capital Investment.

CAPITAL INVESTMENT

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order? This section of Committee of Supply will be considering Estimates for Capital Investment. Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister of Finance): No, he does not.

Mr. Chairperson: No. We thank you. Does the official opposition critic for—

Mr. Marcel Laurendeau (St. Norbert): No, not at this time, Mr. Chair.

Mr. Chairperson: No opening statement either. The minister's staff is already at the table, and

she has been introduced. Does the committee wish to proceed in a chronological manner or a global discussion? [*Agreed*]

B (1) Agriculture and Food \$150,000—pass.

Resolution B (1): RESOLVED that there be granted to Her Majesty a sum not exceeding \$150,000 for Capital Investment, Agriculture and Food, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (2) Conservation \$700,000—pass.

Resolution B (2): RESOLVED that there be granted to Her Majesty a sum not exceeding \$700,000 for Capital Investment, Conservation, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (3) Consumer and Corporate Affairs \$980,000—pass.

Resolution B (3): RESOLVED that there be granted to Her Majesty a sum not exceeding \$980,000 for Capital Investment, Consumer and Corporate Affairs, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (4) Family Services and Housing \$2,060,000—pass.

Resolution B (4): RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,060,000 for Capital Investment, Family Services and Housing, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (5) Finance \$1,120,000—pass.

Resolution B (5): RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,120,000 for Capital Investment, Finance, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (6) Health \$4,500,000–pass.

Resolution B (6): RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,500,000 for Capital Investment, Health, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: B (7) Justice (a) Equipment Acquisition \$90,000–pass; (b) Victims' Notification and Tracking System \$1,850,000–pass; (b) Less: Third Party Recoveries (\$450,000)–pass.

Resolution B (7): RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,490,000 for Capital Investment, Justice, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: Item B (8): Transportation and Government Services (a) Transportation Capital Projects and Equipment \$7,439,600–pass; Less: Third Party Recoveries (\$2,039,600)–pass; (b) Government Services Capital Projects \$13,600,000–pass; (c) Air Services Capital Projects \$5,700,000–pass; (d) Information Technology Projects \$200,000–pass.

Resolution B (8): RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,900,000 for Capital Investment, Trans-

portation and Government Services, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: Item B (9): Internal Reform, Workforce Adjustment and General Salary Increases (An Enabling Appropriation) (a) Better Systems Initiative \$18,300,000–pass; (b) Other Information Technology Projects \$3,350,000–pass; (c) Security Enhancements \$200,000–pass; (d) Other \$250,000–pass.

Resolution B (9): RESOLVED that there be granted to Her Majesty a sum not exceeding \$22,100,000 for Capital Investment, Internal Reform, Workforce Adjustment and General Salary Increases (An Enabling Appropriation), for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: That completes the Estimates for Capital Investment.

The next set of Estimates that will be considered by this section of the Committee of Supply Estimates is Intergovernmental Affairs.

IN SESSION

Mr. Deputy Speaker (Conrad Santos): As previously agreed, the hour being after midnight, this House is adjourned and stands adjourned until 8:30 a.m., Wednesday, August 7.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, August 6, 2002

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