



Third Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

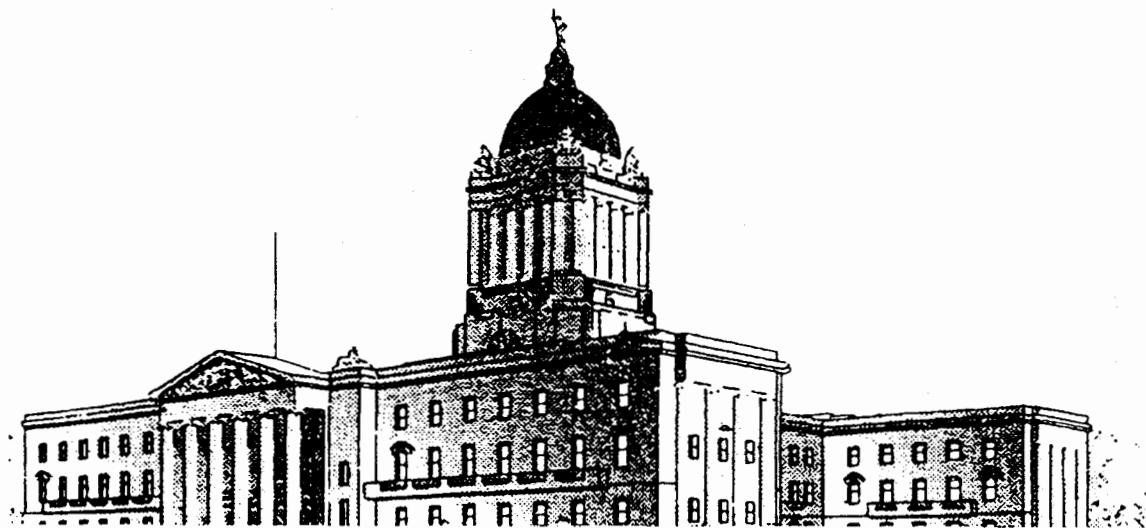
**DEBATES**

and

**PROCEEDINGS**

**Official Report  
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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myma	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
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MITCHELSON, Bonnie	River East	P.C.
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NEVAKSHONOFF, Tom	Interlake	N.D.P.
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PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
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REIMER, Jack	Southdale	P.C.
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ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
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SANTOS, Conrad	Wellington	N.D.P.
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SCHULER, Ron	Springfield	P.C.
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WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, August 7, 2002

The House met at 8:30 a.m.

### ORDERS OF THE DAY

#### GOVERNMENT BUSINESS

##### PRAYERS

**Mr. Speaker:** Prior to recognizing the honourable Government House Leader (Mr. Mackintosh), I would just like to inform the House that we will not be able to meet the 24-hour turnaround for Hansard, but, as usual, Hansard will do their best and will get it out as soon as possible.

##### House Business

**Hon. Gord Mackintosh (Government House Leader):** As a matter of House business, I think it is important to congratulate Hansard, actually, this session for the tremendous turnaround time that they have provided.

**Mr. Mackintosh:** Mr. Speaker, would you canvass the House to see if there is leave to bring Family Services and Housing Estimates into the Chamber to substitute for Intergovernmental Affairs this morning from about 10 to 11:15? That is for this morning only.

**Mr. Speaker:** Is there leave to bring in Family Services to replace Intergovernmental Affairs from 10 to 11:15 this morning only? *[Agreed]*

**Mr. Mackintosh:** I move, seconded by the Minister of Finance (Mr. Selinger), that the House resolve into Committee of Supply.

*Motion agreed to.*

#### COMMITTEE OF SUPPLY (Concurrent Sections)

##### HEALTH

**Mr. Chairperson (Harry Schellenberg):** Good morning. Will the Committee of Supply please come to order? This morning, 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 passed areas. The floor is now open for questions.

**Mrs. Myrna Driedger (Charleswood):** I would like to ask the minister a question based on the statement of public sector compensation disclosure of the Winnipeg Regional Health Authority for December 31, 2001. Wayne Byron, the vice-president of human resources, is shown as receiving that year \$429,062.89. Can the minister indicate what that amount is made up of? Is that his salary, plus something else?

**Hon. Dave Chomiak (Minister of Health):** Obviously, I do not know the specifics of that particular issue, but I can indicate that I suspect it has to do with the fact that Mr. Byron left the employment of the WRHA and received a package in terms of benefits and all the related matters relating to compensation. I do not think it is particularly different than other kinds of settlement in the public sector.

I will just confirm whether or not we have the specific information in regard to that. As the member knows, Mr. Byron was employed by the WRHA. *[interjection]*

As I indicated, Mr. Speaker, he left the employ of the WRHA. He was a long-time employee of the health care sector. As I understand it, that was part of the regular package in terms of leaving the employ of the jurisdiction.

\* (08:40)

**Mrs. Driedger:** Can the minister tell me if it is normal practice for somebody to receive a package, especially to that amount, when they just leave their employ?

**Mr. Chomiak:** There is a variety of arrangements that are put in place with respect to employment. My suspicion is that Mr. Byron had a contractual agreement with the WHA, which then was subsumed by the WRHA, which continued and which was probably put in effect when he left the employ of the WRHA. That is a similar arrangement to a series of other individuals across the sector.

The member might know that there was a package that was entered into with respect to a CEO of one of the hospitals that we discovered upon assuming office that had a significant package. We indicated to all of the employing health authorities that they had to provide information regarding CEO packages, et cetera, with respect to employment contracts.

**Mr. Glen Cummings (Ste. Rose):** Well, Mr. Chairman, this is about enough money to provide doctors at Gladstone for two years for emergency care. If the gentleman was a long-term employee of the health care system, what is the rationale in putting out that kind of money to have him move on?

**Mr. Chomiak:** Mr. Chairperson, I will contact the WRHA and ascertain, if it was, in fact, the contractual arrangement, when the contractual arrangement was entered into, which I suspect was probably when the WHA was formed in the mid-nineties, and then I will find out what the terms were and what the circumstances were in terms of the disposition of that matter.

**Mr. Cummings:** When might we expect that information?

**Mr. Chomiak:** We will attempt to ascertain that information as soon as possible. It depends upon the volume, but, quite clearly, the information will be ascertained as soon as possible.

**Mr. Cummings:** We can only assume that this was a removal from his employment for cause for that kind of a bulge, or if it was a voluntary separation, then any rational person would have to ask what was the rationale for providing what is likely more than twice a yearly salary to have someone leave the employ of the Government. *[interjection]* My colleague points out that

unless he was making close to \$200,000 annually, this is more like three times a yearly salary payout.

So I would ask the minister, since this is probably not something that no one noticed, I wonder if the minister would undertake to provide that information by tomorrow morning.

**Mr. Chomiak:** Mr. Chairman, I indicated we would endeavour to determine that information. I do not think it serves anyone's purposes to speculate with respect to the circumstances.

As I indicated, we will endeavour to obtain that information. My assumption is that contract was entered into in the mid- to late-nineties under the WRHA and was probably continued under the WRHA. I suspect it is a contractual arrangement, but I, too, should not speculate with respect to that particular issue and will await the inquiries from the appropriate management to determine what the circumstances are concerning that matter.

**Mr. Cummings:** Just for the record, even given the enormous size of the Department of Health, I would be very surprised if the minister was not apprised of what occurred when this kind of a payout was put forward, and that is why I am pressing for him to provide some kind of deadline for when he will provide this information.

**Mr. Chomiak:** Yes, I acknowledge the member's comments.

**Mrs. Driedger:** Before leaving that topic, Mr. Byron did depart from his job shortly after he made some comments related to The Essential Services Act and the Government's decision to abolish the act as they indicated to the Manitoba Nurses' Union. It was a promise to the nurses union that they would get rid of that act. Once the information became known that the Government was quietly moving in the back rooms to try to make changes to that act, Mr. Byron came out very vocally and, in fact, if I recall, even in writing, being very, very critical of what the Government was doing.

I understand he was also—what would be the appropriate word?—criticized for speaking out

against what the Government was doing. Can the minister tell me if that had anything to do with Mr. Byron's leaving his job?

**Mr. Chomiak:** I have to caution the member. Is the member asking the question or making the statement of fact, because the statement of fact of backroom, I think, is inappropriate. If the member who champions the cause sometimes of the MNU would reflect generally most, if not all, of the unions are not in favour of the essential services agreement that was passed by the members opposite when they were government.

Mr. Chairperson, I should also indicate the member and others, including her leader, speculated publicly and in the Legislature about essential services legislation which did not come forward, which we did not see in the Legislature. So the speculation on the part of the member has been inaccurate, and it has been only speculative in the past, so I caution the member about speculating. I caution the member about speculating about issues and factors concerning matters that occurred, or deriving any kind of conclusions from items in comments that may have taken place.

**Mrs. Driedger:** Mr. Chairperson, the minister did not answer the question. Was there any relationship to Mr. Byron's leaving his job to the comments he made about the Government's decision to change The Essential Services Act?

**Mr. Chomiak:** I did employ Mr. Byron. As I recall, Mr. Byron was already departing at the time that the comments I think the member is referring to occurred. That is what my memory seems to indicate.

**Mrs. Driedger:** We look forward to receiving this information in a timely manner, so that we can have proper time to peruse it.

To go back to where we left off last evening, last evening we were in discussion around the issue of the employment of three of the minister's top staff; the deputy minister, the chief financial officer and the assistant deputy minister in charge of Regional Services, all being paid by the WRHA. In fact, the two top positions, the deputy minister and the chief financial officer, are also on secondment from the WRHA. So, in

fact, are on loan to the minister from the WRHA, and paid by the WRHA, as is Arlene Wilgosh paid by the WRHA, but is on secondment from RHAM.

We had lengthy discussion on this issue last night and certainly brought about many concerns as it relates to a perception of a conflict of interest, as it relates to somewhat unclear lines of accountability. If one were to wonder how people can serve two masters, it sincerely raises some concerns around those areas.

\* (08:50)

For the rural RHAs who are already feeling they are not being treated in as fairly a manner as the WRHA, I am sure this is going to be very alarming to them. In fact, I will share with the minister from the minutes of the Central Region board meeting.

The board meeting was on February 27 of 2002. This is an excerpt from those minutes: Discussion ensued as to how the provincial government sets their priorities. At times, it appears the provincial priorities are in conflict with regional priorities and this needs to be addressed. Funding and program disparity has also been an issue between the urban and rural health authorities. Knowing this, how can the region lobby for equality in order to provide necessary programs and services to our residents? One example of the inequality cited was the amount of funding received by the WRHA for a palliative care program compared to that of the rural regions.

Certainly that is one example. I think we cited other examples last night where the rural RHAs are feeling they are not being treated in as fair a manner. Also, from April 24, 2002, from the Central Region board minutes, they indicated, and I quote: With regionalization, rural RHAs were compelled to fund administrative costs through existing operating funds, whereas this was not the case for the Winnipeg Regional Health Authority who were provided with funding for administration.

In fact, in 2001, Winnipeg had its budget information much earlier than the rural RHAs and were able to come out and make some very nice statements about where they were going to

be able to put their money. Doctor Postl indicated in April of last year that he was really pleased to have received \$75 million in the previous budget, which helped them to end that year in the black. Doctor Postl was quoted on CJOB talking about that \$75 million and what they were going to be able to do with it.

I think what all of this is showing is the rural RHAs are feeling they are not being treated in the same manner as the WRHA. They are feeling they do not have access to this Minister of Health (Mr. Chomiak), or the Government, as readily as the WRHA. In fact, there are certainly comments that the WRHA can just pick up a phone and has instant access to either the minister, the Premier (Mr. Doer), or members of the minister's department, whereas the rural RHAs are waiting weeks for appointments and do not have that same courtesy extended to them that appears to be extended to the WRHA.

These are not comments that I am just pulling out of the air. This is information I am passing on to the minister that I am hearing from the rural RHAs, in that they are feeling that their treatment is very unfair. Now, to find out three of his top positions that deal with all of the RHAs are, in fact, paid by the WRHA, and, in fact, the two top positions are secondments from the WRHA, certainly sets into place a dynamic I think is going to impact on their perceptions even further.

Last night, the minister was encouraged by the Member for Russell (Mr. Derkach) to find some way, instead of having these positions as secondments, that it might be in everybody's best interests that these particular jobs be made jobs through Manitoba Health and not be secondments from the WRHA.

I think the minister can see by some of these very short examples, and there are more, where the rural RHAs are certainly feeling unfairly treated, and in fact, the comments are being put into and discussed at board meetings. I wonder if the minister has had time overnight to have put some thought to this, and whether or not he is willing to look at changing the positions from secondments to, actually, positions hired under Manitoba Health.

**Mr. Chomiak:** I do not know whether the member heard the comments about all of the activities that have taken place in rural Manitoba that did not occur under the previous government, program after program after program, areas that were totally forgotten, overlooked by the previous government.

And, I might add, at the beginning of this session, the member's leader and others ran around saying the NDP is going to close hospitals all around rural Manitoba. That was the shtick at the beginning of the session. They ran around making that argument over and over and over again. Of course, that has not occurred, Mr. Chairperson, and now that that has not occurred, now the latest shtick is, oh, there is a perception of conflict of interest.

The administrative issue that the member talked about was established when the member was the government, when the member was assistant to the Minister of Health. The member was the legislative assistant to the Minister of Health when those administrative structures were put in place, and the member criticizes us for doing that when, in fact, the member was the assistant to the Minister of Health when those administrative structures were put in place. What was the perception of the member and the rural regions at that time, Mr. Chairperson, I ask. What was their perception when those administrative changes were put in place by the member's government?

Now, Mr. Chairperson, as I have said on many occasions, there are all kinds of issues that have valid, legitimate discussions going on in terms of health care. But to take an issue that the member's government put in place, and then to flip it around and criticize us for it, I suggest is not appropriate.

Now, let me move on, let me move on to the rest of the member's statements about perceptions. First off, the issues concerning the Winnipeg Regional Health Authority, the member publicly stated the Winnipeg Regional Health Authority had a deficit, went to the media and said the Winnipeg Regional Health Authority had a deficit, and when the WRHA did not have a deficit, I did not hear anything from the member with respect to that information. I might add that, that was before there were secondment

arrangements entered into between the WRHA and the Department of Health.

Where was the perception at that time, Mr. Chairperson? Where was the perception at that time?

I know, in fact, from discussions, regular discussions with board chairs and CEOs that every region feels—I do not think there is a region in the province that has come to us and said, oh, Mr. Chairperson, everything is really peachy keen and we are really happy, and we do not need any more resources. That does not happen. That does not happen in health care. It simply does not happen. Whether it is the WRHA or whether it is a rural region or whether it is a northern region, that does not happen. There is constant discussion, debate and disagreement, and that is healthy between the regions and central government with respect to resources and resource allocation. I daresay it goes further than that. It goes to Treasury Board, and it goes to government priorities as a whole.

Mr. Chairperson, the Member for Ste. Rose (Mr. Cummings) is aware of the dynamics of that kind of an issue, and to suggest that rural regions feel any more or any less fairly dealt with by the Government, I think, is no different than urban regions such as Brandon or Winnipeg feeling the same. In fact, I have received considerable discussion and I can indicate critical suggestions from both Brandon and Winnipeg with respect to funding and with respect to resource allocation, considerable. If the member would review the minutes of the Brandon board meetings, which I think are public, as well, the member would find similar discussions with respect to Brandon. If the member were to review discussions that we have had with the WRHA, the member would find similar discussions from the WRHA.

When Arlene Wilgosh was hired from RHAM, a former employee, the person who set up the RHAs, and we brought her back because of her expertise—just an excellent civil servant, an excellent individual with RHAM and we brought her back. I did not hear claims from members opposite or anyone that we were being unfair to urban RHAs because Ms. Wilgosh was

employed by RHAM and had been employed previously by the Central Regional Health Authority and had worked in the Central Regional Health Authority. I would not accept that, Mr. Chairperson, because that person is above reproach in terms of this kind of an issue.

\* (09:00)

But now, to cherry pick specific appointments and to somehow suggest that this is a new issue or perception, and to try to use that to suggest that the regions are unfairly treated, I do not think is appropriate. We can have a discussion about their allocation of resources. We can have a discussion about what priorities are. But for the member to take the issue of the secondments, which were public knowledge, and are nothing new, and to suggest that there is now, as a result of the member suggesting it yesterday, a perception of bias, if that is the case, I do not think that that is fair to the regions or to the individuals involved as it relates to the individuals or to the regions and I do not think is an accurate perception of the facts. I will not disagree. But on a regular basis I meet with and hear from all of the health authorities. There is a constant, and this is not a criticism, that they do not receive enough resources. That has never changed. I doubt that will ever change. It is a question of balancing the resource allocation in the most appropriate fashion and the most appropriate manner and doing it fairly across the province.

Mr. Chairperson, I did not hear the member stand up and complain about perception of conflict when we moved surgeries from Winnipeg to regions outside of Winnipeg. I did not hear concerns from the member that we were treating Winnipeg badly. I did not hear the member complain when we put in place an Office of Rural and Northern Health that we were treating Winnipeg badly because it was an Office of Rural and Northern Health and because there was an emphasis on rural doctors. I did not hear the member complain that we were treating Winnipeg badly when we put in place those programs. I did not hear the member complain when the bulk of the new ambulances went to rural and northern locations. I did not hear the member complain that Winnipeg was being treated unfairly.

So I do not think it is appropriate for the member to suggest that individuals who are hired, regardless of where the individuals are hired from result—

**An Honourable Member:** You are filibustering, Dave.

**Mr. Chomiak:** No, no, I want to clarify this.

—in a conflict of interest, Mr. Chairperson. I might point out to the member of Ste. Rose that the question by the Member for Charleswood (Mrs. Driedger) was a broad statement with a whole number of issues that I felt was appropriate to respond to. I made notes. I have not responded to all of the points raised by the Member for Charleswood, but I know the Member for Ste. Rose (Mr. Cummings) is anxious to ask more questions, so I will cease.

**Mrs. Driedger:** A clarification from something the minister just said. He indicated that the secondments were public knowledge. In fact, that is not totally accurate because in a statement of public sector compensation disclosure of the Winnipeg Regional Health Authority, December 31, 2001, Heather Reichert, Chief Financial Officer, it is not indicated here that it is a secondment. Is it because she came this year, in 2002, and that is why there is no reflection in 2001?

**Mr. Chomiak:** The statement that the member refers to is for the period ending December 31, 2001. At the period ending December 31, 2001, Ms. Reichert had not yet been seconded.

**Mr. Cummings:** I would like to make one observation about why the rural RHAs are feeling somewhat unhappy with their funding level. There are two parts to that. One is that they have seen a fairly generous interim supplement to Winnipeg RHA, and secondly, this Government has had a significant increase in general revenues over the last couple of years, with which they can enhance health care services. Without bias, I think the rural RHAs are feeling that they are a bit like a rubber band that has been stretched to the limit. We do see equipment in the facilities, in the particular instance that I am familiar with, that is coming to the end of its life, and as the minister and the RHAs are seeking out efficiencies. After a while,

people begin to ask the question about access. You could have one large lab and X-ray centre in the province. It would be very efficient, but would it provide the kind of service that all of the regions of the province would be satisfied with? That is hardly likely.

\* (09:10)

In the area of Marquette, I raised with the minister the question about the X-ray equipment at Neepawa reaching the end of its life in terms of being able to do bariums. The one in Minnedosa, I understand, is within a year or so of the end of its life for the same capability, or at least where it can be certified.

What is happening is people are driving 30 to 40 miles to get to Neepawa to see their doctor, then they are being referred another 20 miles down the road for a barium, then they load up the X-ray tech and ship her to Minnedosa as well to do the barium. Do that for 400 patients over the course of a year, it hardly seems like a highly efficient way of operation. It seems to me that it leads into the question about: Is the minister, by default, starting to change the pattern of service that is available in rural Manitoba?

Mr. Chairperson, there are, currently, seven doctors in Neepawa. Neepawa looks to the east, to Gladstone, and they see their doctor supply dwindling. I asked the minister earlier in terms of settlement that he had to achieve with one of his employees whether or not that kind of money would be better spent in making sure that service is available in parts of the rural RHA.

I wonder if the minister could clarify an issue for me. Gladstone has had difficulty off and on over the years in maintaining a doctor supply, but in the long run it was always the intention of the RHA and the understanding of the people in Gladstone that there would be an ability to return emergency service to that community if there were a sufficient doctor supply. Now we have a situation where the RHA appears to support the doctor supply, but the hospital is not being designated as being able to provide emergency response. Whose ultimate responsibility is that? Is that the RHA that has to identify that hospital or is that ultimately the responsibility of Manitoba Health to decide whether or not that hospital will be able to provide 24-hour emergency response?



Before I leave it, so the minister understands that I am not a totally negative person, the fact that additional ambulance service is going to be provided in the area is recognized and appreciated. As that ambulance service becomes more competent, does that mean that the patients will be able to go past the Gladstone facility at a little higher speed as opposed to under the current situation? I ask the minister just to respond if there is a decision-making level that has to yet respond in this case, and is that the Province or is it the RHA?

**Mr. Chomiak:** Mr. Chairperson, I feel compelled to deal with a number of the points raised during the course of the member's question. The member talked about interim funding to the Winnipeg Regional Health Authority. I do not know what reference the member is making to that. The Member for Russell (Mr. Derkach) talked about \$75 million yesterday. That was the funding as a result of the budgetary considerations that were made.

Mr. Chairperson, the member talks about mid-year. [*interjection*] When the member from Russell has the floor, he can put what he just stated off the record onto the record. To continue, I am only going from memory but I believe the thoroscopy unit at Neepawa is going to be renewed. In the interim the patients are going to go to the suite at Minnedosa.

Mr. Chairperson, the issue of emergency response and the emergency situation with respect to Gladstone is one we have discussed before and we have discussed with the community. When the facility was shut, I believe in '97, it was based on a number of factors. There were put in place certain standards with respect to hospitals and flow and visits to emergency rooms that determined certain levels of funding and certain coverage. At that time, Gladstone had not qualified for that additional funding, based on that. I do not believe that situation has changed. I discussed that situation yesterday, as well. I know the member was occupied in another committee with the Member for River Heights (Mr. Gerrard) as well.

**Mrs. Driedger:** I think what the Member for Ste. Rose (Mr. Cummings) was indicating, and it

really was a continuation of some of the comments I was making earlier, I know the minister was taking some exception to them, but the reality is that people within the rural regions are feeling that they are not being treated in the same manner as is happening in the WRHA.

It is not my invention of those comments, as the member from Russell was putting on the record last night, as the member from Ste. Rose just did, as the comments from the minutes that I have just put on the record. As I said, those are not inventions of mine. There is a real and growing perception out there by the rural health authorities that they are not being treated in exactly the same way.

A really good example was from the Central Region board minutes, where they indicated, and I will repeat it again for the minister, funding and program disparity has also been an issue between the urban and rural health authorities. Knowing this, how can the region lobby for equality in order to provide necessary programs and services to our residents. One example of the inequality cited was the amount of funding received by the WRHA for a palliative care program compared to that of the rural regions.

Perhaps we could just take these comments here, specifically the first line of the minutes in this paragraph: Funding and program disparity has also been an issue between the urban and rural health authorities. I wonder if the minister could give us some idea of what kind of information he is receiving from the rural health authorities in regard to this particular concern.

**Mr. Chomiak:** Mr. Chairperson, I think part of the difficulty the member is having in dealing with this issue is not recognizing that there are different regions. For example, we had a fairly lengthy discussion yesterday when the Member for River Heights suggested that two regions, North Eastman and South Eastman, felt that they were unfairly funded vis-à-vis other regions because there was not a per capita formula dealing with funding.

So the member is inventing issues when I have already indicated that there is not any regional health authority, including the WRHA that the member seems to have a real prejudice

against, that has come to government and said, gee, thank you very much, we have sufficient funding for our purposes. There are a variety of issues.

Mr. Chairperson, with respect to the palliative care issue specifically, the palliative care issue was a multiyear rollout, with the locus of the program located in Winnipeg, based on population and other expertise wherein coordinators were hired in all of the regions. Then a comprehensive program was established in Winnipeg and services were offered from Winnipeg to rural regions. We have always indicated that we are working with the regional health authorities to develop continued programs.

The member ought to know, or perhaps does not know, that in fact palliative care was pioneered in rural Manitoba in a number of settings with respect to palliative care. There is always discussion with respect to funding of specific programs and whether or not programs are funded appropriately and whether programs are funded. There are programs that we have asked regions to fund that they have indicated they do not have adequate funds to fund, Mr. Chairperson. There are programs that we are funding across regions or, in some specific regions, based on health needs.

Mr. Chairperson, I do not think the member can take one region and try to play it off against 11 other regions or take one region and play it off against a particular region. I do not think that does justice to the debate. I think the increases to the regions was done in conjunction with the regions and based on prioritization and the capacity of the Province to allocate resources. The member is always quick to stand up in the Legislature and criticize any changes to any programs in Winnipeg or any movement to any programs in Winnipeg, and now the member is criticizing indirectly Winnipeg for getting programs and saying that one region, Central Region, is being denied programs because of the programs in Winnipeg. I do not think that moves the health agenda forward or is a fair interpretation of the situation.

\* (09:20)

As I have indicated, there will and continues to be concerns raised by all regions with respect to their funding levels. That has not changed,

that will not change, that will continue. We are providing more funding to the regions than at any other time in their history, far more in excess of what the member provided when she was the legislative assistant to the Minister of Health. We are providing more funding, Mr. Chairperson, and the member has criticized us for throwing money at the problem. The member said we are throwing money at the problem. The member cannot have it both ways.

**Mrs. Driedger:** Well, the minister is certainly sensitive about this issue, and it is interesting. I mean he is commenting that I am inventing all of this when I am reading from minutes of RHA board meetings, when I am talking about information that is being brought forward from people in rural Manitoba. So he is certainly off base when he is indicating that I am inventing any of this but, typical of this minister. He twists the information, he manipulates the information, which is really quite insulting, I am sure, to these RHAs who feel that they have a legitimate concern.

The minister goes on to say that I am prejudiced against the WRHA. Well, that is absolutely ridiculous. Certainly, what we are talking about is fairness, and I am sure that all of the RHAs probably want to be perceived to be treated fairly and in turn would want to know that they in turn are treating others fairly, too. So I do not think that the minister has any substance whatsoever in indicating that I have any prejudice against the WRHA.

The WRHA has an unbelievable job to do, as do the other RHAs, in trying to deal with some incredible challenges in the system. I have nothing but high regard for the hard, hard work that all of them are putting into this. Not to say that everything is perfect there because, as regionalization is still fairly new, there are kinks to be worked out and, as the Thomas report has indicated, there are lines of accountability that need to be flushed out.

So for the minister to be making some of these absurd comments is nothing more than ridiculous and comes, I am sure, from his sensitivity about the criticism that is being heaped on him by some of these comments that

are coming out of the rural RHAs. I mean, from the board minutes of February 27, 2002, from Central Region, it says they are discussing how the provincial government sets its priorities. At times it appears that the provincial priorities are in conflict with regional priorities, and this needs to be addressed.

Certainly, these appear to be very legitimate concerns put forward by the RHAs. The minister was correct that there are some areas, particularly South Eastman and North Eastman, who have indicated that they do not have the same funding arrangement as other RHAs in the province. The South Eastman RHA has certainly done considerable work trying to flush that out and certainly begs a look, I think. I know some of those problems with South Eastman were there when we were in government too. This certainly does cross both governments that South Eastman has felt that they have had some funding issues for a number of years, and they have begun to articulate it much better recently.

In fact, during their accreditation in the South Eastman area, the surveyors noted that funding was definitely an issue for South Eastman. It was not funding mismanagement that was the issue but rather lack of funding. That has come from the accreditation surveyors that were in the area. That particular note comes out of the May 23 board meeting minutes of South Eastman RHA, so certainly begs some attention that now, not only is it the RHA that is recognizing that there is a funding issue there. It is the surveyors that were there doing the accreditation that have brought up the issue. Certainly, it appears that needs some attention there.

Another area of interest with all of the RHAs and, I guess, some of the concerns that they are having too, is around the area of deficits. When this particular Government came in, they indicated that they were not going to fund deficits; and then, in fact, they did fund deficits. In fact, from the board minutes of Central Region RHA, May 22, there is a comment in the minutes which states: It was raised that when the region presented a deficit budget to Manitoba Health last year, the Government did not take action at that time to say that the deficit would be disallowed.

\* (09:30)

So they have been getting all kinds of messages from this Government. This Government, when they first took over, said they would not fund deficits. Then they funded deficits. Then they approve deficit budgets. They have the assistant deputy minister out meeting with RHAs telling them they will not fund deficits this year. So they are getting all kinds of mixed messages from this Government. Now they are saying the Government did not take action last year when they presented a deficit budget, and the Government never told them that the deficit would be disallowed. So you can hardly blame the RHAs for feeling some degree of frustration when they are getting all of these mixed messages about what this Government is—and is not—going to do.

Then Marquette is told that, if they amalgamate with South Westman, then their deficit will be taken care of. Sounds like a bit of a plum held out to Marquette to encourage Marquette to want to amalgamate. In fact, Marquette even put that information forward to the public: that the offer was made that, if they amalgamate, their deficit would be taken care of.

So there are all kinds of messages going out there related to RHA deficits. I wonder if the minister could unequivocally tell the RHAs what they can expect in terms of what is going to happen if they run a deficit this year, because, in fact, if you look at all of their minutes of their board meetings, are anticipating deficits. What is the minister going to do with their deficits? Is he going to take one position, instead of being all over the map on this one?

**Mr. Chomiak:** I think any unbiased observer, if the unbiased observer were to examine the member's question, would conclude two things.

Firstly, that the member, actually for the first time that I can recall, suggested that maybe something that happened, when the member was government, might have caused problems. That is a first-time admission. But more importantly, Mr. Chairperson, the member indicated that, somehow, we contradicted our policy with respect to deficits. I can indicate to the member

that we have halved the deficits. We have done better in term of a deficit reduction than any time that I can recall, in terms of deficits, for the past decade, and that we are continuing to work with the regions. I have said that consistently.

I am not the one who ran around providing releases to the media saying that certain regions would have certain deficits, which, in fact, did not take place. There were members of the Legislature who did do that, Mr. Chairperson. We have communicated, and we continue to communicate administratively with the regions with respect to their budgets and with respect to their deficits. It is interesting that the member flips back and forth: February minutes that were pre-budget; the member cites May minutes from a particular region to try to make different points in terms of arguments.

We have said consistently we do not and will not tolerate deficits. We are working with the regions. We are very pleased that we have been able to stop the bleeding that occurred during the Tory years in terms of deficits and reduce them, in fact, in half. We are also pleased that we are funding the regions, all the regions, and I am citing rural regions in particular, greater than any other time since they were formed, greater than any other time than they were formed. That hardly amounts to a discrimination with respect to rural Manitoba.

**Mrs. Driedger:** The minister indicated when they formed government that they will not tolerate deficits. Could the minister then explain how he has tolerated a number of the RHAs running deficits since he has become the Minister of Health?

**Mr. Chomiak:** The deficits have decreased dramatically, dramatically across the system since we came to government, Mr. Chairperson. The deficits were in the neighbourhood of \$70 million to \$80 million when we came to government, and we have reduced that significantly. I do not know if we have the final figures in on '01-02, but I can indicate that the deficits will be not only less than half, but significantly less than half of the plus \$70-million deficits that we inherited when we came into office, significantly less.

**Mrs. Driedger:** Does the minister view his comment "no deficits" to be very similar to his comment, "no hallway medicine," because it appears that he has relinquished his hard, black-and-white comments related to no hallway medicine and, in fact, we have hallway medicine. He is saying no deficits, and in fact, there are deficits. So what exactly does the minister mean when he runs around telling them no deficits because he said that before, then he has tolerated them. He has said he is not going to tolerate them, but he is tolerating them. Now he is telling them again for, what is this a third time in a row, no deficits, and yet the track record is he has picked up deficits. What does he mean when he is telling them no deficits will be covered in this past fiscal year?

**Mr. Chomiak:** Two questions ago, the member said we were not sufficiently funding Central Region. Central Region has a deficit. Is the member suggesting that we not fund Central Region?

**Mrs. Driedger:** As my colleague from Russell says, what kind of warped thinking is that? We were not even talking about inadequate—

**An Honourable Member:** You quoted it. You quoted the minutes.

**Mrs. Driedger:** We were talking about the South Eastman. South Eastman was the one that had indicated that they have been working for a number of years dealing with what they perceive to be unequal funding as compared to what other RHAs get.

So certainly the minister is all over the map on his comments related to deficits. You know, right after he became the Minister of Health, he and his Premier (Mr. Doer) are standing up and saying no deficits. Then they fund deficits. Then they tell RHAs that they will not fund deficits. All I am asking the minister is to be fair to all of the RHAs and tell them what exactly he means when he is saying there will be no deficits. What does he mean, because he has been all over the map on this issue of not funding deficits?

**Mr. Chomiak:** If the member wants to be factually correct, she will indicate that the CEO of South Eastman has indicated that the funding arrangement put in place by the former

government, of which the member was the assistant to the Minister of Finance, was an unfair arrangement at that time, and that has continued their perception to this point in time. So, if the member is looking for blame, I think you ought to reflect on the funding formula that was put in place by the member when she was in government.

**Mrs. Driedger:** The minister continues to avoid the question. The minister indicated, there will be no deficits, and then he is covering the deficits; then the next year he is approving deficit budgets. This really becomes a credibility issue. I mean, what does the minister mean when he tells the RHAs for three years in a row, we will not fund your deficits, and then he turns around and funds them? We will not fund your deficits, but he approves deficit budgets. What does he mean? What are they supposed to believe?

**Mr. Chomiak:** We have and we continue to work with each of the regions with respect to their budgets and we do that on a regular basis. I do not know if the member is aware of it but we work collaboratively with the regions and we continue to work on it. We have reduced the deficits to the lowest I have seen in the past decade. I think that is a significant improvement over the \$70 million-plus in deficits we had. I think that is a significant factor.

The member cannot have it both ways in terms of saying fund region more but do not pick up the deficit. I think it would be unreasonable not to be collaborating with the regions in terms of their budgets. The member seems to like to have it both ways. Do not spend more money. Do not pick up the deficit, but if you pick up any of the deficit you are somehow doing something inappropriate. I do not think that is how government ought to run. I understand even more correctly why there were so many difficulties during the, quote from the Manitoba Medical Association, the dark days of the 1990s.

\* (09:40)

**Mrs. Driedger:** This minister is saying he does not think this is how things should happen, how government should run, yet he is out there talking out of both sides of his mouth to the

RHAs, in one point saying no deficits and then approving deficit budgets, in saying no deficits and then covering deficits. So he is actually saying things out of both sides of his mouth right now because he is doing all of that. Now he even has the audacity to sit here and say he does not think that is how things should be done and yet he is doing it.

Certainly, I see I am not going to get anywhere with the minister on this one. He really has a credibility issue with this one when he says no deficits and then he is continuing to fund them, when he is saying—

**Mr. Chairperson:** Order, please. I cannot hear the Member for Charleswood. The Member for Charleswood, you have the floor.

**Mrs. Driedger:** And then, Mr. Chairperson, when he is saying no deficits, and he is approving deficit budgets.

I think the minister really has a serious credibility issue with this. He is being unfair to the RHAs because they really do not know exactly where they stand. The RHAs really do not know where they stand. I think the minister has put them into a very unfair position without letting them know where he stands on this particular issue.

But the minister must have some sense if he is concerned about finances. I expect he would be concerned about finances. He must be tracking the RHAs on a regular basis. I know I am. I wonder if the minister can tell us which RHAs will have run a deficit by the end of the 2001-2002 fiscal year.

**Mr. Chomiak:** The final figures are not in yet.

There are final audited statements, et cetera, to be brought in, but of the 13 regions at the year end the deficits will be approximately \$13 million, which contrasts with the deficits in '98-99 in the \$70-million range. I think the point has been made.

**Mrs. Driedger:** Can the minister indicate of those regions the total number of them that are actually running deficits? Out of the 13 he mentioned, how many are running deficits?

**Mr. Chomiak:** I am going to obtain some updated information because I want to be totally accurate on this. I will try to have that information today.

**Mrs. Driedger:** Well, the minister has his CFO here. Can he find that information at this point in time before we move on?

**Mr. Chomiak:** I indicated that I would provide it to the member today.

**Mrs. Driedger:** The minister certainly appears to want to avoid it right now. I mean, he does have his staff here. He has his briefing book here. He just quoted that 13 regions came in with a deficit of \$13 million. Is this information not available to him at this point in time?

**Mr. Chomiak:** As I indicated in my earlier response, I want to review the audited statements just in terms of accuracy. I know how financial auditing and procedures go and I want to just confirm the information. Because the member has had difficulty with information in the past, I know the member wants to get accurate information.

**Mrs. Driedger:** Well, I think the minister is avoiding the issue right now when he probably very ably can just look down and be able to identify how many regions have run deficits.

It is probably somewhat discomfoting to him to have to deal with the issue because he told them that they should not be running deficits, and now probably a significant number of them are running deficits, and the minister is now going to have to deal with the decision as to what to do about these deficits.

So knowing that there are probably several RHAs that are running deficits, what does the minister intend to do with those deficits from 2001-2002?

**Mr. Chomiak:** We have discussed those matters with the respective regions, and we are working with the regions. We have managed by our approach to reduce the deficit numbers from the extraordinarily high deficits under the Conservatives in the \$70-million range down to the range that I indicated earlier.

Mr. Chairperson, I think that that is a significant improvement in the situation, and we will continue to work with the regions.

**Mr. Leonard Derkach (Russell):** Mr. Chair, I want to ask the minister about the deficits. He is saying that those deficits, oh, they were horrible during the Tory years, he is lamenting, but I want to ask the minister why he believes that the RHAs were running deficits and still are running deficits today.

Mr. Chairperson, what is causing the deficits of the RHAs? Has he done an investigation as to what is causing the deficits and how, in fact, they can be addressed?

**Mr. Chomiak:** We analyze the data, the material, and look at what are the major cost drivers across the system with respect to the various issues and the various programs that generate and deal with the deficits.

**Mr. Derkach:** Well, Mr. Chair, that is not an answer. I asked the minister what specifically, in the various areas where there are deficits, is causing those deficits.

As I understand it, Mr. Chairperson, the deficits are not caused by the shoddy management of the RHAs. Rather it is caused by the services that are provided by the RHAs to people who need those services, whether it is the need for more cardiac services, whether it is the need for more palliative care services, whether it is the need for more chemotherapy services or whatever the cause may be. In the whole realm of health services, there are cost drivers, and those are probably legitimate.

But I asked the minister whether or not he has identified what specifically is causing those areas that have deficits to run deficits. Is it underfunding? Is it offloading perhaps by the Department of Health?

Mr. Chairperson, that is one criticism I have heard from many of the regions, is the fact that since this Government has taken over, they have offloaded a lot of responsibility onto, especially, rural RHAs—I am talking about rural RHAs—that have not had an opportunity to budget for that

offloading, have not been given any funding for that offloading.

Is that, Mr. Chair, a part of the reason for deficits in RHAs?

**Mr. Chomiak:** What I do not understand about the member's arguments is if the deficits have been reduced from in the \$70-million range to the \$13-million range, had it gone on a downward trend, does that not suggest that there has been more funding provided to the regions, not less, Mr. Chair, which makes the member's argument illogical.

**Mr. Derkach:** Well, Mr. Chair, either the minister is not listening or he is not understanding. Nobody is arguing about the fact that more money needed to be put in to the RHAs to address the issues of deficits. No one is arguing that.

The minister himself has put in, I think, approximately \$700 million more into the health care system since he has been the minister. That money is not being wasted, I believe, Mr. Chair. Maybe there are ways to address some of the approaches in health care. We have not seen that plan yet from the Minister of Health.

What I am asking the minister is whether he has identified what the cost drivers are that are resulting in deficits at the local RHAs.

\* (09:50)

**Mr. Chomiak:** Mr. Chairperson, the issue of cost drivers, it varies across the province with respect to allocations, and with respect to what causes and what is increasing. Much depends upon the particular region and the issues confronting that region. Some are province-wide; some are localized.

The upward pressures, generally, that have been conveyed to us in terms of costs have been the increased costs of drugs and the increased costs of salaries across the system when one looks at the fact that 70 percent of the costs are salary-related. I think that generally those first two factors, that is, the cost of drugs and related drug therapies and the cost of salaries, have been the major contributors to increased costs across the system.

**Mr. Derkach:** I was focussing on the deficits. The minister is telling me now that the cost drivers for that are basically salaries and the cost of drugs. That suggests that the department is not funding sufficiently those RHAs to accommodate for salary increases and drug costs. I guess I am asking the minister if he would share with us his strategy to address the issues of deficits, which, he says, are being, I guess, partially or, in a major way, driven by salary increases and drug costs.

**Mr. Chomiak:** As I indicated previously, when we came to office, the deficits for the regions were in the \$70-million range. We have managed to reduce that by working with the regions, by identifying issues, by working with the regions on an individual and on a group basis to address the cost drivers and to address matters in the system.

There are still some deficits far lower than any time I have seen in the past decade in the regions, and we are continuing to work with the regions on an individual basis to deal with the issues of their specific cost overruns and/or cost difficulties that they are experiencing. It varies across the province with respect to different regions.

**Mr. Derkach:** Mr. Chair, I want to have the minister focus his mind on the deficits that are currently there. His comments are read by many people in Hansard. It does not do the minister any good to rail away at what used to be. Yes, deficits were high. They were far too high. We were living in a time when the federal funding, as the minister knows but ignores, was severely restrictive to Manitoba from the federal government. So there were some limitations in which the government had to live.

This Government has enjoyed a pretty substantial increase in its revenues to the tune of a billion dollars, something I might say that the minister and his colleagues scoffed at when that plan was unveiled during the election campaign, that indeed Manitoba's economy would grow by a billion dollars over five years. As a matter of fact, it grew by a billion dollars in just shortly more than two years. So, Mr. Chair, the minister and this Government have reaped the good fortune of the hard work of Manitobans with

respect to the revenues that this province has received.

Now I want to come back to the area of the deficits that the minister is talking about. We have approximately, he says, \$13 million of deficits in the RHAs. He says that he is working with individual RHAs to address the cost overruns. I am wondering whether these are cost overruns, or whether they are areas where RHAs have been just unable to cope with either the volumes that are coming to them, or the cost of drugs, or indeed the salary levels that are being paid.

So, Mr. Chairperson, I am asking the minister whether or not he is prepared to address those deficits by funding not only the deficits, but making sure that the next year's budgets are more reflective of what the realities are in those RHAs.

**Mr. Chomiak:** That is what we have done in this budget is try to make the budget reflect, to the individual RHAs reflect the realities of the situation in their regions.

**Mr. Derkach:** Well, Mr. Chair, the minister is getting a little testy about this, but I am going to continue, because the minister has an obligation to ensure that deficits for RHAs are addressed. It is not good enough simply to say that they will have to work within their means. If, in fact, there is waste in those RHAs, then I think the minister needs to address this. But I am asking the minister whether or not he is prepared to address the deficits in a way where, next year, our RHAs can operate within the given budgets, rather than having to constantly go back for more money under a deficit scenario.

I understand completely that if the volumes are such that cannot be addressed, that there is a need, sometimes, for supplementary funding to address those volumes. I do not think anybody would deny the minister that. But in terms of just regular operating deficits, that is another issue. I am asking the minister whether or not he has a strategy that can be implemented to address those issues.

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Mr. Chomiak:** As I have indicated to the member on numerous occasions, we are working with the individual regions to address those issues.

**Mr. Derkach:** So can the minister share his strategy with us?

**Mr. Chomiak:** We have met with the regions. We have reviewed their requirements and their needs. We have made suggestions to them. In fact, that is the pattern that we followed since we assumed office. The pattern has been that the deficits have decreased dramatically, and we hope and anticipate that trend line will continue.

**Mr. Derkach:** I asked if the minister would share the strategy for the elimination or the removal of these deficits, and I am going to ask him again whether he would share with us, either in written form or verbally, his strategy for dealing with the various deficits that we have across the province.

**Mr. Chomiak:** As I have indicated to the member on numerous occasions, we are working individually with each region to address their budgetary situations. We have provided each region with what we believe, under our circumstances and means, is appropriate funding. With respect to whether or not that funding will meet the required needs, we believe the funding should and adequately will address and meet the needs of the specific regions.

**Mr. Derkach:** Well, those are platitudes. They are not sharing any kind of a strategy at all, as I have asked for. I guess I could reflect back on what happened with Marquette and South-West Region. We know that Marquette was running a significant deficit. The South-West was running a lesser deficit. The minister's approach in that particular situation was to unilaterally move to amalgamate those two regional health authorities, and then claimed that he was going to enact some efficiencies in administration. His own deputy minister has questioned that, and has indicated that there will not be any cost savings as a result of the amalgamation. So, in that particular instance, his plan did not work for administrative efficiencies.

I am asking him whether or not he is prepared to share with this group today what his



strategy is and whether, in fact, it does entail such things as the curtailment of certain services, perhaps the amalgamation of certain units.

The member from Ste. Rose did put on the record today—or Neepawa—the fact that, yes, if we want to be efficient, we can do away with a lot of services in rural Manitoba. But that does not provide effective health care for the citizenry of Manitoba. If we continue to do that, if we continue amalgamating and we continue to centralize, what will happen is we will continue to go down the road of a two-class health care system, which I think we already have in this province under this administration.

So we are asking whether or not the minister is prepared to share with us today the strategy that he is looking at for ensuring that RHAs no longer have to work under the burden of deficits, and under the pressures that come as a result of having to run deficits in their operations.

**Mr. Chomiak:** We canvassed some of this information yesterday, and as I indicated to the member, the amalgamated region has only been in operation a month. We will see at the end of the year with respect to the bottom line with respect to that region. I think it is a bit presumptuous of the member to indicate that the savings would not take place.

With respect to amalgamations, it is not our plan to amalgamate further regions. With respect to the curtailment of programs, I will point out to the member opposite that what we have done is expanded programming outside of Winnipeg. I went through a long list, Mr. Chairperson, and not a single point could the member deny had not taken place in terms of expanded programs outside of Winnipeg. So the member cannot make the argument about curtailment of programs on the one hand and then acknowledge, or not notice, the expanded programs across the province of Manitoba that we are offering. That is just not the case.

\* (10:00)

I do not mean to politicize this issue but going into the session, the Leader of the Opposition (Mr. Murray) was running around saying the NDP is going to close rural hospitals. That is

not the case. That has not been the case. Members opposite then bounce from that issue to talk about second class citizens when, in fact, we have expanded programs.

We have never suggested, and it has never been any different to the extent that it is always a challenge outside of Winnipeg and outside of large urban centres, regardless of where one is in the country, to maintain programming outside. One of the things we do is offer significant incentives to physicians and inducements of physicians to keep them in rural areas and to keep them in northern areas where they otherwise might not stay because they might be attracted to larger urban centres for a variety of reasons and we have put in a variety of programs to do that. We also offer a whole series of initiatives of retaining people outside of Winnipeg.

The key issue is, I suggest, not the question of the actual infrastructure per se. That is a factor; clearly, it is a factor. The key issue is keeping professionals in rural Manitoba. That involves cross-training programs, which we have done. That means expanded programs for things where we are in difficulty, like X-ray technicians and lab technicians. They stopped training for lab technicians. They stopped it everywhere. We have reinstated it. We have trouble with lab technicians outside of Winnipeg. We are going to have trouble with lab technicians in Winnipeg. We started training again. We started a cross-training program again for X-ray and lab technicians, primarily to get them to rural Manitoba. We have a specific physician rural Manitoba resource plan that is orientated towards rural Manitoba.

So, Mr. Chairperson, we are trying to rebuild the human infrastructure, if I could put it in those terms—I do not like using that term, but that is an appropriate description—in order to ensure that we can maintain and improve services outside of Winnipeg. There are challenges and difficulties on a regular basis. We have bounced back and forth on the Gladstone situation. We did not close Gladstone ER, Gladstone ER closed in 1997. Now we are being asked to reopen Gladstone.

**An Honourable Member:** Closed for what purpose?

**Mr. Chomiak:** Well, we can argue and dispute the reasons. The members are being critical, saying we should reopen Gladstone, Mr. Chairperson, and do a whole bunch of other things. I just point that out as one example of not recognizing the reality, I think, that this Government has put in place significant measures to deal with the situation outside of Winnipeg, and will continue to do that because we are the Government for all of the province, not just for one region or another region, but we represent all of the province.

**Mr. Derkach:** Mr. Chair, the minister got away completely from the deficit issue, and has railed on about services in rural Manitoba. I guess I could try to do both, and he says I did not refute the fact that he put on the record how many services have been added to rural Manitoba. Well, the reality is that many services have been forgotten and have been dropped off the service provision list for rural Manitoba.

He brings the Gladstone issue up and I would be more than happy to address that issue because, in 1997, when the Gladstone ER was closed, it was closed for a specific reason. That reason was the shortage of physicians in the area. Gladstone was also promised that once the physician complement was back to where it should be, that the Gladstone ER would reopen. Now, the physician ER complement did, in fact, come up to where it was supposed to be for the provision of ER services, and the request came in for the minister to authorize the reopening of the Gladstone ER.

We have people who are living at Sandy Bay, some 70 kilometres away, who now have to drive not to Gladstone, but to Portage, or to Neepawa for ER services. That is absolutely inappropriate. That is a second class system. That is Third World class, when people who live on a reserve 70 kilometres from a community have to go an additional 30 or 40 kilometres, or more, to get ER services. That, in this day and age, should not be tolerated, and the minister continues to think that he is doing the right thing in providing services to Manitobans by keeping the Gladstone ER from operating? Does the minister really think that doctors will stay in a community where there are no ER services? It is a self-fulfilling prophecy. When you do not open

the ER service and find the doctors leave, it is a given that they are going to do that. That is not providing additional services to rural Manitoba.

\* (10:10)

In discussion with doctors in my own region, I can tell the minister in a very anecdotal way that it is not just services, it is equipment, that is lacking in rural Manitoba. The member from Ste. Rose today talked about the lab and X-ray machine at Neepawa. We talked about barium tests where patients and nurses have to go to another community to have those services delivered. In my own community, not only are we suffering from outdated equipment—as a matter of fact, some of the equipment was so outdated that services were curtailed because those services could no longer be provided. The doctors who work in those communities tell me that some of the equipment is so much outdated that even in their own countries, where equipment was somewhat questionable, they were working with better equipment than they are in rural Manitoba.

These same individuals who have access to urban kinds of equipment and services tell us that we are worlds apart in terms of the quality, in terms of the standards, and in terms of the equity when it comes to not only services but also the equipment that they have to work with. Although the minister can talk about the few programs that he has implemented that are supposed to benefit rural Manitobans, the services to clients have decreased. Today we are finding ourselves under a system where we are getting into the highway medicine, not the hallway medicine, but the highway medicine in rural Manitoba.

Mr. Chairperson, I know the minister was out in my constituency on the weekend. I hope he had an excellent weekend. The ambulance issue in rural Manitoba is no more highlighted in any area than it is in the Clear Lake-Erickson area where we have, during the summer months, a population that is larger than the city of Brandon. We have one emergency unit to try to look after those people. When we were not under the regional system, that area was serviced properly. There were volunteers who were providing the service. There were vehicles that

could get to emergency situations in 15 minutes to half an hour. Today we cannot do that.

The minister talks about better programs, better efficiency, more access to medicine. I do not think so. What we have done is we have created a big bureaucracy that does not provide services to the people that is meant to provide. When I say that we have a second-class system of health care in rural Manitoba, that is where we are heading. That is what has happened under this administration. Mr. Chair, \$700-million additional funding to health care, and we see a deterioration in the quality and the provision of health care services to rural Manitobans. That cannot be denied by the minister because no matter where you go, citizens in Manitoba will tell you that.

By and large, in a general sense, we have always had a decent health care system in the province of Manitoba. Everybody has been able to get access to it, even though they have had to go on waiting lists. What is happening in rural Manitoba today: distances are getting greater; the administration is further away from the communities; there is no sensitivity in terms of community needs; and, slowly but surely, the system is deteriorating in terms of what citizens of our province really get for health care services in Manitoba.

We can go around and around this, but one of the first things the minister has to do, in my opinion, is address the issue of deficits. Then we have to move on to ensure that there are services being provided to Manitobans that Manitobans need. We can call it an efficient system if we move the distances where emergency services are provided, but that is not serving the needs of our citizens. That is who is paying our bill. That is whom we are responsible to in providing those services.

**Mr. Chomiak:** The member is right. We could go around and around. Just let me remind the member of something. The largest capital health development in the history of the province of Manitoba is taking place outside of Winnipeg right now. The redevelopment of Brandon Regional Health Centre, which for 11 years was promised and was not done by members opposite. If you add in the cost that was entailed in the opening of Boundary Trails, that is two

hospitals: One now built, one in the process of being built. Together, \$100 million in capital loan just for those projects, neither of which is in the urban centre. I do not know how the member can ignore, in good conscience, those developments, or even suggest that is not taking place.

I wonder if it would be appropriate to take a short, five-minute break.

**The Acting Chairperson (Mr. Stan Struthers):** Is it the agreement of the committee to break for five minutes? *[Agreed]*

*The committee recessed at 10:14 a.m.*

*The committee resumed at 10:20 a.m.*

**The Acting Chairperson (Mr. Stan Struthers):** The committee come to order.

**Mr. Chomiak:** Mr. Chairperson, I was discussing a matter with the Member for Russell (Mr. Derkach). *[interjection]* Okay, I will just continue my response, and then if we have to review it again, because I know the member has another commitment in another committee insofar as there are three committees running in the Legislature today and members attempt to spread themselves around various committees. So that continues to happen and we try to accommodate that by virtue of going sometimes back to answers.

As I was indicating to the Member for Russell when we took this small adjournment, it cannot be denied, not only the programs that we have allocated for rural and northern Manitoba, but the significant capital investment that has been put in place, the largest I think outside of the city of Winnipeg ever. I cannot conceive of over \$100 million, and that is just for two projects, Mr. Chairperson, two significant hospital redevelopments, and that seems to me to be indicative of additional funding by this Government.

With respect to the deficits, we have met and worked individually with the RHAs and it has been our pattern. I think the success of that pattern is evident in the results and the fact that the deficits have been reduced dramatically without the curtailment of programs or the need for

slashing and cutting, Mr. Chairperson, which was something that we wanted to avoid. We have tried to adjust the increases to deal with items that are not necessarily within the global funding. We have allocated four estimated wage settlements. We have tried to identify with each region the most significant issues facing them and allocate funding to them. We have provided allocation for drug increases. We have provided balance proportionately in terms of funding this year related to last year. We have obviously worked with the RHAs to ensure that programs are not cut, and that where deficit reduction can occur should be in areas that are areas of efficiency and areas of administration and other related areas.

**Mrs. Driedger:** Can the minister indicate whether he will cover the 2001, 2002 deficits of the RHAs?

**Mr. Chomiak:** Mr. Chairperson, we have indicated to the regions that we do not wish to cover their 2001, 2002 deficits.

**Mrs. Driedger:** Can the minister tell us then what is his expectation of the RHAs in terms of the fact that that year is already over and they have those deficits? Are they going to have to fund those through bank loans?

*Mr. Chairperson in the Chair*

**Mr. Chomiak:** Mr. Chairperson, we monitor the cash flow situations with respect to RHAs and provide them with funding to ensure that they do not find themselves in a cash flow difficulty.

**Mrs. Driedger:** Oh, but if we have some RHAs that have already run deficits for last year, that has nothing to do with current cash flows. That year is over and there are some RHAs, probably a number of them that have deficits amounting to \$13 million. What happens to that?

**Mr. Chomiak:** Mr. Chairperson, as I indicated previously, the good news is that the trend line is significantly down, and the deficits for '01-02 are significantly less than '00-01, less than '99-00, and significantly less than '98-99. We have done that through our collaborative efforts of working with the regions. As I indicated to the member in my previous response to the previous

question, we have allocated funding this year based on the allocations that I described earlier.

\* (10:30)

**Mrs. Driedger:** But the minister is not answering the questions. There are a certain number of RHAs that have already run a deficit for last year. If he is not covering them, are they going to have to borrow money from the bank to cover those costs?

**Mr. Chomiak:** Their deficit is reflected in their annual statement. They have funding in the bank, and we provide and advance cash flow to the regions.

**Mrs. Driedger:** Well, the minister is not answering that question at all. The year end is over; you have a deficit. Unless the minister is indicating, by his comment about cash flow, that he is actually going to cover the deficits. Is that what he is meaning by talking about funding them through a cash flow? Is he intending to cover those 2001-2002 deficits?

**Mr. Chomiak:** I have already answered that question.

Mr. Chair, I want to reiterate to the member we have had this discussion several times during the course of Estimates over the past several years. Each time, we have managed to lower the deficits and the actual deficit significantly around the regions. We have done that by working with the regions, by working with the programs and by working with the allocations.

I recall the member talking about certain regions having significant deficits and my indicating to the member to wait until the year end to review the situation before becoming alarmist with respect to that. As it turned out, the particular point made by the member about a particular region having a significant deficit was found to be not, in fact, the case. So I suggest to the member that I have outlined what the cumulative deficits are. We have provided significant funding to the regions, and we hope and continue that we will be able to manage within those parameters.

**Mrs. Driedger:** The minister is avoiding answering this question about whether or not he is going to fund those 2001-2002 deficits, although

he appears to be on record as saying that he will not fund them. So, certainly, going on the information that RHAs have been told, I am going to assume that the minister will not fund them. But then I have to wonder how they are going to be able to cover that deficit.

Can the minister tell me if all the RHAs have established lines of credit with banks? For instance, does each RHA run a several million-dollar line of credit with a bank?

**Mr. Chomiak:** I think all regions run lines of credit, which, I think, has been past practice. The size of the line of credit varies dependent upon the region.

**Mrs. Driedger:** Does the minister have to give approval if they want to increase their lines of credit?

**Mr. Chomiak:** Yes.

**Mrs. Driedger:** So, in fact, we probably have a number of the RHAs that have lines of credit equal to maybe several millions of dollars. Would that be accurate?

**Mr. Chomiak:** I would not want to speculate on that, Mr. Chairperson.

**Mrs. Driedger:** Because the minister is aware that there are lines of credit, and he is the one that actually gives permission to increase lines of credit, would the minister be prepared to table with us the total amount that all of the RHAs have in terms of lines of credit, what is that total amount for all of the regions, so that we actually know that besides the budgets that they are getting, they are all obviously carrying extra expense with that line of credit.

Would the minister be prepared to provide us with that figure?

**Mr. Chomiak:** I will attempt to see if we can gather that information. I was under the impression that the member FIPPA'd all of that information from all of the regions and maybe I was mistaken.

**Mrs. Driedger:** I will let the minister know I have not FIPPA'd that, but I do have access to some of that information, and I just might have to FIPPA the rest of it.

Can the minister tell us how many RHAs are budgeting for a deficit this year?

**Mr. Chomiak:** Yes, Mr. Chairperson, I indicated to the member that I would get that information back to her later today.

**Mrs. Driedger:** I would like to thank the minister for that undertaking. Can the minister tell us if he is going to provide coverage for the salary increases that are occurring with the negotiated settlements that are happening this year?

**Mr. Chomiak:** As I indicated in my response several responses ago, we intend to include wage settlements as part of the overall funding to the regions.

**Mrs. Driedger:** Can the minister just confirm so I am clear that he is going to fully cover the wage increases with all of the RHAs?

**Mr. Chomiak:** Mr. Chairperson, to the extent that wage increases have been negotiated by the Province and are provided, we intend to fund those wage increases.

**Mrs. Driedger:** So the minister is indicating that he is going to fully fund the wage increases that have been negotiated in the current contracts.

In the past, Mr. Chairperson, there has been some promise made to the RHAs that salary increases would be funded, and then the RHAs were caught totally off guard when, in fact, that promise was reneged on. So there is a little bit of trepidation out there right now as to whether or not this Government will keep their promise this time to fund the salary increases.

So the minister is saying then that Manitoba Health will fully fund these salary increases and keep their word this time around.

**Mr. Chomiak:** I am glad the member raised that point. I am familiar with the fact that when we came to office, there was not budgetary allocation for the salary increases that had been negotiated by the member when she was a part of the previous government. Significant salary increases were not budgeted for, Mr. Chairperson, and that causes grave difficulty in terms of dealing with that issue.

We have tried to account for budgetary increases in our budgets on a realistic basis, rather than follow the previous practice of the previous government that entered into wage settlements but did not budget in the actual Budget that we passed in the Legislature for those salary increases, which caused significant financial difficulty for us in our first year in office.

**Mrs. Driedger:** Well, the minister did not answer the question, and I would ask him if he would give some indication that the RHAs can have some degree of comfort that they will fully fund the salary increases, because the last time that he promised them that he would do that, that promise was reneged on and they were really caught off guard and were quite startled to find that that was not going to happen.

So can he give full reassurances to the RHAs that, in fact, he is fully funding the salary increases that are being negotiated right now?

**Mr. Chomiak:** As I indicated in our summary of the allocation of funding to the regions, that is one of the areas where we have provided funding to the regions with respect to wage settlements.

But I, again, reiterate we found ourselves in a terrible situation when we came into office because the previous government had not allocated funding for salary increases in excess of \$100 million, Mr. Chairperson, for salary increases which caused us grave difficulties, was part of the difficulty, made it very, very difficult for us because those numbers were not accounted for.

One can only speculate as to the difficulties that occurred in the regions, and perhaps that is one of the reasons for the significant deficits that occurred in the regions in our first year in office.

**Mrs. Driedger:** Mr. Chairperson, the minister is being very careful with the words he is choosing, and he is saying that he has provided funding to the regions. Has he provided full funding to the regions to fully cover salary increases?

\* (10:40)

**Mr. Chomiak:** Unlike practice under the previous administration, we are going to be funding,

dollar for dollar, the funding increases with respect to the contracts that we negotiated.

**Mrs. Driedger:** Can the minister just confirm that this means he will fully fund salary increases?

**Mr. Chomiak:** The member has sometimes taken words out of context, and let me just give an example. I am not trying to be difficult. But, for example, if a region goes out and hires someone out of scope to have a particular position and funds it at an extraordinary level, for example, and we choose not to acknowledge that, then that member is going to hold me to the fact that we are not funding that. So I think I have made it very clear that we would fund dollar for dollar the wage settlements that we have negotiated.

**Mrs. Driedger:** Can the minister indicate whether all of these wage settlements are accounted for in this budget?

**Mr. Chomiak:** We are still in the process and we have allocated. We are still in the process of concluding collective agreements. I cannot give a 100% definitive answer to the member at this point.

**Mrs. Driedger:** Well, I would then like to ask the minister why he cannot give a definitive answer, because he accused us of not funding settlements in a budget, which is sometimes hard to do, as I think he is finding right now. When you have not finished your negotiations but your budget is already out, sometimes it is not always possible to have all of those numbers in your budget which could very well have happened under us, and, perhaps, is happening under him. But then he turned around and accused us of not having it in the budget. So does the minister have all of these settlements covered in his budget?

**Mr. Chomiak:** I am glad the member pointed that out, because that was, in fact, the difficulty in the case in the member's last budget. The collective agreements were settled, but there was not allocation within the budget for those settlements.

The difference today is we have allocated for the settlements, but we are still, and I am

very careful on this issue, in the process of having ratification votes and settling other matters with respect to collective agreements. So I do not want to prejudge the situation. I have made it a policy that I think has served well not to discuss negotiations in public. I know the member, perhaps not the member, but other members of the Opposition wanted to discuss various issues during collective agreement, and I tried to stay away from that because my experience has been it does not help the cause of negotiations if the minister is out on the front lines arguing positions that were still in the midst of negotiations. So that has been my policy and that we have allocated funding based on both settlements. We have concluded and anticipated settlements, but we are still in the process of negotiating and ratifying collective agreements that are of significant nature.

**Mrs. Driedger:** The minister is saying that, for those settlements that are already completed, that money is in the budget, and for those that are not yet completed, they have anticipated what that amount might be and they have put that in the budget as well?

**Mr. Chomiak:** Yes.

**Mrs. Driedger:** He has made a statement that there will be administrative changes within the WRHA. Can the minister indicate what those are?

**Mr. Chomiak:** Yes, Mr. Chairperson. One of them recently concluded was the amalgamation, as it were, of Deer Lodge, directly under the auspices of the WRHA.

**Mrs. Driedger:** Is that the only one when he was indicating that there were going to be administrative changes made within the WRHA? Is that the only one that he has in mind?

**Mr. Chomiak:** At this point that is the one that we have implemented.

**Mrs. Driedger:** The minister is indicating that is the one they have implemented. I think the comment when it was made was in the plural sense, so does the minister have other things that will be rolling out?

**Mr. Chomiak:** Mr. Chairperson, we are always interested in rolling out administrative efficiencies in any region.

\* (10:50)

**Mrs. Driedger:** The minister is, again, not answering the question. He has indicated that there will be administrative changes. He has indicated Deer Lodge has been announced. He has indicated he is interested in looking at efficiencies all the time. Are there others that are in the works and he just does not want to say what they are right now? I certainly understand that. You do not necessarily want information out until you are ready to have it out so I certainly recognize that. Can the minister tell us if there are other significant administrative changes coming within the RHA within the next period of time?

**Mr. Chomiak:** I think we made significant changes in administrative structure in Winnipeg through the amalgamation of bringing Deer Lodge under the auspices directly of the WRHA. We are always interested in changes in administrative structures that can improve the situation across the system. There are ongoing discussions of a variety of different options that are available.

**Mrs. Driedger:** Can the minister tell us whether or not, as he has done with Deer Lodge, the board has been taken over by the WRHA? Will there be other hospital boards that will be replaced and taken over by the WRHA?

**Mr. Chomiak:** We are not planning to take over hospital boards, Mr. Chairperson.

**Mrs. Driedger:** Does the minister have any intention of getting rid of hospital boards of any other community or tertiary hospitals?

**Mr. Chomiak:** Mr. Chairperson, I think we made our position fairly clear last year when we had passed an amendment to The Regional Health Authority Act of putting within legislation the role and function of hospital faith institutions and, in fact, putting it within the legislation. That was passed by this Government and put into legislative effect last year.

**Mrs. Driedger:** Is the minister saying that he is not going to eliminate the boards at the Grace, at the Vic, at Riverview, at the Misericordia and others? Is he saying that he is not going to get rid of those hospital boards?

**Mr. Chomiak:** Three-quarters of the boards cited by the member are entrenched in legislation.

**Mrs. Driedger:** The minister is totally avoiding answering this question, whether they are entrenched or not. Does he have any intention of doing what he did to the Deer Lodge Centre and eliminating the boards of any other hospitals?

**Mr. Chomiak:** In order to do that with the faith institutions, we would either have to do it by agreement or through legislative change; and if legislative change, we would have to give notice to the Legislature to do that.

**Mrs. Driedger:** Mr. Chairperson, for instance, the Victoria Hospital does not have a faith-based agreement that I am aware of, so they certainly are in a position where, if the Government wanted to do, they could eliminate their board. Is that their intent with Victoria Hospital?

**Mr. Chomiak:** No.

**Mrs. Driedger:** Mr. Chairperson, the minister has given an indication that it is not his intent to eliminate the board at the Victoria Hospital and have the WRHA take over the management of the Victoria Hospital.

**Mr. Chomiak:** I have indicated that it is not my intention to take over the board of the Victoria Hospital.

**Mrs. Driedger:** Is it the minister's intention to have the WRHA take over management of the Victoria Hospital?

**Mr. Chomiak:** Mr. Chairperson, it is not my intention to have the WRHA take over control of the Victoria Hospital.

**Mrs. Driedger:** Can the minister indicate, with the Deer Lodge Centre, how many management positions are eliminated?

**Mr. Chomiak:** Mr. Chairperson, the effective date of amalgamation of Deer Lodge has recently occurred, and the WRHA is reviewing the situation and did provide to staff an indication and a guarantee that positions would be maintained with respect to staffing. In terms of the

management positions, I think that they are looking at those at that particular function and role.

**Mrs. Driedger:** So there will possibly be some management positions eliminated from the Deer Lodge Centre in order to attain the efficiencies of the WRHA taking over?

**Mr. Chomiak:** I do not want to prejudge the process.

**Mrs. Driedger:** Well, could the minister tell us if that is not the intent of the WRHA to eliminate all these levels of bureaucracy and that is the intent of them taking over the Deer Lodge Centre so that they can streamline administration? There certainly have been a lot of questions around the doubling up of administration. You have the WRHA administration and the administration of hospitals, and I know we faced that same criticism when we were in government and people were wondering: Well, how do you achieve the efficiencies then if you are allowing two levels of administration? So that is the basis of my question to the minister.

As regionalization is now three years further down the road and in rural Manitoba basically the RHAs run all of the facilities and they have eliminated the boards, that has not happened in the city. I know there was some concern back when we were in government around this issue as well. So the intent, then, with the takeover by the WRHA of the Deer Lodge Centre, I would assume, would be to eliminate the administrative roles from within Deer Lodge and have that subsumed by the WRHA. Is that not an accurate assumption?

**Mr. Chomiak:** One of the goals of the integration of Deer Lodge into the WRHA is to provide for a streamlining of services and a better co-ordination and improve the continuum of care across the system.

**Mrs. Driedger:** Can the minister tell us whether the foundation at the Deer Lodge Centre is going to remain in place?

**Mr. Chomiak:** I believe it will remain in place.

**Mrs. Driedger:** So, just to finalize my comments in this area then, the minister has no



intent, or the WRHA has no intent of taking over, the other community and tertiary care hospitals in Winnipeg.

**Mr. Chomiak:** As I indicated, within legislation the role and function of the faith-based institutions of which the majority were referring to, faith-based institutions are enshrined in terms of legislation, Mr. Chairperson. The member asked a specific question with respect to Victoria that I have already responded to.

**Mrs. Driedger:** So, for instance, Seven Oaks, Victoria, Riverview, they do not have to worry that the WRHA will be taking over their facilities, eliminating their boards. Is he saying that that is not going to happen?

**Mr. Chomiak:** I do not think they have to worry, Mr. Chairperson.

**Mrs. Driedger:** Mr. Chairperson, perhaps my term of the word "worry" has given the minister a bit of an out with his answer. So can the minister then confirm his statements, and I do not want to put words in his mouth, so maybe that is not quite exactly what he is saying, but can the minister confirm then that Seven Oaks, Grace, well, let us leave Grace out of this for the moment, but Seven Oaks, Victoria, Riverview, will not be taken over by the WRHA and their boards eliminated.

\* (11:00)

**Mr. Chomiak:** As I have indicated, both to the member and to some of the individuals involved in those boards, it is not our intention to do that.

**Mrs. Driedger:** Mr. Chairperson, can the minister tell us whether the faith-based agreements will remain in place?

**Mr. Chomiak:** Mr. Chairperson, I am not sure what the member is getting at with respect to the question. What faith-based agreements is the member referencing?

**Mrs. Driedger:** Can the minister tell us whether or not there are agreements with the faith-based facilities?

**Mr. Chomiak:** Yes, Mr. Chairperson, there are agreements between the WRHA and faith-based

institutions, as well as agreements between some rural RHAs and faith-based institutions.

**Mrs. Driedger:** Will those faith-based agreements remain in place?

**Mr. Chomiak:** They are in place.

**Mrs. Driedger:** Will they remain in place for the future?

**Mr. Chomiak:** The legislation provides for the continued management and function by faith-based institutions of their institution. That is why we put legislation in effect. Faith-based agreements are negotiated and renegotiated on a regular basis. We have just concluded a round of negotiations with respect to, if memory serves me correctly, the personal care homes.

Because I want to be careful, the member might misconstrue and I have to be very careful what I state so that it is very accurately reflected. The agreements are in place and they are structured in accordance with the legislation that we passed.

**Mrs. Driedger:** Mr. Chairperson, the minister has said on numerous occasions that by amalgamating the two Winnipeg health authorities he was able to exact savings through that consolidation. Can the minister outline the exact savings achieved by consolidating the WRHA and the WCA? Can he be very specific about where he saved his money?

**Mr. Chomiak:** I think we canvassed that issue quite comprehensively during the last round of Estimates and during the course of debate in the Legislature.

**Mrs. Driedger:** Well, Mr. Chairperson, we may have canvassed this issue before, but the minister keeps bringing it up, so I think that legitimately allows me to bring it up again as well. He has indicated that the amalgamation of the two Winnipeg authorities has saved him \$2.5 million, yet we have seen from 1999, where the statements from the WRHA showed administration costs at \$5 million, two years later they were \$11 million.

So I am asking, in all of that, the minister is saying, I guess I am assuming that he is saying

those costs could have been \$2.5 million higher than what they were but he saved \$2.5 million. I am asking him to account exactly what that \$2.5 million constitutes.

**Mr. Chomiak:** I believe, when we discussed this matter last year, I pointed out to the member that she had not fully read the financial statements, or looked at the comments with respect to the financial statements that were put forward, in terms of the comparisons the member made between the two figures that she used.

I think I pointed out to the member, if memory serves me correctly, that a larger role had been assumed by the WRHA with respect to functions between that period of time, firstly.

Secondly, Mr. Chairperson, I think I outlined that a number of salaries and other related matters that normally would constitute administrative functions were contained within that higher figure; clinical approaches and otherwise. I outlined specifically, and it is contained within the financial statement that the member tabled. The member tabled the financial statement in the House. I then had a chance to review it and, point by point, pointed out to the member the discrepancies that she had made with respect to that particular statement.

**Mrs. Driedger:** Perhaps the minister can then go into what those discrepancies are. I am certainly aware that, when those two authorities amalgamated, there was a roll-in of other programs. That is not what this is about. This is about the fact that the minister indicated that there were significant savings, and, in fact, he has indicated \$2.5 million is what he saved by amalgamating the two authorities.

So, when we see the administrative line of the WRHA go from \$5 million to \$11 million, we see the vice-president of finance there indicating that definitely administrative costs are going up, and he is quoted in the paper saying that. The minister is on record as saying that he saved \$2.5 million. So, yes, the administrative costs might have gone up, because they rolled in more programs. I fully understand that. But what the minister is saying in all of that is that he saved \$2.5 million, and now he is inferring that that was salaries.

Can he be more specific about where he saved \$2.5 million through amalgamating the two authorities?

**Mr. Chomiak:** There is an example where the member has extrapolated and just said, now he is saying that is salaries. I do not recall saying that during the course of these Estimates. I did not say that. I said that, rather than go back through this debate, we should reflect back on the extensive debate that we have in this regard on previous occasions.

If the member wants to, I will get the data and we can have a discussion, again, with respect to that particular issue. But I just point out to the member that it is not just a collection of programs. We went through it, point by point, with respect to the financial statement of the WRHA, and the member had not compared, even closely, the similar circumstances. If the member wants us to go through that again, then I will have to pull back that financial statement from previous years and go through it again with the member. If the member wants us isolate the specific savings, then I guess we will do that. I thought we had this discussion already, but I guess the member is continuing to insist, and so I am prepared to do that. I do not have the data in front of me now, and we will have to do it later on.

**Mrs. Driedger:** Well, Mr. Chairperson, the minister keeps revisiting this issue himself a number of times, and throwing it out in his answers, and making allegations that I did not fully review the financial statements, when, in fact, I had fully reviewed the financial statements.

I am aware that there were other programs rolled in, and that is why the administrative costs at the WRHA went from \$5 million to \$11 million. When you amalgamate authorities, you can assume that there could be some changes made to what might fit into that particular line in the statement. I am fully aware of that. But the minister has not hesitated at any time to take credit for amalgamating the two authorities, saying that he save \$2.5 million. So, when we see the administrative costs go from 5 to 11, but the minister is saying despite all of that he saved \$2.5 million, I do not think it is unfair to ask

him. I would think, knowing how much he likes to use this particular statement, that he would have a ready answer for how he saved \$2.5 million, because he has made a lot of hay on this statement. I would think that that would be at his fingertips, or at top of mind, that he can justify making that statement. I do not know that he has ever been asked to justify making that particular statement and outlining specifically where those savings were.

\* (11:10)

Yes, Mr. Chairperson, they got rid of one CEO, there were huge payoffs to the CEOs, and brought in another CEO. While he likes to say they got rid of a number of vice-presidents, there appear to be a significant number of directors now in place and other high-level positions. So I think it is fair to ask the minister and to expect an answer. I think Manitobans deserve that answer as to where he saved \$2.5 million through the amalgamation of the two health authorities. I think he should be able to prove that.

**Mr. Chomiak:** I am happy to discuss this matter with the member. I will take the member through the financial statement again, as I did last year, with respect to a review of what the notes said in that particular financial statement and point out the member was not comparing apples to apples. I am prepared to deal with the \$2.5-million figure.

We can do that when the information is provided to me during the course of these Estimates. Hopefully, as early as this afternoon we can discuss that issue, because I am just as happy to discuss the matter with the member and put to rest some of her concerns with respect to this issue. I think it only helps all of us to have a clear understanding of the roles and functions and responsibilities.

I just point out to the member, Mr. Chairperson, as I have on numerous occasions in the House, that we eliminated a significant number of vice-presidents because we took two health authorities and made one. We are talking about budgets of hundreds of millions of dollars that saw positions, two CEOs, if memory serves me correctly, was it 11 or 13 vice-presidents, and down to six or seven. Of course, I am going from memory.

Mr. Chairperson, we have seen the VON, which is a multimillion dollar program, rolled into the WRHA. We have seen numerous other programs and activities conducted and put under the auspices of the WRHA. We have seen extended province-wide programs operated by the WRHA.

I am happy to discuss those issues, and I think we can have occasion to do that this afternoon.

**Mrs. Driedger:** Well, certainly, if the minister wants to defer this to a little bit later in the day until he finds his information and his notes, that would be fine. I would like to be very clear that what we are looking for is not a lot of rhetoric around this issue, but what we are looking for is his proof that he actually saved \$2.5 million.

I think the minister has to be accountable for making that claim that he saved \$2.5 million because last year in Estimates he indicated he only saved \$800,000, and then he is saying he saved \$2.5 million. He has talked about previously there being 10 vice-presidents, then he said 12, then he said 14. So he was all over the map on that.

So I think it is very clear that, when we get back to this issue then, the minister needs to avoid the rhetoric, avoid the skating around, and let us get right at the issue of where exactly was the \$2.5 million saved. In previous Estimates, he said he only saved \$800,000; then he is saying \$2.5 million. So, if he wants to stick with his \$2.5 million I think it is only fair that he put forward proof that he actually, through that amalgamation, was able to achieve a \$2.5-million savings.

So I would be prepared to discuss this later once the minister has more information on the topic.

I would like to ask the minister just whether or not he would be prepared to table for me a listing of all of the administrative staff that work at the WRHA, and that would be people in management positions, in director positions, in vice-president positions, CEO positions, all of those at an administrative level who are currently working at the WRHA. Would the

minister be prepared to table that list for me with the names of the people and their positions?

**Mr. Chomiak:** Mr. Chairperson, I believe the member already has the statement of the Winnipeg Regional Health Authority for the year ending December 31, 2001.

**Mrs. Driedger:** Mr. Chairperson, the minister's hearing just disappeared I think because that was not what was asked. I asked the minister if he would table a full list of all those working in administrative positions, whether they are the CEO, VP, directors, managers, all of those in administrative positions at the WRHA. Is the minister willing to have that transparency in the system and table that full list of all those administrative people working at the WRHA and what their positions are?

**Mr. Chomiak:** I believe the member has a 28-page list of individuals who are employed at the WRHA, has been referring to it during the course of these Estimates now for the past few days, which has name, position and salary. I do not know what more the member wants.

**Mrs. Driedger:** That particular list that I have been referring to has been a list of every single person employed at the WRHA down into the hospital setting. I am asking for a listing of just those working in administration at the WRHA at the administrative level. I could probably go through that whole list and I could call them out, but then the minister would accuse me of perhaps putting too many on there. Then he would make hay that I did not get it right. He would manipulate all of that information.

My preference would be, because I am sure the minister wants me to have accurate information, my request to him is for him to table a list of those people working in administrative positions at the WRHA and identification of the names and the positions. Is the minister prepared to do that?

**Mr. Chomiak:** As I indicated to the member, the member has a 28-page list of individuals who work at the WRHA, title and salary. The member has not in the past been shy about making any kinds of interpretation from any kind of information the member has received.

The member has a copy of that information. I am prepared to discuss it.

There are a variety of factors that define what is administrative. Does it include clinical program heads, individuals that are part time as clinical heads, part time administration, part time at the university, part time at the WRHA? I think the definitive list, the member has got into trouble using some of that definitional information. She has the entire list of all of those individuals at the WRHA. I think that is a pretty significant amount of information for the member to deal with.

**Mrs. Driedger:** Is the minister then telling me he is refusing to provide me with a list of just those people working in administrative positions at the WRHA?

**Mr. Chomiak:** Mr. Chairperson, I am saying the member has a list, a 28-page list, of individuals who are working at the WRHA.

**Mrs. Driedger:** That 28-page list includes pharmacists, includes doctors, includes pathologists. The minister knows very fully well that is not what I am getting at.

He has made some big statements about how he has increased efficiencies by amalgamating the two health authorities. I am asking him to put his money where his mouth is. I am asking him to prove that the amalgamation of the two health authorities has actually saved money. One of it would be to look at the number of positions there. He said he got rid of all these VPs, but he said there were 10 VPs. Then he said there were 12; then he said there were 14; then he said he saved \$800,000; then he said he saved \$2.5 million.

I think the only way we can fairly evaluate all of this is to be able to compare an old list with a new list. In order to do that and do it fairly and do it accurately would be if the minister were to provide me with a list from the WRHA of all of those people that work in administrative positions for the WRHA. The minister is now telling me he is refusing to provide me with that list.

**Mr. Chomiak:** I am advising the member that she has a list of 28 pages of individuals who work at the WRHA.

The member has extrapolated information. I understand the member's concern because she has extrapolated and got information wrong on numerous occasions, Mr. Chairperson, but I do not know what more we can do than to provide a listing of all of the individuals in the 28 pages the member has.

\* (11:20)

It is hard for me to fathom the member's claim that we are not providing information when the member has in front of her a 28-page document that lists individuals, their positions and their salaries. The danger, the trap the member sometimes falls into is by comparing individual items with other items and not doing appropriate comparisons.

Mr. Chairperson, I remember now and I have in front of me information as to how the member dealt with the administrative issue. The member looked at expenses with respect to the WRHA report from financial statements and said because expenses grew, which included doctors' remuneration, public health, home care and community mental health, that administrative costs had gone up, when, in fact, if the member had looked at the annual report—and I tabled it for the member; I tabled it for the member to review—it would show the Winnipeg health care system incurred administrative and support costs in 2000 of \$40,293,000 compared to \$41,712,000 in '99, which represented 5.5 percent and 6.5 percent of direct program costs which is a decrease of \$1.5 million for a partial year.

So I do not know what the member is getting at. We have already tabled that information with respect to the annual reports. We have already provided that information in the Legislature to the member. The member has a 28-page document that outlines positions with the WRHA. I do not know what more the member wants from the Government.

**Mrs. Driedger:** Mr. Chairperson, the member would like a list of all the administrative staff, specifically administrative staff who work at the WRHA, their name and their position, and the minister does not seem to be wanting to be very accountable or very transparent for this.

You know, he has made these claims over and over again that he has saved \$2.5 million, yet he cannot prove that. He is also not willing to show us the list of the number of people working in administrative positions at the WRHA. It appears that the minister has something to hide in all of this and is certainly not willing to allow any transparency in this issue.

Mr. Chairperson, I should also tell the minister that I FOI'd some information from the WRHA asking for the listing of administrative positions. I asked for the name, position and date of employment of those in administrative positions, and I was denied that information.

Mr. Chairperson, can the minister tell me why I would be denied that kind of information if we are supposed to have a health care system that is supposed to be transparent?

**Mr. Chomiak:** Mr. Chairperson, I do know that the member has FOI'd hundreds and hundreds of pieces of information which were not available in the past until this Government extended the Freedom of Information to hospitals and institutions. That information was denied to me as critic for a decade. For a decade, I could not obtain that information. That is one of the reasons why we extended Freedom of Information to hospitals and institutions. The member has literally hundreds and hundreds of pages of information, some of which, unfortunately, she has provided in only partial form in the Legislature which has resulted in some difficulty in terms of her explanation of information. Nonetheless, the member has that information.

The member has received 28 pages of salaries and positions from the WRHA. The member can go through that list. The member can ask questions. It is up to date. It is the year ending 2001. The member has asked questions about it, and now the member is saying to us, well, I do not have information.

I do not quite understand that, The member FIPPA'd hundreds of pieces of information. The member continues to FIPPA. We provide the information. Mr. Chairperson, we have been open during the course of these Estimates. The member has 28 pages. I do not understand what

more the member requires in terms of dealing with the issue.

**Mrs. Driedger:** I have to ask the minister this question. Can he tell me why he asks me to get things right and then criticizes me for FOI'ing the accurate information to get things right?

**Mr. Chomiak:** Mr. Chairperson, I have taken it as a virtue that the member has access to FOI. We extended it legislatively. Remember when the member was the assistant to the Minister of Health; no one could get access to that information by legislation. I did not see the member asking the Minister of Health of the day to amend the legislation to allow us to have access to it. When we came to office, we extended FIPPA to include those regions and those hospitals. The member has not hesitated to ask hundreds and hundreds of FIPPAs. I have not criticized the member for that. What I have criticized the member for is getting it wrong, releasing partial bits of information and attempting to extrapolate from that information. That has been my criticism and that remains my criticism, but the member's ability, like any Manitoban, to seek access to information is her right.

Now, Mr. Chairperson, the member yesterday or the day before during the course of Estimates talked about FIPPA'ing some information and not being provided access to it. She talked about a report I was reviewing that had not been completed, and the member said to me: Why have I not received this report? The report was only completed recently.

**Mrs. Driedger:** It was denied to me.

**Mr. Chomiak:** Now the member said it was denied. I would like the member to provide me with a copy of that. Perhaps it was denied for other reasons or from other reports, but the report—[*interjection*] Mr. Chairperson, the point is the member has put on the record the fact that she was denied access to this report and I had not received this report until recently. So obviously the member would not have been provided this report because the report had not been made public or had not been completed, I assume, when the member did her flurry of FOIs, unless the member did it more recently. The member should clarify that.

The fact is, Mr. Chairperson, the member has a right to access Freedom of Information. She has not been denied. She has hundreds of pages of information that have never been provided before. The member has a right and access to it. The member utilizes the information on a regular basis. I do not know why she is complaining. She has access to more information and she continues to get access to information, far beyond anything that had ever been provided in this Chamber.

I used to sit in Estimates hour after hour with ministers of Health trying to get budgetary information with respect to hospitals and regions and that was denied over and over again; the member gets it regularly. I used to be denied salaries; the member gets it regularly. I used to be denied waiting list numbers; the member gets it regularly. I used to be denied information with respect to hallways; we have put it on the Web site. How much more transparent or open can we be as a government? Still, the member finds fault with the information that is provided.

It may not be in the format the member totally desires. There may be other reasons and other factors for not providing the information, not the least of which in some cases is third-party factors that are part of the act and that we have no control over, but, surely, the member cannot deny the fact that she has received hundreds of pages of information that have never been available to not only the Health critics or members of the Legislature but members of the public and that is available and the member gets access to it and gets that kind of information and we discuss it on a regular basis.

**Mrs. Driedger:** Just to clarify for the minister, I was denied the Deloitte & Touche request that I put in. I was denied it based on third-party privilege. So, for the minister's information, that was the reason it was denied, which did not appear to me that it would ever be accessible to me, based on that reason for denial.

The minister has indicated he will table the report for me. I do appreciate that and wonder if he does have a copy for me at this point in time.

**Mr. Chomiak:** That makes the point. The member will get a copy of that report. So the

argument about being denied access to that report, I do not know what the reason or rationale was.

**An Honourable Member:** I just told you.

**Mr. Chomiak:** Perhaps, Mr. Chairperson, it was because the report was not finalized. The member says it was because of third-party discussion. It could be that there were issues relating to finalization of matters that could not be put in the public sphere.

The point is the report, which is extensive, is going to be provided and has been provided to the public and will be provided to the member. So the member ought to acknowledge, I think, that we have provided open and transparent information. The member is criticizing us for not providing administrative information from the WRHA, 28 pages of salaries and positions. Well, the member is saying it is not in the style she would like. I could not even get that information when I was critic, never mind the style and format.

The fact is we provide it to the member. The member utilizes it on a regular basis. We will continue to do that. The report will be provided to the member, the final report of Deloitte & Touche will be provided to the member.

**Mrs. Driedger:** Thank you. I do appreciate that the minister is willing to share that report with me.

I do have to ask the minister why is he so angry that I get FIPPAs.

**Mr. Chomiak:** We are into this feelings thing again. If the member is noting a sense of frustration in my comments, during my past comments, it is because it is frustrating for us to provide members with copious amounts of information, and then to be accused by the Member for Charleswood (Mrs. Driedger) that we are not providing information. That becomes frustrating, Mr. Chairperson.

#### Point of Order

\* (11:30)

**Mr. Chairperson:** On a point of order, the Member for Charleswood (Mrs. Driedger).

**Mrs. Driedger:** Mr. Chairperson, just for the minister's clarification on this too. I do appreciate getting the FIPPAs. Certainly that is what the legislation is there for, and, occasionally, I do not get some, and there are reasons put forward for why I do not get some. I appreciate that process as well. When the minister is then making these allegations, I think the minister is a bit off base.

**Mr. Chomiak:** I suggest, with all due respect, the member does not have a point of order.

**Mr. Chairperson:** On the point of order, there is no point of order. It is a dispute over the facts.

\* \* \*

**Mr. Chomiak:** As I was saying, the member has access to copious amounts of information, which the member utilizes on a regular basis. It is provided to the member, and it is provided publicly.

Mr. Chairperson, the member has accused us of being involved in dealing with the information, or changing the information. I have indicated it is a relatively new procedure, because it was not in place under the previous government. That information was not provided, and I suggest that there is a learning curve that is involved in terms of providing when and how the information is provided. The member cannot even remotely suggest that the vast, vast, vast majority of information that she has applied for is not available to her. In fact, it is available to her, and we have been more than open with respect to that, and will continue to be so, because that is why we extended the legislation, that is why we changed the government policy that was in place. For 11 years of Conservative rule, that information was denied for the hospitals and the regions to anybody.

We extended FIPPA to include those hospitals and institutions, et cetera. As a result of that, the member has access to copious amounts of information, and we continue to provide it, and it is continued to be provided by the regions and by the department. We discuss it on many occasions, and the member, on occasion, brings to the attention of the Legislature some aspect of that information, and, on occasion, is only one

aspect of a more extensive discussion or document. I have pointed that out to the member on numerous occasions.

The member has access to considerable information, and we will continue to provide that information because that is what part of the democratic process is all about: providing information to the public, being transparent. That is why we have put information up on the Web site. It is one of the issues that came about during our public consultations; there was a requirement and a request for need from the public for additional information.

I know the member has been very critical of our emergency room publicity, and, Mr. Chairperson, it has been extremely well received by the public. As I indicated to the member, the information has been well received by the public and the document that was circulated is utilized by individuals. I had even seen it cut out and pasted up in hospital ERs. That suggests it has been well received, and one of the issues that came to our attention.

I know the member had a health forum in Brandon, where up to a dozen residents attended and provided advice to the member. I know when we had our health forums across the province, as well as the mailouts that were provided, that one of the very prominent suggestions was that we provide more information to the public.

That is why we have endeavoured to do a number of things: our childhood injury campaign provided extensive information to the public; our emergency room campaign provided extensive information to the public; our West Nile virus education program provided extensive information to the public; and we will continue to do that, Mr. Chairperson. I hope the member acknowledges and recognizes the important component that these efforts have in terms of public policy.

**Mrs. Driedger:** I am curious. Can the minister tell me who brought in the FIPPA legislation?

**Mr. Chomiak:** I do not know if the member recalls. I believe it was the former government that brought in FIPPA, but did not extend it. This

is the problem, Mr. Chairperson, did not extend it to regional health authorities and hospitals; a very serious difficulty, and I am very proud to be part of a government that extended FIPPA to regional health authorities and to hospitals, and I would hope that the member would acknowledge the oversight on the part of the individuals who brought in FIPPA to not extend it to those agencies. I think the member has acknowledged the fact that she receives extensive information from the regions, from the hospitals and from all institutions as a result of our extending the FIPPA legislation to those entities.

\* (11:40)

**Mrs. Driedger:** The minister is right. So, while he tries to heap all this criticism on me, it was our government when we were in power that brought in FIPPA legislation. I would like to say I do appreciate the work people go into at all levels, whether it is Manitoba Health or at any of the RHAs, in providing me with the information. I know it is time-consuming and I try to be very, very careful as to what I am requesting. In fact, over the last couple of years I have learned what I do need and what I do not need. I am very cognizant of the workload it creates. I am careful with the RHAs and with Manitoba Health in terms of what I am asking. I now am very specific and have ferreted out what I can do without and find in other ways, because I know it can create extra workload. So I am very careful about that.

The minister also seems, on an ongoing basis, to criticize me for requesting FIPPAs. He does this in the House; he does it in Estimates. He becomes angry with me that I get FIPPAs. He is very critical that I get FIPPAs. He makes fun of me for getting FIPPAs, related to trees. I have not even FIPPA'd that much. In fact my binder is probably all of, what would it be, an inch thick or maybe just a tad more. So it is not even like it is huge. The minister makes fun and laughs at it, criticizing me for trying to get accurate information, but if I do not bring forward accurate information he also criticizes me soundly for that. It is like with this Minister of Health, I just cannot win, no matter whether I am trying to be accurate or if I am not accurate. He seems to have a position both ways on this. Now certainly with the opportunity to utilize



some of these FIPPA's it probably makes his job in answering questions a little bit more sensitive because it is hard then to rant and rave against fact that is put before you.

The minister is right, Mr. Chair, transparency is absolutely critical to the health care system. I am sure when he is back in opposition he is probably going to utilize this even more than I will or that I do now because he will know exactly what he wants and where to go to get it. He is going to be doing a big flip-flop on all of these and he is going to have to eat his words once he is back in opposition. To be critical of me trying to get accurate information is a bit absurd, really. I think there is legitimacy in requesting the information I am requesting.

There are some times when I have been denied information. That does concern me. Most of the time I am not denied. In the one instance, when I did ask the WRHA for the name, position and date of employment of people working in administrative positions, it was denied. That one does concern me because that is taxpayers' dollars at work over at the WRHA. I have to wonder why I would be denied that kind of information when the minister is talking about the importance of transparency being in the system.

When I requested of the minister this information as to people working in administrative positions at the WRHA, all I am asking for is the name and position of people working in administrative positions at the WRHA and he is refusing to provide me with that information. It makes me believe there is something to hide, because what is the big deal about providing me with that kind of information so that we can have, as he said, transparency, accountability in looking at where taxpayers' dollars are being spent in management positions at the WRHA. I do not think that is unreasonable. I think taxpayers would be very interested in having that kind of information.

So, on behalf of taxpayers, I would like to ask the Minister of Health why he is refusing to provide me with that list.

**Mr. Chomiak:** First off, I appreciate the fact the member indicates that she uses pragmatic judgment in terms of her request for FIPPA. I think

the member for that. I think that is an important factor. I think it is something that is responsible and I acknowledge that. If the member is concerned that she feels I am concerned about her FIPPA requests, let me assure her that she has the opportunity and I welcome as much information that she gets as possible because only by providing that information can we have a meaningful discussion. That is why we changed the act.

Mr. Chairperson, I am not going to go into the issues that come up specifically, because on occasion I think what has happened is the member has talked about not receiving information that I think the member has already FIPPA'd, et cetera. I think that is where the difficulty occurs. Having said that, that information, as the member has acknowledged, is readily provided and will continue to be provided, is provided, and is far, far in excess of what has ever been available in the province of Manitoba.

The member has a 28-page list of employees at the Winnipeg Regional Health Authority; 28 pages listing title and listing salary, name, title and salary. I do not quite understand what the member is looking for. Does the member want to go through it name by name and suggest what is administrative and not administrative? I think the member has the information, and can deal with the information from this list. In fact, the member spent hours talking from this list.

**Mrs. Driedger:** Certainly, Mr. Chairperson, it does not appear that I am going to get anywhere with the Minister of Health in him being willing to table a list for me of all of the administrative staff at the WRHA. I believe he is trying to avoid my having easy access to that information. So I will FIPPA it through the WRHA with a very specific request from them. I do not expect I am going to have a problem from the WRHA in finding a way to word it so that the wording is acceptable and that they will then provide for me all of that information, as the minister is refusing to do that. I do not understand why he would not want to because it would give him a chance to validate and justify his statement that he made about all these savings he created, unless in fact it does just the opposite, in which case I can see why he is a little bit sensitive and therefore has something to hide in this area.

Rather than belabour the issue, I will FIPPA it. He wants to accuse me of treason. I can lay this one at his feet that he has refused to provide the information and I will seek it in another way, but I think it is sad that the Minister of Health is not willing to have that transparency.

If we want to look at that list just a little bit further, I am really curious about a small aspect of it. There are two medical vice-presidents at the WRHA and there is a nursing vice-president. I am really curious, because I think the nursing vice-president, actually it is vice-president and chief nursing officer, I am sure, has a huge job over at the WRHA with a lot of nurses under her, in fact probably more nurses under her than the doctors have doctors under them, why her salary would be almost \$100,000 less than those vice-presidents who are doctors.

**Mr. Chomiak:** Just for clarification, I thought the member indicated she had FIPPA'd that information with respect to administration from the WRHA. I thought she had said that in a previous comment. Am I inaccurate in that?

**Mrs. Driedger:** To clarify for the minister, I did FIPPA it and I was denied it. Which is what I said earlier, when I said I am going to try again.

**Mr. Chomiak:** Mr. Chairperson, I wanted to clarify the record because I did not want to leave the wrong impression with respect to the member. The member indicated she did FIPPA but the member also has acknowledged that she has a 28-page list of employees at the WRHA that lists name and title. To that end, the member was asking me in the last question with respect to the individual who is vice-president of nursing, the salary level of that person vis-à-vis others like, is it Brock Wright, for example—

**An Honourable Member:** Yes, and Sharon MacDonald.

\* (11:50)

**Mr. Chomiak:** Sharon MacDonald and Brock Wright, with respect to that. We will have to take that up with the WRHA, with respect to, as I have indicated before, the personnel matters and the hiring and firing of employees is a matter of the WRHA's jurisdiction, but I will

take up that inquiry with the WRHA and endeavour to provide that information to the member.

**Mrs. Driedger:** I appreciate that. It was a curiosity of mine. So I appreciate the minister's willingness. I am sure that has been in place from the beginning of the region. It struck me as somewhat odd because of the job load that I know the vice-president for nursing has. I am not sure it is any different from the job load of other vice-presidents. There just seems to be such a disparity amongst three vice-presidents versus the two who happen to be doctors. It is just a curiosity of mine, wondering why the doctors are paid almost \$100,000 more than the other ones. So I appreciate the minister's undertaking in that particular area.

I would like to ask the minister, as we are still continuing to talk a little bit about the WRHA, Brian Postl was on CJOB on April 17, 2001. This was budget time, and he indicated, and I quote his words: We roughly received 75 million additional dollars.

There is indication that the 2000-2001 budget year ended with them avoiding a deficit. The minister has liked to quote that a lot, saying that they are one of the few RHAs in the country that did not have a deficit, but I am somewhat curious as to why part way through that year they received an additional \$75 million, which there is some—again, this is not my comments, these are comments I am bringing forward as the messenger who has heard these comments out there—that this was a bailout that was not provided equally to the other RHAs, that it was provided to just the WRHA, which provided them the opportunity not to have a deficit at the end of that year while the majority of other RHAs were running deficits.

So I would like to ask the minister why they were given \$75 million additional dollars. Was it requested by them, or was it offered to them? How did this come about, as he stated on a CJOB interview in April of 2001?

**Mr. Chomiak:** First off, there is an allocation with respect to all of the regions. The allocation that Doctor Postl was referring to, which ultimately was not the amount, there was less, I

believe, that went to the WRHA than that, was part of the allocation that went to the WRHA as a result of our budgetary exercises. I can point out that the majority of RHAs got a bigger percentage increase that year than the WRHA, Mr. Chairperson, as I quickly look through the numbers for that particular year.

This issue about part way through the year, that is about the seventh or eighth time I have heard a member of the Opposition talk about that. We made an allocation last year in terms of budgets and we have made an allocation this year in terms of budgets to the RHAs. Last year's sum that Doctor Postl was referring to was the increase that had been allocated for the WRHA. In addition, RHAs outside of Winnipeg, the majority, received, I am looking at, the WRHA basically received, on average, all the RHAs received more. The WRHA received less as a percentage of increase than all of the other RHAs combined, including CancerCare.

It was not midway through the year, Mr. Chairperson. It was part of the budgetary process, and each region was notified of what its allocation was under the budget last year and this year.

Mr. Chairperson, one of the things we have tried to do is to get the budgets out earlier rather than later. This year, we ran into some challenges because of the fact that our budget was relatively late as a result of the federal accounting error and the uncertainty there, because we certainly had targeted and wanted an earlier budget, that was our intention, not the least of which is we wanted to have the matters resolved sooner rather than later, but we were behind this year.

With respect to budgets, that money was allocated last year. As a percentage, for the most part it is less than, as I look through it, a majority of the other regions, Mr. Chairperson, and it was part of their regular budgetary allocation.

So, first off, it is inaccurate to say they got an additional allocation in the middle of the year. That is not true. The member referenced a quote. She is referencing a quote so I am only going from her reference, but I believe the quote was in April. If memory serves me correctly, and, you

know, I am sorry about this. I think it was in April. It was in April, I believe, last year, so clearly that was a reflection of the budget. As a result of the budgetary roll-out, a certain sum of money went to Winnipeg, and a certain sum of money went to each of the health regions.

Winnipeg receives more funding for its services than any other region. That goes without saying. Winnipeg has more than half of the population, so Winnipeg receives more funding, always has, than other regions, but as a percentage of funding, it received less than the majority of regions. There was an allocation not just to Winnipeg, but to each of the regions across the board.

So I hope I have helped the member clarify that issue with respect to the allocation. It was not a mid-year allocation. It was as a result of the budgetary exercise. I think in the end they did not receive \$75 million. They received less than, actually, \$75 million as we worked through the year.

**Mrs. Driedger:** Mr. Chairperson, I appreciate the minister providing the information on that.

**Mr. Chairperson:** Order, please. The time being 12 noon, I am interrupting the proceedings. The Committee of Supply will resume sitting this afternoon following the conclusion of Routine Proceedings.

## TRANSPORTATION AND GOVERNMENT SERVICES

\* (08:40)

**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 Transportation and Government Services.

At our last meeting considering this department, we had just concluded opening statements.

**Hon. Steve Ashton (Minister of Transportation and Government Services):** I understand there is an agreement to now have opening statements for the Government Services side of

the department, and I do have an opening statement.

**Madam Chairperson:** Is there leave to have opening statements for the other side of Government Services? *[Agreed]*

**Mr. Ashton:** Madam Chairperson, I am very pleased, actually, that, after being able to give the opening statements yesterday on the Transportation side, we are now able to give opening statements on the Government Services side of the department.

One thing I have really enjoyed as minister is the diversity of activities within the department, and if you consider what I outlined yesterday in terms of what Transportation does, I think it is really exciting to note some of the things that Government Services does, as well. Now, I used to say a couple of years ago that Government Services, they were like the unsung heroes, you know, the department that did not necessarily get a lot of profile, and I am sure my critic would agree with that, a department that basically ran itself very efficiently, very quietly, did not get that much publicity.

Well, of course, we are now speaking in the year 2002, which you might want to call the Year of the Golden Boy, and I just had to start off with my comments by talking about what has been an exciting opportunity for, not just the department, but for Manitobans, which has been the opportunity, I was going to say, of a lifetime but probably of a millennium to get up close face to face with our symbol. I know, Madam Chairperson, you have had that opportunity, as well, on a number of occasions. In fact, I believe some people have come to take the Chair as having a particular connection with the Golden Boy. I look around the committee. I see the Member for Assiniboia (Mr. Rondeau), the person that has pioneered with the very great idea, I thought, of actually meeting public demand for, in this case, providing mementos and souvenirs of the visit, a very entrepreneurial approach which, certainly, we in the Department of Government Services have been very pleased to work with.

Madam Chairperson, I wanted to mention this because this project has been, I think, just a terrific success story right from day one. I want to remind people that there was a report in 1992

when we came into government. We moved on the stonework portion. The original estimate was \$7.1 million, actually, came in significantly under budget, some significant improvements to the stonework. In the process of doing the stonework and the regilding of the Golden Boy, found that, with significant corrosion, that would affect the stability of the Golden Boy. Believe you me, when I had that quiet side of the department coming in, I still remember the deputy coming in, the conversation went pretty well. We have some news on the Golden Boy. I sort of thought, well, maybe we are a bit behind schedule. Basically, there is a significant chance it could blow down in the next 50 years if we did not repair it. Needless to say, I was more than a little bit surprised, but we have now met that challenge.

In fact, it has been a tremendous success story with Pritchard Machine, Bristol Aerospace. By the way, Bristol Aerospace donated its services. There was an employee at Bristol Aerospace who came in from their vacation to do the work. We are now doing the gilding. I cannot say enough about Alpha Masonry. If you run through all the contractors, Bob Wiebe, in terms of his role on the engineering side, our Government Services staff, it has been an exciting project.

We have also been able to accelerate some of the additional work. The copper roofing that was planned for the next two or three years, but since we had the scaffolding in place it made sense to accelerate that part of the project.

Madam Chairperson, I have said this publicly and I will say it here at the committee, the project is on time. I always say this too. It is interesting, we are not in the room where we have Premier "Robbin" Roblin but people have to recall the scandal with the original construction of the Manitoba Legislature, it was way over budget. I will not get into exactly what happened, the degree of corruption, but one of the contractors even ended up in jail.

Contractors are not in jail. We are on budget and we are on time. Our target to have the Golden Boy back in place in time for the royal visit in October is definitely on track. I think it is

going to be exciting. I have said to people, between the copper dome and the new sheen on the Golden Boy, you are going to need shades when you drive by the Legislature starting in October. I think it is really exciting.

We had 114 000 Manitobans come out to see the Golden Boy at the Manitoba Museum, of all ages. It was quite an exciting event. Now at The Forks we are seeing thousands if not tens of thousands of people seeing the Golden Boy. I had the opportunity to go down there the other night. I became a bit of an impromptu tour guide when someone said, you are involved with this, are you not? I said, well, yes, sort of. Next thing I know I ended up spending about 45 minutes describing the project and some of the trivia. I will save that for another occasion. I am sure members will want to hear other aspects of what Government Services did.

I must admit I felt like the chief tour guide on the project the last period of time. Maybe I am just reliving, you know, I never did get to work as a tour guide when I worked at Inco in the summers, so maybe I am just doing it vicariously now.

**An Honourable Member:** You missed your calling?

**Mr. Ashton:** I missed my calling. That is right. I think it also had something to do with the fact that the money was better if you worked underground, or in the refinery, or the smelter. That is another story.

It has been an exciting opportunity. What I want to stress though, it is not the only significant project. In fact, in terms of monetary investment it is not the most significant project Government Services has been involved with this year.

I am particularly excited about the Red River downtown campus. I would encourage members, I extend this invitation, by the way, to my critic, to take a tour of the facility which is moving along very well. We had some delays, most notably in regard to the Cosman lawsuit. We have readjusted the phasing of it. The first phase now is nearing completion. It is tremendously exciting. If you see the building, this is

historic preservation at its best. We have been able to preserve the facades, which are tremendous.

Inside the buildings, as well, there is just a unique blend of some of the original constructions and the original material, some very unique use of natural light. We have cutting edge use of a variety of techniques in terms of energy conservation, including windows, solar panels. In fact, this building has been nominated for an international award, which I think is very significant. It really is going to be an exciting building. What I think is going to be really important about this I think is the fact it has led to a huge renewal of downtown Winnipeg, the Exchange District. I can tell you I have talked to people in that area. They are incredibly excited about the prospect of more than 2000 students, the staff being in that area.

From the Government Services side I can say this is another legacy project that I think is indicative of what you can do in this case with the significant investment by government, with significant support from the City of Winnipeg. Of course, Red River College itself has been very instrumental in terms of this.

We do not just build buildings in Government Services. We operate a variety of services. I want to give you a quick scan of some of the exciting new initiatives we have brought in place this last year or two.

Madam Chairperson, one of the areas we have been very active in is in terms of procurement. When I came into government I was surprised to find that very little was centrally procured and there was really little co-ordination of procurement. Procurement sounds like a simple process, you purchase goods for government, but procurement can be an important tool in terms of efficiencies. It can also be an important tool in terms of public policy objectives.

Very early on we strengthened our procurement resources. We have increasingly now moved into much greater government-wide co-ordination of procurement, which we believe will result in significant efficiencies, but we have also moved in the area of sustainable

procurement, which I think is extremely important, once in government can be a leader. In fact, I put in place a task force internally, making government a model in terms of recycling, in terms of environmentally friendly activities. Quite frankly, we are already doing a significant amount in that area but we can do more. Sustainable procurement is very much a part of that. I will give you some examples of how you can make a real difference.

The purchase of paper that includes recycled paper. It was interesting because I had the opportunity to discuss with a private business person in a printing firm, Bhadresh Bhat actually, who members may know from his role as the former president of the Hindu Society. What was interesting, they, in his printing operation, used the recycled paper on a commercial basis for quite some time. We are moving in that direction as well. I think it is a very important way of dealing with things.

We also purchase fuel. One of the areas we are working on, currently, is to increase our use of ethanol blend fuels within government, within fleet vehicles. I think that is something that is very important. As a parallel to that, in addition to the sustainable procurement, we have been developing an Aboriginal procurement initiative that reflects the important role we can play in helping Aboriginal communities, Aboriginal people, Aboriginal businesses access more contract opportunities, more opportunities with government.

I can tell you already we have moved on the Transportation side in terms of increasing Aboriginal content, particularly when work is done in proximity to communities. We have had some very successful, initial experience with that. We have also developed an Aboriginal procurement initiative that we feel can make a significant difference in terms of accessing those kinds of opportunities for Aboriginal people.

\*(08:50)

Increasingly, Madam Chairperson, I think it is important to put on the record, the future of this province is going to be very much tied to the future of our Aboriginal peoples. I was struck by this at the North American Indigenous Games as

I saw all the young Aboriginal people there. This is essentially the demographic future of the province. I think the key element here is we are going to see very many Aboriginal people who are going to be a key part of the labour force. What we are trying to do through this initiative is also ensure Aboriginal people have much more significant business opportunities over the next number of years, so they can be full partners in economic development in the province.

In terms of our mandate, as well, I want to indicate we have had significant progress with the mould program. This came about because we identified that we had the mould expertise within government. We have had a very successful project with the Dauphin hospital. To give members of the committee an idea of the challenge we are facing as a society, many of those buildings that were built in the 1970s and 1980s are facing significant difficulty in terms of mould, toxic mould. Dauphin hospital which I believe was built in the early 1980s is one example. Churchill, the school, is another.

But you will find it in community after community, whether it be First Nations communities in terms of housing or in terms of facilities. It was that combination of that additional insulation and in some cases probably improper construction techniques, but whatever the cause, we are now facing an aging infrastructure on the building side where mould is a problem.

So we put that expertise in. We have had significant success in training people, both in Dauphin and we have had trainees out of Milner Ridge. Quite frankly, it just makes sense because in many cases what we are able to do is renew facilities, deal with the mould and at the same time avoid, obviously, the huge costs that would be facing us if we were dealing with other aspects of this, including construction. So that is a very significant new initiative in terms of the department.

We have many other services we provide. I think on the Government Services side, people tend to take a lot of those services for granted. About Fleet Vehicles, by the way, which just celebrated a decade, I think it is an example of a

very successful special operating agency within government.

Materials Distribution, which is playing a role in terms of the Golden Boy, I think that is an example of where, again, within government you can be entrepreneurial. That is something I know the Member for Assiniboia (Mr. Rondeau) and I have discussed in terms of the Golden Boy, but I think it is something that government generally needs to recognize that much more.

It is not an oxymoron, entrepreneurial government. It is the culture you have. It is the way you approach problems and problem solving. It is the way in which you either take initiatives, think outside of the box, or you continue business as usual. We have been I think very successful in terms of doing that.

We also, of course, are very much involved with our Air Services. I do want to put on the record that we had an unfortunate incident this year in terms of a situation involving the air ambulance in Flin Flon. I went and met directly with the family of the young infant who tragically passed away several weeks later, to indicate what had happened. Without getting into details, essentially it was a decision that was made based on assumptions about the holding time that would be required to stabilize the patient.

We basically took a look at that, and the assumption that was made turned out to be inaccurate in this case, and the decision that was made in terms of the use of the aircraft probably made some sense in terms of the aircraft. But given the anxiety that it created in terms of the parents, it just clearly made no sense.

We changed the policy. As minister, I indicated clearly that as a result of that experience, while we cannot change what happened, we can change the future, and that will not happen again.

I think it is important to recognize that the air ambulances are a very significant part of our health care system. There is the dedicated air ambulance, the backup air ambulance. The backup air ambulance has in excess of a hundred flights a year in terms of the ambulance service

side, so it was very important to develop that. So that is one area I did want to flag again.

I also cannot say enough, by the way, about the work that our security staff has done following 9-11. I think it is very important to recognize that we have taken action to enhance security both on the legislative front but also in terms of actual security and in terms of government buildings. We are continuing to move in that direction. There will be further initiatives over the next period of time.

Without overreacting to what happened on 9-11, I think that you have to clearly identify that you have to anticipate the unanticipated increasingly, and I want to say that certainly Government security will be continuing to meet the challenge that is put in place. I was very encouraged, without getting into the debate on the bill, to see Bill 2 pass. I certainly am very pleased, as well, that we are moving in terms of security generally on an all-party basis.

We, of course, provide many other services to Government, and I think it is very important to recognize that Government Services basically not only does a lot of the purchasing, controls what comes into buildings, we lease the buildings or own the buildings, we ensure that the caretaking services are provided in the buildings, that the security is provided in the buildings, and quite frankly, and I mentioned this earlier in terms of recycling, we also deal with the other end in terms of what goes out of the building. So Government Services can play a very significant role.

Madam Chairperson, I look forward, by the way, to answering questions on the many roles that Government Services plays, but I want to move on to EMO, the Manitoba Emergency Measures Organization. I think it is very important to note that over this last year, EMO has been faced with some significant challenges, but there have also been some significant developments with EMO. As members will be aware and certainly the former minister who is at committee today will certainly be aware of this, EMO essentially amalgamated two levels in terms of the emergency systems, one being the disaster assistance and one being the emergency response, basically dealing with the emergency

and then dealing with disaster assistance afterwards.

We put in place a review of EMO's role. It resulted in a number of changes. One of the more minor ones would have been the change in the name, the Emergency Measures Organization. That is the name of the act. It did not seem to make sense to have an act under one name and organization under the other and, quite frankly, most people assumed it was Emergency Measures Organization when I talked to them. So there has been some clarification there.

But we have also significantly enhanced the profile of EMO within Government. The acting deputy minister is now the Acting Deputy Minister of Government Services and Emergency Measures. We have hired a new executive director, Chuck Sanderson, and I can say that he is no stranger to Manitobans, former deputy fire commissioner of the Fire Commissioner's Office, so he has had significant experience in terms of dealing with disasters and emergency measures, but he has certainly done a tremendous job. I also want to comment that Paul Anderson, the acting executive director, did a terrific job as well. He chose not to apply for the permanent position, but I certainly want to put on the record that that was very significant.

In terms of disaster assistance generally, unfortunately, once again we had a rather active year, and I must say unfortunately because of there being a number of disasters. I want to put on the record, by the way, a couple of things. One is we have tried, particularly in the southeast, to move very quickly. We were able to get advances out as soon as two weeks, and I am not being critical here about what happened in '97, because in '97 and the former minister being here, I am sure he will be aware, the use of advances really was pioneered at that time. It took about four to five weeks I think to be put in place. We built on that experience. In fact, I think we even used the same bank account that was there, but we were able to get out within two weeks. I can tell you I went out and talked to people directly who were affected, and I talked to the municipalities that were affected and that made a huge difference. So we are trying to enhance the responses.

I also want to comment, on the EMO side, how much I have appreciated working with AMM. I will give you an example what a difference it can make when you have a very good relationship with municipalities and when the municipalities both at the local level and AMM are very active, and that is what occurred last summer in southeast Manitoba, Beausejour, Brokenhead, Whitemouth, that area, there were a number of municipalities.

They identified some damage. The damage was not widespread when it was originally reported, but when it appeared initially that there was not going to be enough damage to qualify for a program, what happened is AMM and a number of municipalities met with myself and indicated there was more damage out there than had been reported. I said at the time, if more damage could be identified, then we would review the decision. That is exactly what happened. It went from \$150,000 estimated damage, in that ballpark, to \$650,000, and we were able to approve a program.

I want to commend the AMM, in particular, because they took a very important role in this, but also the individual municipalities. I want to indicate again that we are trying to be responsive obviously. DFAA is a federal-provincial program. We are working within the confines of that agreement, but we are trying to work as positively as we can.

Speaking of which, the big challenge ahead for DFAA is going to be, I believe, in terms of the review the federal government has initiated in terms of disaster assistance. I want to indicate that we are concerned that there may be an attempt to water it down. This could be done in a number of ways. One is by removing the 90-10 formula but even with a 90-10 formula if the thresholds are changed, obviously that could have a significant impact on us.

I want to go back to the 1997 flood. Members opposite will be aware of this, but the final amount of assistance coming from the federal government in 1997 was in the \$230 million-plus range, \$230 million-plus. Without the 90-10 formula we could have faced a very significant challenge fiscally. For those who are not aware, the formula is a per capita formula, but it starts



kicking in, not the 90-10, but the formula starts kicking in at \$1 per capita in terms of the federal involvement and will continue and slides up. After \$5 it is a full 90-10 formula. It is on a sliding scale. So it has a very direct impact and it is really important.

I also want to put on the record, by the way, that we have requested a federal-provincial disaster assistance ministers' meeting and I am very pleased that John McCallum, who I met with recently, has said basically that that is a very good idea. I was looking forward to calling. It makes sense both for disaster assistance in terms of disaster assistance programs that we have. It also makes sense in terms of 9-11. I am amazed that, for example, we have federal-provincial ministers' meetings, in terms of the ministers of Transportation, but with disaster assistance emergency measures, there have not been ministers' meetings. So I am very pleased to see that, but we have also called for a review of DFAA that will deal with some of the inadequacies that we see with DFAA.

One that has come to mind recently, and one which we have raised with the federal government, I raised it when I met with Minister McCallum, was in terms of part-time farmers. I think it is increasingly the case in rural Manitoba that there are people that are essentially farmers, but because of the limited income on the farm side, they are often producing more income in terms of non-farm activities. That is, I think, fairly critical because when you have a disaster it is not the property, private property is not covered, it is, but obviously there are farm properties that can and will be covered, but the threshold is very clear, you have to be a full-time farmer. We consider that to be rather limiting.

There are also other situations that I have seen, situations involving wind damage to people who are fishers. The member from Gimli will probably be aware of some of the situations involved. That is not eligible for disaster assistance. There are some gaps that are in place. It is not to say that you are always going to be able to cover everything. That is not going to happen. It is no different than insurance. You are going to end up with some things that are

insured, some things that are not insured, but we have identified a number of the gaps.

Generally, before I leave the EMO side of the department, I want to indicate that I am very pleased that we have a much more significant role for EMO. I think that is in keeping with that review that we conducted. By the way, that review was conducted before 9-11. I think it is just as appropriate after 9-11, and I am sure all members of this committee would agree with that.

Just to conclude, Madam Chairperson, yes, Government Services is the Golden Boy department but it is a lot more as well. I just want to put on the record, as I did yesterday, how proud I am of the department. I consider it a real honour to work in the department. On both sides of the department are some very dedicated staff. We have some very exciting initiatives and I look forward to the opposition critic's statement and obviously the opportunity to answer any questions on the many activities we are doing currently in Government Services and with the Emergency Measures Organization.

**Madam Chairperson:** We thank the minister for his remarks. Does the official opposition critic have a statement?

**Mr. Edward Helwer (Gimli):** I appreciate the minister's comments, some of his comments in the opening statements.

I think some of the questions we will be dealing with is the Golden Boy, of course. I have a number of questions regarding the Golden Boy and regarding the sale of merchandise. I know the Member for Seine River (Mrs. Dacquay) had a number of questions earlier about it, but I also will have some questions regarding the sale of that type of merchandise, plus the fact the way it was handled and the fact that there was not any private part of it really, other than—

**An Honourable Member:** The manufacturing and sales.

**Mr. Helwer:** Well, Madam Chairperson, the manufacturing and sales. That is right. I still feel it could have been handled a lot better by the

private sector rather than by the department, but we will get to that a little later.

Madam Chairperson, the minister talked about a number of other items regarding the Legislative Building. The roofing, there are some problems, I believe, with their costs there. I understand it has somewhat gone over budget. We will get into that in a little while. I guess the Legislative Building, certainly, I appreciate that it has to be maintained. I want to thank the minister for getting the work done, the roof and some of the other work.

Besides the cost, there is certainly an inconvenience to a lot of the people that work in the building. Parking has been a problem for the last couple of years. There is certainly an inconvenience that I hear about all the time from some of the staff that have to work in the building because of the construction going on and on. It is taking forever and a day. I understand that some of these things do take time. Because of the fact the Golden Boy, the way and the process it had to go through to be redone, I understand, does take some time, but there has been some inconvenience around the building.

Some of the other things we could talk about, I have some questions on, is the procurement of supplies. The minister mentioned he has improved on the way the Province or the department procures some of their items. I have a number of questions we will get to on that a little later.

The minister also in his opening statement talked about some of the benefits of the ethanol. I agree there are certain benefits. I think there are some tax implications there that have to be dealt with by the Province, but certainly there are some benefits, both to the environment, plus I think there could be certain benefits to the agriculture community, whereby I am really pleased to see that come about.

Just recently, I guess, because of the problem in some of the eastern and Arab countries where the U.S. gets a lot of their oil supplies, U.S. is a big user. In Canada we could be self-sufficient if we wanted to be because we do have reserves, but we still do import some oil for eastern Canada. If we were to encourage more

ethanol use, I believe even up to 5 percent of the total, it would certainly limit the amount of imports we have to use.

\* (09:10)

The U.S., they tell us—they are a much larger importer than Canada is—if they were to increase their ethanol use to about 5 percent of the total of their usage it would limit their imports and pretty near almost make their imports from some of the Arab countries almost non-existent. They do have some, of course, because Saudi Arabia is a little different than some of the other countries and there is a big U.S. involvement there by the Canadian and the American oil companies and North American oil companies that are certainly involved there. So they are probably some of the reasons, but I certainly believe that in the future ethanol use will become, I believe, of more use.

The minister talked about some of the mould problem in some of the buildings, some of the older buildings the Province has around that Government Services owns throughout the province. I know during the spring season in June when we were going through the wet season or we had a lot of rain, especially up in the Interlake region where we had a lot of rain in some areas, and the wet, damp weather, mould really was a problem. Especially in the St. Andrews area along the river where there was some flooding because of the high water in the river and in the Petersfield area where the water was backing up in Netley Creek, and one thing and another, where there was some flooding, mould certainly has been a problem. It is not something new. We have had this every year. In '97, of course, when we had the major flooding, it really was a big problem in some of the buildings that were flooded.

It does not have to be necessarily a total flood to cause a mould problem. Of course, there are so many different kinds of mould that cause health problems in homes to people, whether they are allergies or whatever the case may be. Mould certainly is a major problem. It is not only a problem for the Government Services but for all buildings and all private buildings, of

course. It not only affects Government Services but affects the Department of Health, of course, because of the problems to health that the mould causes. It is a very hard thing to pin down because of the different kinds of mould that are available that have caused problems.

Madam Chair, the minister in his opening statement talked about air services and some of the improvements the minister or the department has made to some of the airports in the region in Manitoba. There are some very strategic airports, such as the Gimli one that is very important to Manitoba, very important to the Interlake. It is very important to the use for small private planes, plus the water bombers use it, of course, the Gimli airport, and they also use the facilities there. I would like to see that continued and expanded.

St. Andrews Airport is also located in my constituency in the R.M. of St. Andrews. I believe there is an airport that is underutilized. I realize there are some improvements being made to the Winnipeg International Airport, but I really think some of the services that are provided by the Winnipeg International Airport could be provided by St. Andrews Airport. The St. Andrews Airport was taken over by the Rural Municipality of St. Andrews about two years ago, or three years ago I guess now maybe, time goes, but it is still underutilized. The municipality is having some problems trying to make ends meet there. They have tried to increase some of the fees.

Although they took this over from the federal government, there were some guarantees and the federal government did give the municipality some provisions there for the first few years to try to make ends meet and to try to make some improvements to the airport. While it was hoped they could increase the amount of business being done and the amount of traffic and the amount of things that they do to try to make ends meet and to try to make it a viable enterprise, that has not happened. It is still a money-losing proposition; it still is costing the people of St. Andrews a considerable amount of money to try to keep this airport operational. So there are some problems there. I would hope, Madam Chairperson, that the Province and the Department of Government Services would try

to help the Rural Municipality of St. Andrews to try to better utilize the St. Andrews Airport and make it a viable proposition.

The airport itself, basically, is in pretty good shape, but in a case like that, where you have something like that, there is always a lot of maintenance. Maintenance is a costly procedure for any airport. That particular airport, because it was built a number of years ago, I guess, during the wartime or whenever, does take a lot of maintenance. Unfortunately, the federal government has a responsibility there, but unfortunately they have kind of walked away from it by turning it over to the municipality. They have given some guarantee of some money for five years, but, then again, that was not long enough. That is not good enough, really, because that does not even cover the maintenance costs there to keep that airport in operation. So there are a lot of problems there. I know that the Province has tried to work with St. Andrews, tried to make this thing go, but it certainly is underutilized, and there is a lot of room for improvement there.

Some of the other things that I know the minister talked about were the security items, security and the fact that the staff—I think they have done a good job of trying to keep our buildings, especially the Legislative Building here—have done a good job in that.

Bill 2, of course, has some things in it that have already been discussed in the Legislature and in the discussion on Bill 2. I do not know how that is going to affect some of the operation of the Province as yet, of how Government Services is going to affect them, but we can talk about that a little bit too.

Madam Chair, the Emergency Measures program, my colleague from the constituency of Morris is going to have some questions regarding the Emergency Measures items. So perhaps that will be my opening statement. If you would like, I could start with the questioning, unless the minister has something else to add.

**Madam Chairperson:** We thank the member for his 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 line item 15.1(a) and proceed with consideration of the remaining items referenced in Resolution 15.1.

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.

Would the minister please introduce his staff?

**Mr. Ashton:** Yes, I am just going to make sure I get all the staff. It is funny, we work on a first-name basis, and a lot of times, when we get to this stage, I say, now exactly, what is Tracey, and what is John and Gerry. What are their exact titles? So I want to make sure I get it correct for the record. John has his card here.

First of all, we do have the Transportation side being represented just in case. So if the member does slip into a Transportation question, we can answer it. John Hosang, ADM, Engineering and Operations. There we are. Tracey Danowski, Acting ADM, Supply and Services; Gerry Bosma, Director of Financial Services. So you can ask Government Services or you can sneak a Transportation question in.

\* (09:20)

**Madam Chairperson:** Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

**Mr. Helwer:** I think we can have a global discussion, then pass them when we are done and deal with the Minister's Salary at the end.

**Madam Chairperson:** Agreed?

**Mr. Ashton:** Madam Chair, I have no problem with that. We can think departmentally and ask questions globally.

**Madam Chairperson:** Agreed. We will have the discussion globally.

The floor is now open for questions.

**Mr. Helwer:** As I said in my opening remarks, we will deal with the Golden Boy first. The cost,

of course, I understand, was first originally estimated at around \$7 million for the total renovation, plus the Golden Boy. Now I understand the Golden Boy itself, I do not know what the total cost of that is, but I understand that is costing more than the original estimate. I think the original estimate of the Golden Boy alone was only going to be about a million dollars, but since then I understand it has escalated quite a lot.

I wonder if I could get a breakdown possibly of what the Golden Boy is costing and the other renovations to the building, including the roof, which I guess was budgeted for this year, really. What are we are looking at there for costs, and if I could get a breakdown of what they are?

**Mr. Ashton:** First of all, the original projected cost for the project—you have to recall the original main focus for the project was on the stonework—we had a report going back to 1992 which indicated some fairly significant problems, not critical, but obviously that could impact on the integrity of the building and also public safety. We had 60-, 70-pound chunks of stonework that had fallen off the building, some fairly significant deterioration in some areas of the building. That was the original scope of the project.

The Golden Boy was essentially part of the project, but it was anticipated at the time that we would be able to regild the Golden Boy in place. We did look originally at the option of bringing the Golden Boy down. What happened with the stonework portion, the stonework portion was actually simply under the estimated project cost, which I believe was in excess of \$7 million. I can get the exact figure that we are currently looking at in terms of the stonework.

In terms of the Golden Boy, the Golden Boy, just to recap, we had a situation where we had to basically bring the Golden Boy down. There was significant deterioration with the shaft that became apparent when we were able to get up with the Golden Boy, for a couple of reasons: One is moisture. The second is chemical reaction between dissimilar metals, something that could not have been anticipated at the time but something most Grade 12 chemistry students would be very easily able to indicate.

What we did at the time is identify that we would have to do significant work involving changing the shaft, putting in a new metal alloy which we have been able to do. In order to do that, obviously, we would have to bring the Golden Boy down. We also identified the need to, for example, repair the holes that had been drilled in the Golden Boy to hold the extension cord in place for the lamp that was put there in 1966.

So the general project is basically \$1.1 million and it has been going very well. I did mention earlier that a lot of people have put in all sorts of extra effort. So I cannot say enough about that.

Madam Chair, it is a legacy project. The Member for Interlake (Mr. Nevakshonoff) is here. The Member for Interlake's dad, I think, worked on the 1951 regilding, and I keep getting stories from people who worked on previous editions of this. So it is going quite well.

On the copper work, the other thing we were able to do there is move the copper work forward. That was anticipated to be done in the next three or four years. By doing it now we were able to save the costs of assembling the scaffold that would have had to have been done especially for the copper work. That saved us in the range of about \$250,000. I can get an exact figure on what we are looking at currently. We were looking at around \$750,000 to \$800,000 on the copper work. So in actual fact we were under the original projected amount for the stonework. Obviously the work on the Golden Boy was unanticipated and the copper dome would have had to be done in the future, so we moved that forward.

I think the exciting part about it really is that we have been able to, in some cases, for the interest of the members of the committee, we have actually been able to do work that was not done in the period 1912 to 1919. You have to remember there was scandal, the government fell, they were way over budget and a lot of corners were cut. So we have been able to, in some cases, do work on the lead flashing, for example, and improve some of the drainage that took place, work that was supposed to be done back pre-1919 that was done this time around. I

can get more details if the member wishes but essentially we are under budget on the stonework, the Golden Boy was unanticipated and we are saving money on the copper dome.

**Mr. Helwer:** I thank the minister for his comments, except that I do not think trying to say the former government back in 1917-1919 has any relevance on today really. I think we have to deal with today's issues today. I realize we do not know what happened. That is before my time and your time and really has very little bearing on what has to be done today.

The repair work done to the stonework, I think, certainly had to be done. I appreciate that and I am glad to hear that came in under budget, but in the total dollars we are looking at for the stonework, the re-scaffolding, the repair work and the Golden Boy was somewhere in, I think, in our last year's Estimates, was somewhere around \$7 million. Is that still in budget? I understand that has gone somewhat over.

**Mr. Ashton:** No, we are still essentially under that because we were significantly less than what was anticipated for the cost of the stonework. So we are still under that. We are on time; we are on budget.

The only reason I mentioned what happened in 1912 to 1919 was the fact that we were also completing parts of the building that were not completed at that time. I do often mention when I talk about the Golden Boy that the Government has not fallen, the contractor is not in jail and the minister has not been fired. Anyway, that is just a historical comparison here.

**Mr. Helwer:** You said you are under budget or close to budget. I still do not have a figure. Can you maybe break it down and tell us what the Golden Boy is? The brickwork, I understand, came in below budget. Can you give us those figures? Also what are we looking at in cost for the roof repairs, for the copper?

**Mr. Ashton:** The total cost of the copper is about \$1.1 million. That includes the engineering work. I think the actual copper work itself is about \$900,000 or \$950,000, in that range. The Golden Boy is budgeted at approximately \$1.1 million and the stonework, I think the latest

figure, I could confirm that, is \$5.4 million. So if you look at the stonework plus the Golden Boy, which was part of the original project, we are actually under the original projected cost.

\* (09:30)

**Mr. Helwer:** I realize the stonework had to be done and I am glad that came in under budget. That is good.

On the Golden Boy, you have had it over at The Forks and at the Concert Hall for viewing. I think that was a great idea. I think it gave the people an opportunity really to see the Golden Boy first-hand. The Golden Boy pins this year are more popular than ever, of course, because of the fact there has been some interest in the Golden Boy. It is a significant, what would you call it, for Manitoba really.

So I think that is great, except when you had the number of items to promote the Golden Boy, I guess the number of items that you are selling, whether it is souvenirs or whatever you want to call them, I had hoped, when I heard that you were going to do this, that you would use a private firm and contract them out or tender the thing out and sell them locally.

Madam Chair, I understand this was not done. This was done by your department staff. It was handled—*[interjection]* Yes, I believe Government Services did it. I think it could have been handled a little better. I think there was an opportunity there to probably get some private involvement there to get some of these items—*[interjection]* That is right. The Member for Selkirk (Mr. Dewar) knows that they have a supply of a number of pins and different items from Selkirk that we buy from there too, of course.

Can the minister give me some idea what kind of revenue we are looking at here from the sale of articles regarding the Golden Boy? What has been spent to purchase some of the supplies, first of all, and then what can the department expect as a profit margin from this?

**Mr. Ashton:** Well, I first want to make it clear for the critic that we are involving the private sector. I am somewhat surprised at the statement.

There is no government souvenir factory. I do not want to get into other parallels here, but, in fact, one of the reasons we brought in the opportunity for the souvenirs is because this is not unusual. If you go to many legislatures, you will see there are souvenirs available. Alberta, I believe, sells \$160,000 a year in terms of souvenirs basically meeting public demand. I can tell you, I have e-mails from as far away as South Carolina asking for souvenirs.

I realize that it is kind of unusual for the NDP to be attacked for being too entrepreneurial, but what we did here is we sat down; we knew there was a demand. There was a huge demand at the Manitoba Museum, 114 000 people there. Many people were saying where are the souvenirs. We recognized some of the time lines that were available, and what we did was basically put in a system that involves a private company, A Point. We basically have been able to produce the vast majority of the souvenirs using Manitoba companies. The one exception is the pin, which uses a Canadian company.

I want to credit the Member for Assiniboia (Mr. Rondeau) on this, who headed up the committee in terms of this. I can tell you the sales are going very well. The prime purpose of this is to provide a service to the public, and it has been very well received. I have been down a number of times myself. I must admit I am part of the sales. I have bought for various relatives and others, and I have talked to a lot of people at The Forks, and they are extremely happy.

So I just want to assure the member on the record that the private sector was involved in this. In fact, Government Services is essentially co-ordinating the sales, and I think that is something that may be new for this province, not new in other provinces. I think it is long overdue, and, in fact, I will put on the record that given the demand for the Golden Boy souvenirs, there may be a role, and it may not be Government Services necessarily that plays this role, but there may be role. I just look at this Legislature. Why is it you can go to Queen's Park? Why is it you can go to Alberta? You can buy souvenirs, but you cannot here. By the way, I have talked to staff here, and they often are asked if there are souvenirs available. So, in this

case, I can assure the member the private sector was involved.

I cannot give the member the exact numbers on sales, it is going on a day-by-day basis, but, from my understanding, from talking to staff who were there, we are selling in the thousands of dollars a day range. We are certainly anticipating more than a break-even. We have been very modest in terms of the ordering. One of the things that the committee did was make sure that, for example, with T-shirts, we had a relatively modest run of T-shirts, because then, if there is more demand, you can easily get them out on a very short turnaround.

The sales of the pins are going extremely well. I think the reports are that we are looking at a sell-out of the pins. What I was going to suggest, if the member would like, I can get a list of some of the items that are being sold, some initial quantities, costs. There is a member of this committee that probably knows this stuff by heart, but, if the member wishes, I can do that. I have no problem providing the information.

Quite frankly, I am glad we did this. I was a bit surprised by the questioning in Question Period, but Question Period is Question Period. I think, in retrospect, and I am sure the member would agree that, since we have used the private sector here, I think this is one area we can all agree on, but I would be more than glad to provide more detailed information to the member if he wishes.

**Mr. Helwer:** I thank the minister for his answer there. I really do believe that—I have been to a number of legislatures around the country also—the sale of souvenirs, or something like that, is a good idea, and I think the former Speaker, I believe, started that in the Speaker's office by having some Manitoba items that were for sale. I see nothing wrong with that. As a matter of fact, a little store out front near the tourist booth there would not be a problem. I certainly would not object to anything like that because there are a lot of tourists that pass through this building, and it is a very popular stop for very many tourists.

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

I am really glad to see that. So I see nothing wrong with taking advantage of, if people want

to spend a few dollars on souvenirs. I do not think there is anything much wrong with that.

I think, with the fact of the promotion of the Golden Boy, and the fact that a lot of people have seen it this year, probably we are getting more tourists through the building than I have seen for many years. Maybe it is just because we are in session now and we see this. We are not usually here in July and August, but this year there has been, well, I think probably the Indigenous Games has helped. A number of events in Manitoba have helped tourism through the building here. So I think that is a good idea.

Yes, but I would like, Mr. Minister, if you could provide me with the sales items. Probably you will have them wound up some time in October after the Golden Boy is put back up there. So I think, if you could provide me that at some later date, I would appreciate that for future use.

Just a little bit about the inconvenience that the contractors, I guess, have kind of created for some of the staff around the building. Have you done anything to try to improve the parking around the building for staff? Plus, I guess, there have been times where construction has been going on and people have had to move their vehicles and move one thing or another. Have you tried to limit this inconvenience to a minimum, or what has been done to help this out?

**Mr. Ashton:** Well, certainly I appreciate that, any time there is a significant construction project underway, there is inconvenience. It is even the case on the highway side. You know, it always amazes me that everybody wants road construction, but, when the construction takes place, there is a percentage of people that take great objection to the fact that their travel times are delayed. I appreciate that is part of it, but the relative inconvenience of having to move parking versus the danger of public safety of having chunks of the stonework fall off, or having the Golden Boy fall off, I think, is the balancing factor.

I think Government Services staff have tried to minimize that, and, if you look, actually, at what we have been able to do, the access to the three sides of the building is unimpeded. We

have basically been able to use the east entrance and I think the impact has been relatively minimal. It has not impacted on the access to the building by suppliers and others, couriers. That access has still been open. I appreciate there has been some inconvenience, but quite frankly, when you get a project of this scale, I think it has been relatively minor. Most people I have talked to, actually, I think have been very understanding.

We have had tarps in front of people's windows for a period of time. It has certainly impacted on what they can see out of their offices, but compared to the alternative, I think it was an important trade-off. So I think Government Services tried to minimize it, and I think they have done a pretty effective job of that.

**Mr. Helwer:** Just going back to the Golden Boy souvenirs for a minute, what period of time will you be selling these until, or when will you stop the process of selling items as souvenirs of the Golden Boy?

\* (09:40)

**Mr. Ashton:** Well, Mr. Chairperson, I think we are certainly having sales until the royal visit, because the royal visit itself is going to involve a very significant ceremony that is going to involve the building and the Golden Boy. So I think we will do that, but quite frankly, being entrepreneurial again here, if there is a demand beyond that, we would certainly want to see that demand satisfied.

What is interesting on the souvenirs is, I mean, I have talked to the staff who have been selling them, how people have been talking about many other possibilities. I mean, we have been kidded about Golden Boy action figures, but, quite frankly, people have had a very significant interest in the Golden Boy in terms of presentation items. What I find has been absolutely remarkable about the Golden Boy phenomenon, which I think is the term to use, is if you are a Manitoban, this has become a symbol that is uniquely part of this province.

I could see it when I was down visiting the Golden Boy the other day. A lot of people have

relatives in. There is one family, I actually know the family, they were down there. Her brother is in from Jamaica. There was another family, they had a sister originally from Winnipeg living out in B.C., and they came back to see the Golden Boy. So we are starting to find, too, that a lot of those visitors are looking for something that is more of a long-term representation of the Golden Boy as a symbol of Manitoba.

So we will look at that, but the key element I want to stress here is we are being cautious. I think the other thing, when you look at the souvenirs that we have on sale, we also wanted to make sure I think, too, that they were appropriate in terms of quality. We do not want to see the Golden Boy cheapened in any way, shape or form. Some things we cannot control. I know there is a beer in Mexico that has the Golden Boy on the label. So you cannot control that.

We have up until now not copyrighted the Golden Boy, so to speak. It is an interesting discussion, more appropriate in Culture, but you can copyright the Golden Boy perhaps to try and protect against improper use. To my mind, a Mexican beer with the Golden Boy, I think that is a bit of a stretch, but we have also been very cognizant of the fact, and I get back to the issue of the private sector here, that we are not trying to stop private sector from using the Golden Boy appropriately.

I was down at The Forks. There is actually a Golden Boy torch ice cream, believe it or not, one of the ice cream vendors there. I mean, that is pretty entrepreneurial. We in Government did not do that. That was the private sector. There are various souvenirs sold on an ongoing basis.

Our concern, though, Mr. Chair, was to make sure that we had proper quality of souvenirs. I think we have done that. I want to, on the record, give credit to the design team because when you have something that is representing a symbol or representing a restoration that could, quite frankly, be once in a millennium, I think we expect it to be that appropriate. As I said, we will be reviewing this. I think it also leads into—I appreciate the member's support in principle—the general idea of selling souvenirs. In fact, I know the former



Speaker did sell souvenirs out of her office. That is why I was a little bit surprised that she was quite so critical on the Golden Boy. I actually supported that when I was at LAMC. I thought that was an appropriate thing to do.

When you come to this great building, quite apart from the Golden Boy and the restoration, it is absolutely ridiculous that we have not been able to figure out a way to provide some sort of souvenir. We get up to 1000 visitors a day. I think the member is right. It has been a very busy summer. I think he is right, the North American Indigenous Games. People come here.

I also want to put on the record that we are looking in the very early stages on improving our capacity to deal with visitors. Other provinces have a much more active visitor's program than we do, not just in terms of souvenirs and attracting tourist business but school outreach. Some provinces have many youth parliaments. We have the established youth parliament but often bring in school children, especially junior high level, to learn about the political process.

There is a lot more we could be doing in this building, I think, also to show off Manitoba's history. This is a building that is a good reflection of Manitoba from 1912 to 1919, but there could be a lot more I think to recognize our Aboriginal history, far more to represent the Métis. Riel has a statue at the back of the building now, but very little reflection of that. Quite frankly, our diverse ethnocultural heritage as well. So there are a lot of opportunities for that.

One of the advantages of what we saw with the Golden Boy, I thought it was very well done, very extremely well done in the Manitoba Museum, is the degree to which they had a very good interpretation there, a very good exhibit. They are very good at that. But we have to learn more about our history, so I see this as being more than just a popular event.

I was joking the other day that the Golden Boy has been like a temperamental rock star. These appearances are a lot of fun but every time somebody goes to see the Golden Boy or every time they purchase some sort of souvenir, it is being part of history, it is being part of history. It

is unique in Manitoba. There is nowhere else I know of that has a statue that stood on one foot for 82-plus years in weather equivalent to Manitoba's and has captured the imagination of people as much as the Golden Boy. I do not think anywhere has an equivalent. No other legislature does in Canada, none in the United States. It is absolutely unique.

What I love actually is, the member mentioned the Golden Boy pins, whenever you travel I find now that there is quite a bit more awareness across Canada because there has been some coverage in this. It is not because I am the minister responsible, but people ask about the Golden Boy. It is a great story but it is also ours. It is unique to Manitoba.

I appreciate the member's interest in this topic because I think there is a lot more that can be done. We can learn from this in the long term, not just in terms of selling souvenirs but I think on how we can better share our history and our great symbols in Manitoba.

**Mr. Helwer:** I think the souvenir idea was a good idea. I think it is an opportunity to serve the travelling public, that is the tourism, because I think the Golden Boy is certainly a symbol that Manitoba cherishes and is of importance.

As a matter of fact, I guess, any time I speak to school children or when a school comes in, the first thing they ask about are, you talk about some of the changes to the building and one thing and another, the fact that your Golden Boy is being refurbished and one thing and another. Then they always have a lot of questions about it. So I think it is an important part of our history. I think Manitoba, we should be very proud of our symbol of the Golden Boy and the fact that we have something as significant as that.

I think the people who originally came up with the idea of that and originally when they built the building should be commended also. But, as you said, it is important. I do not see anything wrong with the fact of the souvenirs.

We talked about the cost of renovations again. The total I guess that we have come up with up to now is about \$7.6 million, which the

original estimate was about \$7 million. This makes us about \$0.6 million over our original estimate. Am I correct in that?

**Mr. Ashton:** What the member is confusing is the fact that the copper work was another project. That was brought forward a few years because of the availability of the scaffold to save at least a quarter of a million dollars. In actual fact, that total goes beyond the original scope of the project.

In terms of the original scope of the project, once again, the stonework was under in terms of the cost. The Golden Boy obviously was unanticipated. We anticipated the gilding. The major restoration was not anticipated, but the combination of the two was still well within the original parameters that were taken for it in terms of the estimates of the project. Despite the unanticipated problems with the Golden Boy, we are still very much on target financially.

**Mr. Helwer:** In total, you are looking at about 7.6 or something of that nature at the present time. That is over the original estimate. I realize there was some extra work done to the Golden Boy that was not anticipated, of course, but those things, usually when you are dealing with something of that age you always anticipate some extra costs. I am sure that some contingency would have been built in to the original estimate. What part of that total is budgeted for this fiscal year of the 7.6?

\* (09:50)

**Mr. Ashton:** I want to stress that it is not a contingency. The work being done on the copper is a totally separate project that would not have happened if we had not had the scaffolding remain in place for the Golden Boy. You have to net out of that \$7.6 million the approximate \$1.1 million for that work. That is a totally separate project. It is not a cost overrun or some contingency. It is something that would not have happened except for the opportunity we had with the scaffold being in place to save some taxpayers' money, \$250,000. This work would have had to be done in the next three or four years.

In terms of the current year, I can get the exact breakdown. We are getting it here. The copper work is being done this current year.

Some of the work on the Golden Boy is being done this current year. I can get you a breakdown on the fiscal years. What I would suggest maybe is if we can just get staff to get you a breakdown between the phasing of it. I just want to stress again that the copper work is totally separate, so you have to net that out. If you take that \$7.6 million, bring it down to \$6.5 million, that is the base figure you are dealing with, compared to estimates of \$7-million-plus initially. Again, we are actually, despite the Golden Boy, under budget.

**Mr. Helwer:** I thank the minister for that. I would appreciate those figures. If I could get them at some later date, that is fine.

On the souvenirs, one other thing I forgot to mention is that at the present time you do not have a copyright or a licence or you do not license people to sell souvenirs on the Golden Boy. I wonder if you should look at some form of maybe a copyright or licensing manufacturers or suppliers of some of the items, just to make sure that you have a standard that does not cheapen, that there are no cheap replicas out there, kind of thing. I would hope that you could look at some way of limiting that in the future so that we keep the quality of the merchandise of excellent quality and do not allow some cheap replicas on the market.

**Mr. Ashton:** The member raises a very good point. I appreciate the suggestion on this. I think the fact that we have been dealing with souvenirs and one of our key goals was to maintain the integrity of the symbol the Golden Boy I think leads to that down the line. There is a fine balance between what is public domain and not trying to limit opportunities. I do not think we have any difficulty with an ice cream vendor at The Forks having a Golden Boy ice cream. That is not the issue here, but I appreciate the point the member has taken.

Certainly, there is a legislative framework in terms of provincial symbols. I know certainly even if one uses the buffalo shield or other aspects of what are Manitoba symbols, there are certain restrictions that exist there.

I would certainly appreciate advice from the member and his colleagues on this, because if we can find that balance, as I say, we are not

going to try and be like Disney when it had rights to the RCMP, where I thought often they went overboard, or the Olympic movement sometimes. You can have a restaurant called the Olympic restaurant, they will not allow the use of even the word, let alone the symbol. So I think the member points to a very important issue.

Mr. Chair, I just want to get back to the cost of the project, again, too. I think the figure we are looking at currently, if you include engineering fees, it would be about \$6.9 million. I mentioned the \$6.5 million which is the actual construction cost, but even with the engineering fees, it is still under the original projected cost of in excess of \$7 million.

**Mr. Helwer:** I want to thank the minister for his response there. Perhaps we will move on to some of the procurement of supplies. You talked about that a little bit in your opening statement.

Do you have kind of a set figure as to what the department can work up to and then you tender for some of the larger purchases? Do you have a limit? Is it anything under \$10,000, and your department cannot purchase anything over that? Do you have to go to tender? What is the policy of the department on this?

**Mr. Ashton:** Just some of the thresholds. There is an ability for departments to purchase up to \$2,500 through a procurement card. There is also the SAP system, which the member will be familiar with, which basically allows us to go to tender for general procurement. Once again, if you are over \$2,500, in general, it will trigger that.

We are also operating under the requirements of the Agreement on Internal Trade in terms of a general tendering policy. I believe the general threshold is \$25,000 and one of the requirements there again is not to have practices that would be discriminatory. It is a difficult one because obviously sometimes you will get a Manitoba company that has put in a higher bid and they feel they should get the contract. The reverse of that is if you want to ensure access for Manitoba companies to other markets, you also have to ensure access to your market for other

companies as well. So those are the general thresholds, and if the member wants more detailed information on that, we can provide that.

In terms of electronic tendering, I am just getting some more information. It is actually \$25,000 in terms of the goods, so at that point you go to the electronic tendering. Service is \$100,000. Construction is \$250,000. These, again, are under the interprovincial trade agreement.

**Mr. Helwer:** So there are a number of different levels as to what kinds of tenders are called for, depending on the project, of course. But the minimum or anything under \$2,500 can be purchased by the department. Anything over that, depending on what it is, has to be tendered out. Is that correct?

**Mr. Ashton:** That is right. What I would suggest perhaps, we will get the member a detailed summary of this. I have given the general figures, but that is the general principle. You have thresholds above which you have to go to electronic tender.

**Mr. Helwer:** Mr. Chairperson, as far as purchasing locally in Manitoba or in Canada, are you able to purchase, say in Manitoba, or do you have to go out of province or out of country for?

**Mr. Ashton:** Mr. Chairperson, I assume that the member has asked for summary information. Once again, outside of some of the provisions we are bringing in towards Aboriginal procurement, which is accepted as appropriate given the difficult socioeconomic circumstances that they are faced with, I can give the member even a geographic breakdown if he wishes. It is fairly detailed information, also by province.

One thing I can indicate, Mr. Chairperson, basically this is summary information, but one of the areas that we are finding, certainly through the Aboriginal procurement but through our procurement activities generally that is important, is making Manitoba businesses aware of the system; because in many cases Manitoba businesses, if they are aware of the system and the opportunities that there are actually are in an advantageous position relative to other provinces

or other countries. I have a fairly detailed geographic breakdown, both by community and by province, and I would be more than happy to make this available to the member.

The general figure would be about 50 percent is from Manitoba; 99 percent, including the 50 percent is, from Canada.

\* (10:00)

**Mr. Helwer:** I wonder if I could get a copy of the leased properties and the details of the leases at some future day, if I could have that provided to me.

**Mr. Ashton:** As long as the member is prepared for how long the printout is. It might make good, I was going to say cottage reading, but bedtime reading, probably put the member to sleep but we can provide that information.

**Mr. Frank Pitura (Morris):** I just wanted to pursue with the minister the area of the Aboriginal procurement initiatives that he talked about in his opening statement. I guess I am maybe somewhat surprised that he did not mention that as part of the objectives of the procurement services, as being an area that they were exploring. I would like to just ask the minister if there has been any feedback and if the minister has made any decisions with respect to Aboriginal procurement initiative.

**Mr. Ashton:** Actually the Aboriginal procurement initiative is part of the sustainable procurement issue. It is very much related to that. Just in terms of consultation, we have had extensive consultation with a number of Aboriginal organizations and also the Aboriginal business leaders and entrepreneurs. We established a working group.

Mr. Chairperson, just to give you some idea of the key elements that we are going to be having involved with the Aboriginal procurement initiative, and I think you can see the kinds of things that will make a real difference. The first one, an Aboriginal vendor registry which will be accessible government-wide. There are many Aboriginal companies out there currently, and we are finding that is very important. Bid matching service for tender opportunities, purchasing tools and options to assist government

buyers increasing business now by Aboriginal suppliers. This is the principle the federal government uses with its Aboriginal procurement initiative that has proven to be quite effective. Educational workshops for Aboriginal vendors, once again, to give Aboriginal vendors some sense of what is out there. Aboriginal procurement internships, that is to develop expertise.

I am a big fan of internships generally, by the way. I think they do a lot to give people hands-on experience. It can be very useful for them. Also, we need to basically have a mechanism to report Aboriginal procurement activity in government. I want to indicate that we have basically adopted those principles, and I think actually we are going to be able to take the federal model and improve on it here. There are some differences, but we think there are some real opportunities. I also think, by the way, this is consistent with what is happening in the private sector.

I really want to commend the Winnipeg Chamber of Commerce. They have put a lot of effort into developing relationships with the Aboriginal business community. Quite frankly, we have also seen, I think, many individual corporations play a lead role. The banks are good examples of very good corporate citizenship. I have seen a huge, huge change in the way in which banks have dealt in terms of Aboriginal communities.

Basically, our intent, once again, is to give greater opportunities to Aboriginal businesses in recognizing that, while there is this growing Aboriginal business community, it has not always had the access that is required. I am certainly more than willing to get into any of the details of this, but the basic principle, once again, of the Aboriginal procurement initiative is basically to significantly improve the opportunities for Aboriginal businesses, and that is what we have done. We have developed a number of mechanisms using the experience elsewhere. I am very confident over time, it will take time, but over time we will see far more participation by Aboriginal businesses in procurement activity.

**Mr. Pitura:** Mr. Chairperson, I would just like to ask the minister whether the discussions that

he is talking about with the Aboriginal community, with respect to the vendor registry and bid-matching services and educational workshops, are these discussions with Aboriginal organizations and entrepreneurs within the province of Manitoba or are they extended to the areas outside the province at this time.

**Mr. Ashton:** The discussion has been with Manitoba organizations. We are in association with community councils, MMF, the Aboriginal business leaders. These are all Manitoba organizations.

What I can also indicate, by the way, as well, too, for the information of the member, and I realize this is on the Transportation side, but, to give you an example the kind of things that we have been working on, we have been working on increasing local content, Aboriginal content. A good example would be Moose Lake, where we went in and identified the resources available in the community and were able to put in, using the tender system, a percentage of activity in that community. Also, Cross Lake and the Pimicikamak Cree Nation, we had a project on 373, and we, for the first time, were able to use, not only a northern preference clause, but a Cross Lake PCN preference clause, 10 percent of the work from that community, 10 percent for overall northern preference.

We have taken what has already existed in terms of northern preference and extended it to communities because, in many cases, I am sure the member will appreciate this, there is a lot of frustration where you will have a First Nations community or a Northern Affairs community with high rates of unemployment, work being done in the immediate area, people that are capable of doing that work and them not getting any of those contract opportunities. So there is an example on the Transportation side, but it is an example that we think can be applied government wide and certainly can be applied in terms of our procurement activities, as well. In many cases, it is a matter of identifying the capacity and putting in place a mechanism that allows access to that.

**Mr. Pitura:** I know that the minister mentioned a couple of points there, and I would like to pursue them as we go along, but the first

question I would like to ask is the minister mentioned that they would have Aboriginal internships, and I was just wondering if he could explain what that means.

**Mr. Ashton:** That would be with our Procurement branch. So what it would allow the interns to do is to see how procurement actually works.

**Mr. Pitura:** Like acting as purchasing officers or procurement officers with Purchasing?

**Mr. Ashton:** That is the general idea. You know, the best way to learn about procurement, really, is to be part of seeing how it is actually done, and one of the advantages of the internship, I believe, is going to be that it will give Aboriginal people, particularly young Aboriginal people, an idea of the system and the kinds of opportunities that are available in the system. The member is correct, that is exactly the intent of the internships.

**Mr. Pitura:** I know the minister indicated that the federal model is the model that the province is using as a basis for setting up their Aboriginal procurement initiatives. I was just wondering if the minister could expand on that and kind of explain what the federal model is and what he anticipates the provincial model to be.

\* (10:10)

**Mr. Ashton:** There are some similarities and there are some differences. The most significant difference probably is that the federal government, because it has a fiduciary relationship with First Nations, obviously is involved with a significant amount of tendering that relates directly to First Nations. While we, obviously, do have tenders that impact on First Nations and we recognize that is only one element of the Aboriginal procurement, obviously our fiduciary relationship is not the same with the federal government. So there is a difference in scope in that sense.

But what the federal government has done basically is, particularly in areas which involve that relationship with the First Nations, they have used a number of techniques and in some cases what it will come down to is if you can identify that there is expertise out there in the

Aboriginal business community, if you can identify the fact that the work can be done, you can put in place a number of techniques, set-asides, there can be bid matching. What it does basically, you still use an equivalent to the tender system but what you do is you involve the Aboriginal companies in that element of it. We will be looking at that and I use the example of the highways projects. There is a good example where we have been able to identify some of the capacity that is there. Highway 373 is a good example. We are still using the overall tender system in that case, but there is a component within the system that the contractors themselves can then use in terms of using the resources that are out there.

So, basically, Mr. Chairperson, there are a number of elements. We are trying to go beyond simply satisfies though, because you know, in a lot of cases there is a bit of an analogy here to Manitoba businesses because, once again, if you do not know what is out there and you do not know how the system works, then basically you may have the expertise but you are not going to access it. That is a very key component.

We mentioned the internships, but a lot of the other work, the education work that has been on-going, by the way, but is going to be part of this overall strategy, I think is going to make a real difference. In a lot of cases, it really is just a matter of bridging some of those gaps. There will be some other situations we will do generally in terms of Aboriginal procurement. I will give you an example of the kinds of situations you will often run into. If you take remote communities, you have to be careful in terms of scale, of contract opportunities, also in terms of bid bond requirements, you know, whether communities are in a position to be able to meet those requirements. What we are trying to do is look at any and all barriers in this case. Obviously, you know, we are maintaining the basic target of the system, you know the tender basis, whether it be in terms of procurement through Government Services or on the side of Transportation. I think that is very important.

Mr. Chairperson, I think one of the elements here is that Aboriginal businesses can and will be competitive. We have found, and I use the transportation analogy, where we, I will give you

an example, the South Indian Lake road, where we had a very aggressive tender that went out to First Nations communities in the area for a component of the road. When I say "aggressive tender," it was very competitive. So there are a whole series of initiatives we are looking at. The key element here is to identify barriers.

Probably the big difference between us and the federal government, Mr. Chairperson, is we are not going to be strictly relying on set-asides. I think we are hoping here that we are going to be able to empower Aboriginal businesses to be able to access opportunities, not just when it deals with an Aboriginal community, but when it deals with government generally.

Mr. Chairperson, I think if the member is aware of some of the business ventures that are out there currently, the Aboriginal business ventures: we have Aboriginal construction companies, we have Aboriginal marketing companies, we have Aboriginal supply companies. There are Aboriginal companies in the food supply area. You name it, you will find Aboriginal businesses today. It is a dramatic difference from 10 years ago and certainly from 20 years ago. So I think we are trying to now go the next step and try and plug those Aboriginal businesses in far more than they have been up until now.

**Mr. Pitura:** I was wondering if the minister could explain what he means by set-asides.

**Mr. Ashton:** Basically, a set-aside, for example the federal government or we would identify an opportunity for Aboriginal businesses. I use the transportation analogy because that is the one I just referenced pertaining to South Indian Lake, but that was a tender that was issued to the Aboriginal communities in the area. So you still use the tender system and the kind of area that would be probably appropriate would be particularly where you are providing services or providing goods to Aboriginal communities themselves. So that is what the term set-aside refers to. The federal government uses it fairly extensively, and that would be one of the areas that we would move up.

**Mr. Pitura:** Mr. Chair, I note the minister has indicated that educational workshops are

certainly a very important key role for the provincial government to play in terms of informing a lot of Aboriginal entrepreneurs and their businesses as to exactly what is out there and what they can achieve through the procurement area dealing with the province. I was wondering if the minister has started these procurement workshops with the Aboriginal communities or Aboriginal businesses.

**Mr. Ashton:** Yes, there has been ongoing contact in the development of the initiative. Also, obviously there has been a lot of work done with the Aboriginal community. But in terms of the full implementation we are into, because we have about an 18-month rollout, we would have to bring some staff in to do that. That would be the point at which we would move beyond what essentially has been ongoing contact or work that really was for preparation of this initiative into the actual full implementation, the educational side.

I can indicate, too, that the educational side will be a very significant priority. We are of the view that if Aboriginal businesses, and businesses in general, this can apply equally to Manitoba business, but if people are aware of some of the opportunities out there and how the system actually works, and if we are aware of some of the barriers, too, I mentioned that earlier, that in itself, I think, will significantly increase the percentage, in this case, of Aboriginal participation in Government procurement.

**Mr. Pitura:** I thank the minister for that answer. I was wondering if the minister would care to comment. I believe that within the federal system that they, in some cases and maybe in all cases, establish a minimum percentage of the amount of procurement that must occur with the Aboriginal businesses. I was wondering if the minister himself could see the province of Manitoba having a minimum level of percentage of business.

**Mr. Ashton:** I think the experience we have currently, and I reference the Transportation side again because we have already moved in this direction, is that what you need is basically to recognize the situation in each circumstance as being relatively unique. I mentioned about

Moose Lake, and I mentioned about the work that is being done on 373.

These are relatively new developments, but what we have tried to do is try to identify the capacity and the community served by, in this case, the road and then include that as part of tender process. Once they include it in part of the tender process, the advantage is then that the private companies that are tendering then factor that in.

They go out and identify which contractors locally can provide that. In the case of 373, we have a 10% local and a 10% northern provision. We are in the early stages. We will probably learn from the experience.

One of the issues, I think, that is very important with the procurement, and that is why, once again, what is important is basically on-the-ground initiatives rather than setting something that may apply on a provincial level but does not necessarily work in practice. One of the reasons for that is, I think, the key element here is Aboriginal content. What we are not trying to do is see establishment of companies of name; content is the very significant concern that we want to see. That is best achieved, I think, by dealing with that on a contract-by-contract basis.

\* (10:20)

I think you will find, for example, if you are dealing with, obviously, northern Manitoba, with some communities, you will find more significant capacity, and I give the example of South Indian Lake, which the Department of Transportation, we constructed the roads, funded by Manitoba Hydro. One of the things we learned from the experience, that Manitoba Hydro is a very good process for Aboriginal procurement and for Aboriginal involvement. To a large extent, we have been able to learn from their experiences as well and what it is aimed at is identifying capacity, the capacity that is in a community or in an area and then basically making the tender system for a project in that area reflect that capacity. It makes far more sense, to my mind, to have, you know, if you know you can get 10 percent of a contract in an area, to have 10 percent, than to have some

unrealistic level. If you put 25 or you put 5 in, it really does not help the situation.

So I see the approach here being targeted rather than global. We will certainly monitor the success in terms of Aboriginal procurement. I mentioned earlier to the critic that we do have the information available, certainly, in terms of geographic breakdown currently and in terms of Manitoba versus overall Canadian and foreign content. So we will monitor it by, I think, the experience of even the federal government, as well, but certainly Manitoba Hydro. You are far better off to have a goal of maximizing the content generally than take up the figure, pull it out of the hat and treat it as some sort of eventual goal.

I will give the example of where that does not necessarily result in anything happening on the ground, and that is affirmative action. We have had affirmative action in this province now going on for a significant period of time, and there are targets in place, but some greater success in reaching those targets. I know we have done quite well. We are doing increasingly well in the Transportation side.

On the Aboriginal side, there has been some very significant initiatives there, but what happens is, not having a target, actually getting out and hiring people and getting Aboriginal people plugged into the system. We have, for example, an increasing number of tradespeople that are retiring. We cannot get trades up north. The majority of the population in northern Manitoba is Aboriginal. It does not take much to figure out that there is the source for a lot of our future trades.

*Madam Chairperson in the Chair*

What we are finding is what works, basically, is not just having a target; it is having the ability to plug people in. I note here, and I want to indicate that affirmative action is a very high priority, certainly, for this minister and this Government and our department, that we have, basically, I think, some better experience in some areas than others. I think we need some improvement, both in the Aboriginal, in terms of hiring the visible minority side, but having a target does not work unless you actually get that

factored into the hiring process, who applies and to ensure that you do not end up with systemic discrimination.

So that principle, as I said, leads to what I think is the best approach, which is an approach targeted on the ground. It does not just set an overall target that may or may not ever be met.

**Mr. Pitura:** I thank the minister for that answer, and I think what he was telling me was that he was not going to be using a specific quantity or level of procurement percentage-wise, and I guess if he is saying that I agree with him that it is not a good way to go because often a minimum becomes a maximum.

So you think you are doing something that is very good and you end up really restricting the amount of business that the Aboriginal community can end up doing with the provincial government. They may be the best in the world to supply that service to the Government, and they are using the policy of a 10% maximum because it was set as the minimum.

So I thank the minister for those answers on procurement, and I will pass the floor back to my colleague.

**Mr. Helwer:** Madam Chairperson, I have a number of questions on airport services and one thing and another. I understand your staff is here now, so maybe we will just go into that. I talked a little bit about it in my opening statement regarding St. Andrews and the fact that the St. Andrews municipality has taken that over from the federal government.

What part does the Province or the department of airports play in St. Andrews?

**Mr. Ashton:** Switching to the Transportation side, of course, but we are one department here. As you can see, we are all at the same table. Basically, none. The provincial role in terms of airports in terms of primary service and in terms of our remote airports, basically northern Manitoba, but the basic jurisdiction to these airports is federal. It was really an accident of history that we ended up operating a lot of those airports in northern Manitoba, largely because the Schreyer government, I think, recognized that there was a



need to move and provide the service, which I think was the appropriate move. We also do have a number of programs that do assist airports, not only in remote areas but also in southern Manitoba, designated airports. So basically for operational purposes, the Manitoba Airports Assistance Program.

It has been a recognition by the Province, the previous government, too, I mean, this is not this Government, this is something that has been ongoing, the fact that support for airports has been inconsistent, inadequate, use whatever term you want, by the federal government. Quite frankly, I just want to put on the record before getting back to the details of the question that the member is raising, that there is a real problem in this country, including this province, particularly with smaller airports. The federal government has increasingly done two things. They have gotten out of airports, devolved airports to local authorities. Some work very well, the Winnipeg Airport Authority does. A lot of the smaller communities do not have the capacity, the financial capacity to operate the airports. That is an ongoing challenge. But at the same time, the federal government is taking out a significant amount of revenue.

I will put this on the record because it applies also to highways, but the University of Manitoba Transport Institute put out a very good study recently which showed that the federal government in 1988 subsidized transportation by a billion dollars, as in put it in. We are now taking out—these are figures from a couple of years ago, so it has probably even gone up now—\$3 billion and that includes from the airport sector.

I think it has been very well documented in the last week or so that when you buy an air ticket, you know, it may say \$129 deep discount fare, but then you have to add in your security charge, your Nav Canada charge, your airport user charge, the rest of it. So we are starting to find some real gaps that we believe are going to affect increasing the airports and this is, by the way, a concern that is shared by every provincial minister.

In fact, when we had the western ministers of Transportation meet recently, one of the key

issues that was raised was, indeed, the viability of not just small airports, quite frankly, but mid-sized airports. I know even from my own community, Thompson is one of the top 40 airports in the country, but quite frankly even there, there are not the same opportunities as in the Winnipeg Airport in terms of traffic, you know, for the landing fees and in terms of commercial opportunities. So there is an ongoing problem. The reason I want to raise sort of a more general comment here is the fact that we are not just throwing our hands up and saying nothing can be done. We are calling on the federal government to take a far more significant role again on the airport side.

**Mr. Helwer:** I want to thank the minister for that. I realize that the Airports Assistance Program does help some of the smaller airports. I know Gimli has had a grant for some of the runway repairs. They are running into some problems there also. Their lighting is becoming outdated. That is the one thing that is going to cost big dollars to repair this again, to replace some of the lighting in there and one thing and another. Down the road they are going to have some financial problems also.

In the St. Andrews situation, Madam Chairperson, you talked about a midsize airport. That is I guess what we class that as. I suppose it is a little larger. They do have training schools. They have flight training schools. They have pilot training for helicopters. They are competing with other areas, even in Portage. Because they have closed air bases around, it is a pretty competitive business at the present time. They are all competing for space.

At St. Andrews the municipality did the right thing, I think, by probably taking it over. It was a bold move on their part, but what else could they do? Let the federal government close it or take it over with some assistance and try to make it a viable operation. They are really trying their best there. They have a committee working there. They have some excellent people there working on it trying to make ends meet, trying to make it a viable operation. But it is a problem.

Madam Chairperson, down the road I see a real problem, because, as the federal contribution is decreased and phased out completely, then the

municipality is going to be stuck with a liability there. It is not fair to the other taxpayers of the municipality to have to subsidize the airport there at St. Andrews. So it is something down the road that it is going to have to be addressed as to how it can be improved.

Just getting back to the Airports Assistance Program, I know that Gimli did receive some money for some work on the runways. What is the total Airports Assistance Program? How much money do they spend on it now and who received most of the grants for that?

\* (10:30)

**Mr. Ashton:** What I can indicate for the member is our total funding this year was \$160,000, of course recognizing that there were other partners in the cost. I can give the member a quick rundown if he would like, because I have this information available and it is not that extensive.

Madam Chairperson, Lac du Bonnet, the cost there, the contribution from the provincial government, this is for taxiway upgrading, it was \$17,000. I can give more information on the total project, but I will maybe just run through the provincial contribution.

Steinbach, the runway and taxiway resurfacing was a contribution of \$55,433.33. We have some very exact bookkeepers and accountants in the department. Shoal Lake runway repair, \$7,000. Gimli, which the member referred to earlier, quite a significant project, \$120,000 was the total project, \$60,000 was our provincial share. Virden, there was an apron paving, which basically we paid \$17,500.

Actually, I am looking around the room here. I think maybe if we get one more member in we could have a meeting of all the MLAs whose airports have benefited from this. They are all sitting on one side of the table here too. It is interesting. Russell, runway and shoulder widening, the provincial share was \$3,732. There have also been discussions with Falcon, West Hawk about a potential new airport.

It may seem like a fairly modest program. The member representing Gimli, we have got the

Member for Arthur-Virden (Mr. Maguire) here, I think could testify to this, but if you run through the different airports that are there, they are fairly significant airports for the community. You know, the key thing when you are dealing with the airports, take the Virden airport, the member would know probably better than I would the actual use of the airport. What is important is not so much the traffic volume, the passenger volume. We are not talking about high-volume airports, we are talking about airports that can provide a very useful role in terms of charter services, in terms of medical emergencies. It is fairly important to the communities. While it may appear to be a fairly modest expenditure, if you look at actually the ability of the airports to be self-sustaining, this is a very critical part of it. It is a very important part of the project.

I should just emphasize again, too, it is pointed out by staff, a very important point. These are airports that do not qualify for any federal funding as well. This is again pointing to that need. Quite frankly, I believe airports of this nature should qualify, remote airports should, I think a lot of our southern airports, just to use the term, because they are obviously mostly in southern Manitoba, but they should receive support. What is missing I think, I mentioned this yesterday about my view being that the federal government does have jurisdiction for nation building. Well, it certainly has jurisdiction for air travel, interprovincial travel. What annoys me, what frustrates me in dealing with the federal government is when it is convenient, they all say, hey, that is your responsibility, but when they have the responsibility they do not act on it. They are increasingly not acting on the Transportation side.

So I can just put on the record that we have maintained the Manitoba Airports Assistance Program. Certainly I would anticipate continuing to do so. If the federal government is not going to be there for the communities for their airports, \$160,000 can go a long way in maintaining that.

I just want to finish talking about the Gimli airport. The Gimli airport has also played a very significant role in the past as well too. I mean, it is not just in terms of regular traffic. Sometimes there are unanticipated circumstances where you

need airstrips that can be available in terms of emergencies and in terms of other types of situations. So I am very pleased that we have been able to support the Gimli airport for this important project in terms of their continuing operation.

**Mr. Helwer:** Madam Chairperson, I appreciate the minister's response. I have to agree that the federal people have really offloaded these airports onto the province. It is unfortunate. The should play a larger part, in fact, in the maintenance of these airports, especially the smaller ones or the mid-size, there is no doubt about it, especially in the case in Gimli, as an example, where they have the cadet program and the glider training and one thing and another.

Right now, there are some 160 students there, I believe, in the cadet program, the most successful program we have had for years actually. It was moved from Alberta to Gimli, which has been an excellent move. It has done very well at Gimli. Certainly the local committee has done an excellent job there of running this program. It has been great, but, like you say, that does create wear and tear on the airport and there is maintenance that has to be done. They are spending some \$120,000 this year on the runways. So that will help seal them at least, stop the water from getting in and protect them and try to maintain them for future use.

You are right in the fact that the federal government has offloaded on the provinces in this regard on these airports. They should have some responsibility there. I would hope that in future meetings with your federal counterparts that you will stress this again and try to get them to take some responsibility in the Airports Assistance Program, because we do need these in Manitoba. They are very important to the well-being of the province and certainly do help the province in many, many, many ways.

The case of St. Andrews again is a different situation because that is what you call I guess midsize. I realize the province is not involved there but hopefully down the road may have to get involved.

The other thing I was going to mention is the water bombers. I notice they use Gimli

airport quite a lot and they still operate out of there because of the fires in the North and one thing and another. I understand it has been a pretty busy summer, and all the water bombers have been fairly busy and done a good job, really, of trying to maintain, keep the fires under control and I am glad to see that they are still continuing to use the Gimli airport. I believe the Member for Portage has some airport questions.

**Mr. David Faurschou (Portage la Prairie):** Continuing on the point of airport operations, I do want to draw the minister's attention by way of the newsletter published by the Manitoba Aviation Council that draws to light the airport activity at Winnipeg International Airport for the first quarter of 2002, and I will quote: Of great concern, Winnipeg has fared worst of all major western Canada airports for the first quarter of 2002. Winnipeg's traffic decline was -16.5 percent; Edmonton, -11.7 percent; Vancouver, -8 percent; Regina -7.5 percent; Saskatoon -6.7 percent. Calgary was only off -1.8 percent.

The minister, I believe, is aware that there was a strategic change by the government of Alberta in support of the lagging air traffic and took steps to reduce and subsequently eliminate provincial tax on aviation fuels. The minister may also be aware that certain provincial governments recognize different categories of air travel whether it be domestic passenger, international passenger, domestic and international cargo and recognized those different areas for differential taxation. I am wanting to ask the minister: Has he entertained discussions but, first, was he aware of this situation?

\* (10:40)

**Mr. Ashton:** Well, I have been sort of monitoring the situation in the air sector quite closely. What has happened that has affected traffic here in Manitoba is really a number of factors. Across Canada there has been a significant impact on travel to the United States. What is interesting, actually, is that travel within Canada and travel internationally is actually up somewhat this year. I think it is reflected even in terms of Air Canada's latest report, but travel to the United States has been very significantly impacted because of 9-11.

That is not the only impact. In the wake of 9-11, the federal government introduced the \$24

safety surcharge. I can indicate we had a minister's meeting within a week of 9-11 and I put on the agenda our response, what the response should be across the country, and indicated at the time that we should not have additional levies put on a sector that already is paying these type of costs, in this case the security costs. What we have now is an absurd situation, and I mentioned this in my opening comments last night.

I do not know if the member is aware of this, but Brandon, for example, is subject to the charge and there is no security. In Thompson, if you travel by Westjet there is security provided by Westjet. If you travel by Calm Air there is no security. So you actually pay \$24 every time you fly round trip to have no security. We are already seeing in the short haul the impact. Westjet is right now questioning whether it is going to maintain the Calgary-Edmonton run which is a huge volume run in Alberta and a very similar parallel to Brandon-Winnipeg. So the \$24 fee is also significant.

Madam Chairperson, the other thing that has also been of impact this past year, the last two years, really, but it has also been an impact in the last year, has been the restructuring of the airline industry, obviously, originally, with the Canadian merger, but we saw Canada 3000 close. We now have a number of new services out of the Winnipeg Airport. That has certainly impacted on, basically, the situation in terms of traffic. Certainly, in my discussions with the Winnipeg Airport Authority, that, I think, has been part of it. There are some encouraging signs, though, that the restructuring will be adding some additional options back into Winnipeg.

I cannot keep up with how many spinoffs there are from the Air Canada side, Jazz and ZIP and Tango. I feel like I am looking at a dance card here, but one of these days they will figure it out. By the way, I have flown on Jazz, no, Tango, I have been on. I have not been on Jetsco. I have been on Skyservice, and I have been on Westjet. I just want to put on the record that, as Minister of Transportation, I have squeezed my six-foot-three frame into pretty well every airline seat that is ongoing. Quite frankly, coming from a community where choice has become a real factor the last number of

months, with Westjet, I certainly appreciate that element.

To the member's question, I think there will be something of a rebound for the Winnipeg Airport Authority. It is important to note that, notwithstanding a couple of those factors, we are likely to see some sustained impact on travel to the United States. I will just finish by saying that I argued at the time, and I argue again, that one of the key things that we have to remember is, if you stop doing what you would normally do because of terrorist activity, that is when the terrorists win. Every time somebody does not travel to the U.S. by plane because of what happened on 9/11, they win. The way to stop terrorism, to my mind, is to stop that kind of process and to travel again. I just wanted to add that because I think there will be a slow turnaround.

The member is right. There was a significant impact. I mentioned the three main impacts. There were some other factors that may have been involved, but those are three main elements that are behind that. There has been some more encouraging news the last period of time. The member mentioned the first quarter, but, certainly, my last contact with the Winnipeg Airport Authority, I think things have moved generally. They have been very vocal. Their focus right now is on the \$20 surcharge. I know the member opposite and I agree on this one, the absurdity of charging that fee when no security is applied or charging it when security is applied but not charging it to other sectors.

We do not apply a similar fee for the road sector or the rail sector. We pick on air. That is putting a lot of pressure on our airports and our air industry. I think the federal government is going to review this \$24 fee but, if I could put one thing on the record, it is the Minister of Finance (Mr. Selinger) that is going to review it and, at a minimum, scale it back. The U.S. charges, I believe, \$5 a trip. At a minimum, scale it back for short hauls. If I am travelling to Europe, \$24 is not quite as bad as if I am travelling to Thompson, yet it is the same fee. I appreciate the member raising the concern because, certainly, I share it.

**Mr. Faurshou:** I listened to the comments by the minister. Did the minister respond to my

question as to whether or not he had dialogue with his Cabinet colleagues about reducing or eliminating the provincial tax on fuel to compete with Alberta?

**Mr. Ashton:** I do not think the solution is in terms of eliminating tax. The reason I mentioned the three areas that impacted on the Winnipeg Airport Authority, these are all things that have occurred, essentially, in the last year. The taxation situation is relatively unchanged. In this particular case, similar to the ground transportation side, I believe that taxation has a role. It gets distorted when you have a federal government that taxes and taxes and taxes and does not put back into that sector.

I do not think that is the solution. I think the solution for the Winnipeg Airport Authority in this particular case is, one, a recovery of consumer confidence. That is one of the big factors of change. The second is scaling back or eliminating the \$24 fee. The third, I think, is already taking place. That is seeing more of the choices in place, more of the new airports in place. But I do not believe that the issue is taxation in this case. I have mentioned those three areas. That is why it has dropped. Dealing with those three factors will get the air travel up again.

**Mr. Faurschou:** On that point I will disagree. I believe what we need to do, as a provincial government must, is to have a level playing field for competing provinces and ultimately the air industry operating within those provinces.

On the point of the security tax, it is an outstanding issue, I believe, still currently, as the federal government is collecting the monies and will be putting those dollars back into the technology for security at airports. However, there was no mention of the capital required to renovate, to accommodate the new technology. I believe over \$200,000 is required to modify the international airport in order to create the space where the new security screening technology is going to be installed.

Madam Chairperson, has the minister had any discussion with his federal counterpart to highlight this area, because I truly believe that renovations should be included in the federal support for airport security.

\* (10:50)

**Mr. Ashton:** The short answer is yes. We have raised it because, quite frankly, this is a significant amount of revenue. It should be put to the purpose that it was intended to do. I have one concern, by the way, over and above the issue I just raised. That is the fact that we are essentially dealing with the Minister of Finance (Mr. Selinger). It is pretty much seen as a revenue measure.

One of the concerns that I have on that is related to the fact that we still have the 1.5 cent tax on gas for deficit reduction that has been in place, and we have no deficit at the federal level. My concern is that that \$24 fee might be seen as easy revenue. I think the member's question is an excellent one. There are some real questions here, the degree to which that money is actually flowing back into what it was intended for, which is security, not just the human side, having the additional security staff which we see in place but also some of the newer technology that is out there.

One of the encouraging things, by the way, in the fight against terrorism is the degree to which we have now far better technology that is available. Quite frankly, I would say prior to 9-11 Canada was far ahead of the United States. I mean, it was an unfortunate situation, I think, in the U.S. that their security system really was not at the same level certainly as Europe or even Canada in terms of scrutiny, in terms of technology and procedures.

I think the member raises a very important point. We have got to make sure that we are going to collect this money, it is spent, and the airport authorities have full opportunity to put in state-of-the-art security. Regardless of whether we collect the fee or not, that is where we should be headed.

**Mr. Faurschou:** I want to make it very clear that it is not only the installation of the technology but it is the renovations of the space to accommodate that technology that the collected security tax should be expended on.

I also want to ask the minister, I know it is a little bit of a stretch for his department, but he is

aware that I work with the department of personnel in the reinstatement of the CANPASS Program, which is the pre-authorized Customs program that was operating prior to September 11 but was suspended, where individual flying executives can be pre-authorized and clear Customs in a very expeditious manner through the CANPASS Program. I think the minister is familiar with the program. We did work with the department of personnel and, believe it or not, we were able to get that program reinstated. The federal officials said that it would be probably not until after the Kananaskis G-8 conference but because of the importance, I think, of the program raised by department personnel as well as myself with federal individuals, it did come back into play April 1.

Madam Chairperson, I do want to ask the minister to continue on in discussion on this program, because with Manitoba we see a tremendous number of fly-in fishing tourism here in the province where individuals come from the United States or points elsewhere in Canada to Manitoba to remote areas for sport fishing, hunting, bird-watching, even for the fact of coming in to view the northern lights, which I do know international travellers do from time to time.

It is something that is a true bottleneck at the present time, having to fly into Winnipeg International, regardless of where you are flying to here in Manitoba, to clear Customs. I do not know if the minister is aware, but to date over six years has lapsed since Canada Customs and the RCMP entered into formal discussions to create a contract, a working contract, between those two agencies to provide for an interchange of services. Over six years. That, to my way of thinking, is an extraordinary length of time to come to an understanding between two agencies basically mandated to do exactly the same thing across Canada, two federal agencies.

So, currently, we have those on-going negotiations, but I would like the minister to keep in mind that, when he has the opportunity, to suggest that Manitoba has a great deal to gain by a working arrangement between Canada Customs and the RCMP. I am going to be selfish. I am going to be very specific. I would very much like to see officials from J.R. Simplot be able to fly from Boise, Idaho into Southport, which is

just south of Portage la Prairie directly. Why should anyone fly from point A to point B, even with the CANPASS Program, and have to effectively be screened by Canada Customs officials?

Madam Chairperson, in Portage la Prairie's complement of the RCMP, we have two members that were formerly employed by Canada Customs officials. So the rationale that RCMP officers are not well trained; excuse me, we already have those individuals on site. Besides we also have the canine unit stationed in Portage la Prairie that is always wanting for exercise for the unit in securing aircraft and luggage. There is, in the case of Portage la Prairie, not one single argument to contravene a working agreement between Canada Customs and RCMP.

To see the additional cost in time as well as fuel; are we not environmentally concerned here? Why can a jet, a corporate jet, not fly out of any point in the United States, come to Manitoba for the purpose to which they are coming here, whether it be to go to Thompson to view the—like the Ford officials flying in from Detroit to come up and see the cold-weather testing? Why can they not fly directly from Detroit to Thompson? Why do they have to land in Winnipeg, clear Customs, and fly on again? Very cumbersome.

Madam Chairperson, I believe that once an individual passes through the U.S. screening process and we know exactly the purpose of their flight and the individual is completely cleared by Customs, why do they have to be personally viewed when it is a non-stop flight?

Madam Chairperson, I bring this to the minister's attention because I believe that there is no rationale as to why the CANPASS Program cannot be expanded to other points here in the province and, to follow that further, why the services to complement that program cannot be provided by RCMP, as well as the Canada Customs officers.

**Mr. Ashton:** I agree 100 percent with the member. I am aware of the situation involving Simplot. He identified some of the other examples, quite frankly, in terms of tourism as well. There are many aircraft that have the range

to come to Manitoba airports. I think it is quite reasonable to have a process of preclearance, but also to access the very able services of the RCMP.

Madam Chairperson, I think, if there is one thing we have to work on, it is perhaps an appropriate balance. Obviously, we want to ensure continued security, not just because of 9-11, but because of potential for other difficulties that we can see in terms of use of aircraft, but, quite frankly, if you can land an aircraft in Portage or Thompson or any airport and have the equivalent service provided by the RCMP, it makes absolutely no sense not to do so.

Madam Chairperson, the member is quite correct. It is a major irritant. I know it has always been a major irritant for Simplot. It is a major irritant, I am sure, for others that have to go through this process. It just does not make any sense when we can provide that service. Quite frankly, I would trust the RCMP in terms of any and all elements, whether it be in terms of the Customs side, the terrorism side, you name it. I think there is a clear example. The RCMP are well trained; they know what to do. I agree with the member, and I think it may be something we can continue to push jointly.

I think if this committee is any indication—I cannot speak for the Liberal member, well, maybe I will. I do not see any objection at the committee, but, seriously, I think we have unanimous agreement on that. If the member has any suggestions how we can pursue it, I could tell you, as minister, I, 100 percent, support what he is talking about.

Quite frankly, once again, one of the key areas we have done the last couple of years, this is a bit of a special case, but, if you look at cross-border travel, there has been a huge advance in terms of expedited travel. One of the key elements after 9-11 that many of the people in the corporate community pushed, Paul Tellier, for example, with CN, I think, quite rightly, was to maintain that push because, whenever you slow down movement because of a border, recognize, of course, you have to have the security element, the Customs element, the immigration element as well, what you do is you

hurt trade, you hurt the economy. Slowing it down does that.

\* (11:00)

What seems to have happened here is we have that one track that I think has gotten back on track, in terms of our rail movements, in terms of our ground movements, but, once again, we are failing to recognize that, in the air situation, obviously, you do not. When you enter Canadian airspace, you cannot go through Customs. It is just a simple fact. But to have the requirement that you go to where Customs is located, I think, is missing the point here.

In this case, with air travel, I can realize there will be some restrictions. Maybe not all airports, not all remote airports will provide the service, but, certainly, when you have Thompson, which is the third largest city, Portage, I believe is the fourth largest city—*[interjection]* Yes, I know. I just had to get that on the record because I checked the census again, and Thompson is still the third largest city in the province. But they are both big communities, right? They are both significant communities.

Madam Chairperson, we are talking about, I am sure there could be even regional airports that could be identified in terms of that. I think that is appropriate. I look at Churchill. I look at all sorts of situations where we can work out a system. Surely, in the year 2002, we can come up with a better situation than having to have someone fly to Winnipeg, clear Customs and then fly by corporate jet to Portage which takes what, 15 minutes. I just do not see why it cannot be done.

**Mr. Pitura:** Madam Chairperson, I would just like to ask the minister a couple of questions about the Emergency Measures Organization, but first just a short comment. I know that the minister earlier in his opening remarks indicated the fact that Government Services was the Golden Boy of Manitoba. I have always been told for many years that Donny LaLonde was the Golden Boy. So I think the minister will have to correct his statement. Is he pushing Donny LaLonde aside on this to get the Golden Boy?

At any rate, Madam Chairperson, I guess what I would like to discuss with the minister is

the relationship that the Province of Manitoba has with the federal government and with the rural municipalities with respect to the Emergency Measures Organization. Firstly, I would like to ask the minister about the relationship with the federal government and the discussions that have taken place or not taken place. Number 1, I think he mentioned the fact that provincial ministers have not met. Are they intending to meet? Are they going to be taking a look at a joint communiqué that they will stand by with regard to negotiating with the federal government on any new DFAA agreement? I will leave that there. Maybe the minister can expand upon it.

**Mr. Ashton:** Well, there are two elements. First of all, Madam Chairperson, I referenced the federal government's desire to review Disaster Financial Assistance. What was interesting, by the way, I mentioned some of the elements earlier. I think there has also been perhaps a misperception at the federal level that somehow there is a trade-off between DFAA principles and mitigation. Now, I want to make it clear. We are very much in support of mitigation whether it be the expanded floodway, whether it be some of the programming that was put in place, mitigation that was put in place, preventative measures, to use another term, in terms of post-97. We will look at some of the experience of this past year, including most recently the southeast.

The reason I say that is because building an expanded floodway makes sense in and of itself, because what you do is you reduce your exposure on the disaster assistance side quite considerably. I know the member is probably aware of the IJC report. That pointed very clearly to that. But there is no connection between the principles of disaster assistance, because if you build an expanded floodway and that cuts your costs in disaster assistance, it cuts your costs. You do not need to adjust the basic 90-10 principle, you do not need to adjust the formula, you do not need to adjust the eligibility. So that was one of our main concerns right off the bat.

The second major concern we have with the federal review that was being implemented is that they wanted to exclude direct consultation

with the municipalities. They wanted the provinces to consult with municipalities and other stakeholders and then consult with the provinces at that level. We rejected that. One of the first things I did was meet with AMM. The reason for that is because it does not make sense even in terms of the Disaster Financial Assistance framework.

As the member knows from his experience as minister, you have a sliding scale. You have a per capital formula, but that also involves the municipalities. So, Madam Chairperson, even on the Disaster Assistance side, the municipalities are partners as a level of government. Not only are they partners in terms of Disaster Assistance, they are very much the first line of response in terms of disaster in an emergency response. I have seen this time and time again. The minister, I know, has seen it time and time again. The municipalities are right out there on the front lines. They are our first line of contact. That is something again that should be recognized by direct consultation with municipalities. So that is to put together that end of the framework. The time frame on that was delayed obviously because of 9-11.

In terms of federal-provincial contact, there have been senior officials meetings, but there has not been a ministers meeting certainly for quite some time. I cannot talk historically, but there is no regular council of ministers meetings that have been put in place. I raised this with the previous minister in writing. Quite frankly, I can tell you that I thought the response I received was not one that I would have liked to have seen.

Madam Chairperson, I do not think there a significant interest, but I can tell you that the new minister, John McCallum, has been very responsive. I met with him on July 5, and he has responded in writing indicating his interest following a meeting of senior officials at a federal-provincial ministers' meeting on emergency response.

Also, with the minister, just on a slight side note here, that he also responded at that meeting, on July 5, on the disaster in the southeast, indicating that he will be taking the disaster in the southeast through his process to get the requisite support from the federal government.



So, once again, we moved very quickly but the federal minister did as well. That has been our basic position: (1) We should have federal-provincial meetings, ministers; (2) We do not want to see any erosion of the DFAA; (3) Any review of the DFAA has to include the municipalities, not as indirect stakeholders, but as partners. They are a part of the DFAA and emergency response system and should be treated that way by the federal government.

**Mr. Pitura:** I would just like to follow up with the minister that, in November of '98, there was a gathering of provincial ministers here in Winnipeg, and, at that time, a communiqué agreed-to statement was produced by this group with respect to the approach that the provinces would take with respect to DFAA and the federal government. To your knowledge, is this still an agreed-to principle that all of the provinces are sticking with?

\* (11:10)

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Mr. Ashton:** Yes, Mr. Chairperson, there is continuing general consensus with the provinces on DFAA. It is interesting because Manitoba has played a lead role in dealing with this, but the frustration again is we have no ongoing council of ministers. We have no ongoing commitment, we have not had, until the current minister, to deal with, not only disaster assistance issues, but emergency response issues. It is now nearly a year after 9-11, and we have not had this national ability to network.

Quite frankly, a lot of the jurisdiction is federal for terrorism, but a lot of the emergency response is provincial and municipal. Specifically, on the question, in terms of the provincial view, the provincial view is very much the same. I have written to my colleagues. We followed up on that, and our concern is very similar across the country, not to see an erosion of the basic principles behind the DFAA.

**Mr. Pitura:** The minister has indicated that there has not been a provincial council of ministers with respect to the emergency measures or disaster financial assistance. I would ask the

minister, because of that fact, is he now in a position or would he be willing to take that lead to call a gathering of provincial ministers to discuss the issues with respect to DFAA and emergency measures?

**Mr. Ashton:** By the way, just to further indicate, we have never seen the response to the '98 provincial position, but, in terms of the council ministers, our view is that it should be a federal-provincial council of ministers in the sense that so much of the jurisdiction overlaps. I think we may have that opportunity now with the fact that the federal minister has agreed to call that meeting after the meeting of senior officials to have that dealt with on the agenda.

My sense with the current minister, Minister McCallum, is that he is certainly open-minded on this particular approach. He indicated to me, and I do not think I am giving away any confidential information on this, but it certainly made sense to him. It was just common sense to try and pull together something that is more formalized in an ongoing contact. I would like to see at a bare minimum, regular meetings of ministers including the federal minister. I think our position as a provincial government is very clear. There should be some form of a council.

It does not have to be an elaborate structure but, for the life of me, I could not figure out why we have structures for many other areas: education, health care, transportation, but not emergency measures, not disaster assistance. It just defies logic. We will continue to pursue that and continue to push the federal government for a response on the ongoing provincial position which is not just to have a council of ministers but to make sure that we have improvement, not erosion of DFAA.

*Mr. Daryl Reid, Acting Chairperson, in the Chair*

**Mr. Pitura:** With respect to Mr. McCallum being open and prepared to call a council of federal and provincial ministers, I would ask the minister if it would be his intention to support a meeting of councils of ministers prior to the federal-provincial council as is the case with a lot of other provincial ministries. In particular, agriculture, I believe, is one of them. Finance is

another one. Health is another one where the ministers from the provinces meet prior to meeting with the federal government so the provinces can get their issues straightaway on their agenda so they can bring them forward to the federal government.

Mr. Chairperson, would it be an intention of this minister to support a pre-gathering which could be the day before the federal-provincial meeting with ministers?

**Mr. Ashton:** I think it is a very good point that is raised by the member. I am of the view, on the Transportation side, for example, when we have federal-provincial ministers' meetings, that there should be a provincial ministers' meeting prior to that. We are hoping to have the opportunity to do that prior to the ministers' meeting that is taking place in Manitoba in September.

We have moved, on the Transportation side, towards the western ministers as well. We have set up a western ministers council. There are some very distinct issues on the Transportation side. The reason I am mentioning that, Mr. Chairperson, is the same principle applies to the Emergency Measures side.

In this case, Mr. Chairperson, the first thing is to get the federal-provincial ministers meeting nailed down. Then we will have that opportunity afterwards. I am not one that views these kind of meetings of provincial ministers, or even provincial premiers, as being anything that is ganging up on the federal government. That is not the intent. The member, who is a former minister in this area, knows that part of it is to discuss common issues of concern. There will be issues where the provinces generally have a common position vis-à-vis the federal government.

The bottom line is, yes, we would support meeting as provincial ministers and provincial and federal ministers, both types of meetings.

**Mr. Pitura:** I would ask the minister this too. Since Manitoba is a province that probably participates in the DFAA assistance more regularly than any other province in Canada, would the minister be prepared to take a lead role with respect to the provincial council of ministers to

ensure that all of the issues that should be addressed by the federal government will be on the agenda?

**Mr. Ashton:** Mr. Chairperson, just prior to answering that specific question, I also highlight that the Premier (Mr. Doer) has taken a lead role. This has been a very high-profile, high-priority agenda item for them. Not just the western premiers, we did take a lead as a province there, but also for premiers generally. Our Premier indicated it was top priority at the Premiers' conference.

What we have done is we have taken a lead role, essentially trying to get the federal and provincial ministers together, and by extension that includes provincial ministers. I appreciate the member's, I take from the questions, his own support for that. Having been in this portfolio and knowing some of the issues that are out there, I think the member is more than aware of some of the advantages of that.

It has become part of the Canadian political fabric now, these ministers' meetings. It is not part of our Constitution; they appear unwieldy when you first go to them, but if they are done properly, they can be very effective in furthering a national agenda and there should be a national agenda on disaster assistance. The member is right. We have been a net user.

Mr. Chair, if you go back to the 1980s, I think you will find very little experience in terms of claims. You know, the major claim in the 1990s was obviously the Red River situation which, fortunately, only occurs on an historic cycle so many years, but quite frankly, even if we are a major user, that is part of Canada. I actually think that one of the best examples of what we are as a country and the best example of the role of the federal government can be where you do see that.

I thought, in 1997, the federal government went out of its way, quite appropriately, to be a key part of the recovery. I know the member was minister at the time, and I commend that and our armed forces. We have a special ceremony welcoming PPCLI back to Manitoba today, recognizing their contribution in what has been happening overseas, but it was not long ago we

were also recognizing the role of our armed forces provincially here, as well. So I absolutely agree with the member's suggestion.

Mr. Chairperson, I think what we need, you know, I mentioned this yesterday, and I will just reference it very briefly here, is we need a national vision. We need it in Transportation, but, quite frankly, we also need it in Disaster Assistance.

\* (11:20)

**Mr. Pitura:** I appreciate the comments that the minister has made and agree with him that we need to have a national vision because, as Manitoba is a net user of disaster financial assistance, whether it be a flood or the odd tornado, we have had, across the country, the impact of an ice storm, huge snowfalls. Of course, one of the things that was always discussed, and I do not know if the good people in British Columbia are discussing these or not, but the chances of an earthquake striking the west coast on the San Andreas fault. Those are some of the issues, I think, as the minister is talking about a national vision, that we have to have in place with the Disaster Financial Assistance program.

I guess my concern is that the federal government is taking a look at those very issues and saying we cannot afford to cost-share at 90-10 if a disaster of an earthquake were to strike Vancouver, British Columbia, because that would be in the tens of billions of dollars of damage that would be affected there. So my fear is that the federal government is going to attempt to back off on its cost-sharing funding with the provinces and try to ratchet that down so that eventually they could get to the same point where we are in agriculture or some other programs, where it is either 60-40, 50-50. In the case of the 1997 flood, with the floodproofing program, it was a 50-50 cost-sharing on the floodproofing.

I was just wondering about the minister's comments on that with respect to maintaining the status quo with the DFAA.

**Mr. Ashton:** Well, I think the member has hit the nail on this, and the example he used is, indeed, one that I would suspect is very much a

part of the federal desire for a review. The point here again is that we may have been net beneficiaries, certainly, in the last decade, but, quite frankly, if Vancouver was to be affected by a significant earthquake, I would be more than happy, as a Manitoban and as a Canadian, to see a significant rebuilding effort undertaken by the federal government under DFAA. Whenever there is a disaster, natural or, dare I say, terrorist related in terms of New York, you see a huge outpouring of support for people in a time of need. I think that is really an important point the member has raised because, quite frankly, that is my concern.

To tell you the truth, Mr. Chair, if there was a major earthquake, I think the federal government would have to react anyway, even if they were able to erode DFAA. People just would not accept it, and it would not be just people in British Columbia. It would be people across the country. I found, in '97, I am sure the member, being a minister at the time, would have experienced this even more directly, that people are very sympathetic. There was a lot of moral and financial support from throughout the country, not just formal. I am not just talking about the military or the actual federal assistance but from individuals. I think what often defines a country is that level of response. I think our DFAA system is an excellent one.

We actually had some compliments to EMO from people who knew what happened south of the border and what happened north of the border and the recent flooding in the southeast of the province. The advances, the kind of coverage that was available, our coverage and our ability to get the money out to people is significantly better than what has happened in the United States. I have received correspondence on that.

I know the member knows some of the variations back and forth. I think that is an extension of what Canada is all about. We often tend to think of ourselves in terms of our health care system which is quite unique and is much better than the American system, but I also think on the disaster side we do a terrific job.

My concern has always been as a minister and our concern as a government is: the system that was available for the ice storms in Quebec,

that was appropriate, should have happened, did happen, support that. Some of the other disasters that have taken place, you see tornadoes in Alberta, you will see some of the situations there, I support that. I would hate to see the day when we get to the point in this country where we cannot afford to be good neighbours, to be good Canadians and support people in need.

I hate to see us getting to the point where we put all of the burden on provinces because, even with Alberta, when they were faced with disaster situations, what they are facing now with the current drought which is really impacting in that community, I feel for them. It does not matter if you have got oil wealth on the one side, unexpected expenditures can have a real impact on you, so I agree 100 percent with the member and I think he has hit the nail on the head as to why some of these things are happening.

Our position as provincial government I think is very similar to his position. I am sure it was the position of the previous government, and that is that DFAA principles are fundamental. If anything, DFAA should be improved. In fact, we have thought of a number of areas, the member will be aware of this, where coverage has been extended in the past, then accepted by the federal government where they are no longer doing that, what I call the grey areas where you can interpret it one way or you can interpret it the other. So I think those are areas where we need to remember that this is not just about a formalized agreement or two levels of government. It is about the underlying principles and just the general concept of helping people as much as you can.

You cannot cover all of the expenditures, and I have always said that. This is not 100 percent but it makes a real difference. It has got to be maintained as a national program.

**Mr. Pitura:** Mr. Chairperson, I thank the minister for those comments. I do agree with him with respect to having the makeup of Canada as part of that ability to respond to disaster and then to recover afterwards and our ability to recover quickly and efficiently.

I agree with the minister, too, that under the DFAA, that is probably the policy that we

should maintain and enhance. I guess one of the areas that I would like to see enhanced is the area of definition of a part-time farmer. For the love of me, I cannot figure out how the entire DFAA policy reflects damage to property and then all of a sudden when the property happens to be a farm, that income is suddenly part of the criteria. Nowhere else in that policy is income listed as a criteria as to whether you get assistance or not. I think that is one of the areas that really has to be worked on, and diligently, with respect to the DFAA policy.

I would just like to ask the minister: In terms of his discussions with Ottawa and with his colleagues in other provinces, has there been any discussion of a program of flood insurance to substitute for DFAA?

**Mr. Ashton:** Just on the previous point the member raised which refers part-time farmers, I mentioned this in my opening comments and I want to indicate I raised this also with Minister McCallum. We agree. It is not that there should not be some criteria set, but having an arbitrary figure on income, to my mind, is just totally inappropriate. Mr. Chairperson, the member would know this both as MLA and from his previous life. Increasingly a lot of farms are dependent on off-farm income. If you slip just below the line it does not mean you are not in the farm side. It is just absolutely absurd. I think there are any number of measures of which income should not be the exclusive measure that would ensure that you have what is essentially a farming operation.

I understand the intent. The intent here is not to cover individuals that are primarily, I hate to use the term hobby farmer, because even that could be misused here, but there are a lot of people right now that do not qualify as full-time farmers who are full-time. They are actually working double time. They are on the farm, they are not making that much money, then they are working off farm. So they are essentially, it is like holding two jobs. They are using the income to maintain the farm.

You end up with commodity prices that are down, there is that much more pressure, and along comes a disaster. It is not that the prime property is not covered. The member will know

that in terms of personal property. The key issue with disaster assistance again is the ability to cover not only the private property but the farm property as well. So part-time farmers absolutely should receive coverage. I think that is a very important part of what the member is talking about.

In terms of ongoing flood insurance, one of the difficulties I think we are dealing with in terms of that is if you were to establish a flood insurance program, first of all we are dealing with non-insurable items to begin with. The member would know this being former minister. The difficulty I think you would run into again is how you would assess premiums, at what level. One of the difficulties too, when you are essentially dealing with items that are currently non-insurable, there is a reason for that. It is that underwriters will not take the risk that is attached with that. That being the case the real dilemma becomes that you potentially end up with a situation where you can end up with astronomical costs for the insurance because of that uncertainty and the need to get an underwriter.

\* (11:30)

So I think while in principle it sounds like something that might work, I am sure that has been the member's experience in why it has not been discussed beyond a sort of conceptual stage. To a certain extent I say this when I look at it in terms of what we do here, I mean, this is an area where essentially I suppose you could say through our taxes we underwrite that insurance. It is run similar to an insurance program. In some ways, actually, with some of the enhancements that were made in 1997, DFAA coverage is actually better than insurance, certainly in terms of the issue of replacement versus depreciated cost when you have damage to property.

What I also find interesting if you take that principle sort of a couple steps further, you know, in some areas of the province it is flooding. Actually most of the population of Manitoba is in a flood plain if you look at it. In my area it is called forest fires. You run throughout the province, I just love Manitoba. We can have dry weather and fires in the north and we

can have floods in the south all in the same week. That is the kind of dilemma we look at.

I think often if anybody points to one area of the province, it is very easy to point to the Red River Valley and say, well, you know, it is prone to flooding. Well, so is most of the province prone to some exposure to some kind of natural disaster that can have significant impact. I saw that in 1989 in my own areas in terms of the fire situation.

We even see on the southeast side of Lake Winnipeg communities that had to have emergency airlifts because of the failure of the winter road system. Global warming is certainly going to be an increasing factor influencing that. So I think what we have come up with is a system that, call it insurance if necessary, but it is insurance. I think actually if you take it by extension, we often do not call medicare for what it is. Medicare is actually publicly funded insurance. It used to be privately funded, privately financed. It is publicly funded insurance. I think we often tend to forget that. It covers some things; it does not cover others. There are certain deductibles, if you like. There are certain elements of that. You have certain core services that are provided free.

So what I think with disaster assistance, it probably is a good analogy to health care in the sense that there is a reason why we have a health care system that is operated that way. It is because it was inefficient and did not work as private insurance and I think with disaster assistance you would probably find the same situation. If you were to move to an insured system, it would be exorbitant in terms of costs. It would not provide the same sort of coverage. I think it would not provide the same kind of response either because I think when the Government, which represents the people, when we are the ones responding and there are a lot of good insurance companies, I am not being critical here, but I can tell you when I saw the effort that has gone in any of the disasters I have seen from our staff working with the municipalities, I do not think you would get that if it was an insurance and I would hate to lose that.

So I appreciate the member raising this, but I think for the foreseeable future we are going to

see DFA being the fundamental aspect of it. I think it should be accepted and treated as an equivalent to medicare, certainly not of the same scale, but I will tell you when you have a disaster it is just as much of a need as if you had a health care emergency. So I appreciate the member raising the issue, but I think we want to see DFA stay the way it is, but with some improvements.

**Mr. Pitura:** I appreciate the minister's comments and I guess the reason I brought up the aspect of flood insurance is the fact that when I was just talking earlier about the provincial minister's council meeting prior to a federal-provincial meeting is the fact that some of these things are things that the federal government can be throwing out at the provinces with respect to DFA. I think you have to be prepared to discuss with the federal government, not so much to be hard-nosed about it, but to be very sure where you want to go and what you want to have with respect to DFA.

My next question is with respect to getting a little bit more localized in that the Province has worked with the R.M.s with respect to putting together emergency plans for each R.M., and in some cases, R.M.s have collaborated on their emergency plans.

I would like to ask the minister if he can update us on how those plans are coming along, are they in place, and are they being updated, and is the Province ensuring that these plans are updated on an annual basis by R.M.s or has that policy changed?

**Mr. Ashton:** What I can indicate on that is—and this is one of the components of Bill 2, as the member will be aware. One of the things that became clear post-9-11 is the need for emergency plans to be in place, to have some sort of process to ensure that they are put in place and, quite frankly, to ensure that they are up to date. Following 9-11 we, as a provincial government, but also particularly EMO has identified that—quite frankly, if you are dealing with a natural disaster or a tourist incident, in a lot of cases the impact can be very similar. I give an example, the pipeline explosion. That is something that we basically looked at also as a potential terrorist threat. It does not matter what the cause is, once

the event occurs, the response is very much the same.

So we have been working on that and I have asked to get an update. Oh, I should indicate Gerry Berezuk is now here, I put on the record Acting Deputy Minister of Government Services and the Deputy Minister responsible for Emergency Measures. We currently have over 200 plans in place pretty well, are pretty successful. We still have some municipalities that we are working with and we are certainly in the 80% to 90% range in terms of plans that are out there. We do not view, by the way, Bill 2 as being punitive. I think it just reinforces if there are not emergency plans in place, we have to have some ability to put them in place so we have been doing a lot of work. Actually EMO spends a lot of time, Paul Anderson is here from EMO as well, the staff at EMO has spent a considerable amount of time working on upgrading and updating those plans.

**Mr. Pitura:** Mr. Chairperson, this next question is more, very specific with respect to the event of the rains of June in 2002. I was wondering if the minister has had any discussions or has had any intention of removing the cap of the \$100,000 for some specific cases in the south-east area of the province.

**Mr. Ashton:** Well, Mr. Chairperson, I certainly know the background with the cap. When we were in opposition, obviously, we lobbied at the time, and the Government moved on updating the cap. I think it was conceived by everyone that it was no longer an appropriate amount that was in place. Currently, we continue to work with that \$100,000 figure, recognizing, I believe, the amount was \$30,000 prior, so it was a very significant improvement, recognizing, as well, too, that this is one of the issues where the issue of part-time farming comes in. People cannot be eligible for different claims up to that ceiling, depending on the type of buildings they have, farm buildings and other eligible property, but, essentially, we are continuing to work with the \$100,000 figure.

If the member is aware of any specific circumstances, certainly, it would be appreciated, learning of any particular cases he may have in mind.

It is recognizing, once again, that you cannot cover all damages there, but I think the \$100,000

ceiling, which was updated in '97, gives a significant amount of coverage to people who are affected. So we are still continuing with a \$100,000 level.

**Mr. Pitura:** The reason I asked that question was that, in a specific event, like the one we have just come through, the analysis at this particular point in time should be able to show to the provincial government exactly what the impact would be if the CAP was removed. I believe that, with respect to the 1997 flooding event, that sort of analysis did take place, and then the cap was removed at a point down the road when the analysis was completed.

**Mr. Ashton:** I certainly can indicate, as we do with any disaster situation, we will be reviewing it. I think it is important to recognize, too, in terms of scale, that this disaster has been more significant on the municipal side than perhaps was the case in '97. The number of houses affected has been certainly much lower scale. My view of disaster is, if it is your house, it does not matter how many other houses are affected, that is what counts. So I am not trying to, in any way, underestimate the impact it has had on individuals.

Also, by the way, quite frankly, municipalities and individuals have been affected several times. Stuartburn is a good example. I visited Stuartburn a couple of times. There are a number of municipalities that have been doubly—*[interjection]* The member is running through them, and he knows from his own constituency.

\* (11:40)

I remember particularly, in the case of a 93-year-old woman who has been evacuated once again in Stuartburn. We were actually able to work prior, if you remember the November thunderstorm, very normal weather for Manitoba, we were able, at that time, through some very fine work by EMO, to get her back home in time for Christmas. The issue then was getting a furnace.

It was interesting because when I talked to the reeve, I got this update that she has been evacuated again. She is now staying at a seniors home, but I think she is planning on getting back

fairly soon. So that was, I think, credit to EMO for all the work they did, but, you know, like I said, the scale may not be huge in terms of numbers of people, but, for that senior, it was the case.

Just to give the member a quick idea of some of the numbers we are having coming in, the average claim a day is about \$7,000. We estimate that fewer than 10 houses will be declared unsalvageable. So, in terms of the scale we are dealing with, we are dealing with maybe 10 or fewer houses that have been totally affected by the disaster.

**Mr. Pitura:** Just to comment then, and the minister need not respond, that analysis would indicate to me that having one or two claims that are in excess of \$100,000 would not cripple the provincial system in terms of the amount of dollars that it would cost. I would ask that the minister take a look at the one request I did file with the minister by letter with respect to that. I realize that that is something that you do not do quickly, but when you do the analysis that you have a close look at it in terms of the amount of exposure that it creates for the province.

My last question is dealing with floodproofing. It is more in the Transportation area. I hope the minister will bear with me. He can either answer the question or take it as notice. After the 1997 flood, there was an individual floodproofing program brought into place whereby individuals could floodproof their yards and their businesses against high-water events in the future. In the case of yards that are located alongside the service road along Highway 75, along provincial roads that traverse the Red River Valley as well as some of the roads such as St. Mary's Road, et cetera, the yard sites that are floodproofed have been floodproofed basically on three sides. They are not tied in with the ditch, they come up to the edge of the ditch. They do not cross the ditch, they are not tied into the highway. It is particular of note along Highway 75. If you travel south, you will see that the dikes go three sides along around the farmyard and they butt almost into the service road.

My question is: Does the department of highways and transportation have any policy with respect to these individuals in the event of

another high-water event to close their dikes, because right now they are not protected. They are only protected on the three sides. Is there a policy in place whereby they fill in their dikes, and, if not, will there be one? If there is a policy, is there a cost sharing established on that policy or details of that policy so that the individual, if confronted with high water in the future, knows exactly what has to happen to protect their yard and business from high water and they know and the provincial government knows exactly what has to be done and who takes the responsibility and how those closures take place? There are a number of these situations where the roads will have to be closed quickly. I was just wondering if the minister could comment or let me know.

**Mr. Ashton:** Well, what I will do, I will undertake to get take back to the member. Certain aspects of this are obviously to do with Conservation, particularly if there are any specific cases. I would be more than prepared to, the honourable member saying in terms of direct contact, but I will pull up in terms of that. We will certainly deal with that and obviously the construction of temporary dikes. The member is aware that would be eligible under DFAA. The actual eligibility is there. I think the member's question, though, has got as much to do with protocol and immediate response, if I understand it. I will undertake to get the costs. DFAA would cover temporary dikes. If I can provide a written response to the member, in fact if he wishes to give any more information, we will make sure we give a full response.

**Mr. Pitura:** This is my last, Mr. Chairperson. I would just appreciate the minister supplying me with some information on that, because it does deal with provincial highways and provincial roads. Although he mentioned Conservation, it would be both probably involved, but it would be a highways policy that would have to be implemented. I am just bringing this up because if there is not one, I think we should have one, because we have to have a clear idea of what we are going to do the next time we have high water when we do have high water. Thank you.

**Mr. Faurchou:** Just reviewing the highways map here and observing how the new format has played out, I do want to draw attention to the smaller than normal picture of the Highways

Minister, I believe, in the interests of space saving. He has pared down his portrait.

**An Honourable Member:** There is so much on the highways side, that there is no room for the picture of the minister anymore.

**Mr. Faurchou:** Mr. Chairperson, I want to ask the minister, we did talk about the prosperity of the North, and one key element of that is an initiative that he made known through a press release for Churchill. I would like to query the minister as to how he chose to highlight one community over another in the selection process for the map. I believe that Churchill should perhaps be one community to be highlighted here as well.

**Mr. Ashton:** Actually, the map has been totally redesigned on the front. We did the remarkable thing of actually ensuring that the entire province appeared on the highways map. I can tell you, that bothered me for years.

What I thought was the ultimate reflection of how well that has been received, I was on the Bay line, and I ran into some American tourists and they had a copy of the map. This guy did not know I was the minister and once we got into talking he said, it is nice. I have been going to Churchill for years and now I do not have this little postage stamp identification of Churchill stuck on the top of the map with a good chunk of northern Manitoba missing.

I know it has been very well received, and, in fact, I know many MLAs are distributing the map and I know the member noticed that. That seems to be a customized version. I just want to put on the record here it has got the member's name, MLA for Portage la Prairie. Oh, I am very impressed by the "buckle up and drive with care." That is excellent. I tell you, this is a MLA and a highways critic that—*[interjection]*

I know the member has a long-standing interest in enforcement issues and certainly I could discuss even the "buckle up" portion later on. Sticking with the map, the back page in terms of the communities, when I went through and asked the questions myself: Which community was on? Which community was not on? It was outdated, but it was originally based on population.



Now, what we have done is we have now expanded it. For example, Morden and Winkler which are both growing communities are on the map which is very significant; Cross Lake, PCN and Norway House. So it is not on population. Churchill would not qualify in terms of that. What I wanted to do was make sure that it reflected that things have changed in the last 20, 30 years. I am very proud, by the way, of the fact that we have got Norway House and Cross Lake on, the first Aboriginal communities, but again Morden and Winkler are growing parts of the province where they are vibrant communities. So that is why we chose it. The minister did not use ministerial discretion on that one, believe you me. They are there for a reason. I guess I should give the map back here to the member.

\* (11:50)

**Mr. Jack Penner (Emerson):** I would like to ask, Mr. Chairperson, on DFAA and some of the commitments that the Premier (Mr. Doer) made in Vassar. I understand he said that the Province would initiate the same programs that we had in '97 for the people in south central and south-eastern Manitoba during the 2002 flood event. I am wondering if the minister could explain where we currently are with programming and what programs maybe have been put in place and what programs are outstanding that were put in place in '97?

**Mr. Ashton:** I provided some of this information to the critic, but just to give the member an update, first of all, a program was announced June 20, which the member knows is the case. That was probably the earliest declaration of a disaster assistance program under DFA. We deliberately did that so we could not only declare the program but also fast-track getting the cash advances out to people.

To give the member an idea of the current status in terms of numbers, there are 24 municipalities that have requested disaster financial assistance. We also have a request I think from the R.M. of Roland. I think that has been formalized. We are looking at 400 applications for DFAA. We were able to put out in excess of 120 advance payments, a total of \$302,500, which I think was very well received. Certainly,

when I was out in the affected area, that was the case. The reason I am doing this is just to give the member an update. I will be specific again on the question in a moment. I will just give him some idea of where things are at.

Inspection of private property now was in excess of 90 percent. I think we are probably closing in on 100 percent currently for cases of most severe damage. We are going through the normal process, as the member knows. I indicated earlier, I do not know if the member was aware, but we are looking at somewhat less than 10 houses that have been basically in a position where they are total write-offs, so that gives you some idea of the scale that was there.

What I can do is probably I could provide the member with some idea of where the current estimates of claims are. As the member knows, it is still early in the process. It is not a capped program. There is no set budget beyond which we do not provide that assistance. What we did particularly following the '97 flood where cash advances were put in place is work to get those advances in place. As soon as possible, we were able to I think get the funding out. I think in '97 it was about a four-week period, five-week period. We were able to get advances out as early as two weeks. That I think was one of the major responses to the experience in '97. Certainly, people I talked to at the time, I know the member would have had more direct contact, but if there was any frustration, there is frustration in any disaster, it is the amount of time it takes to get some form of financial assistance, not just the final payment but something in the interim.

What we found here is the scale of the disaster was clearly of the level where it was going to be declared a disaster, so it made no sense to spend three, four, five more weeks debating, discussing and analyzing when we knew that right from day one. Our early estimates were in the \$7-million range. That may vary. So we were able to put that in place. In fact, of course, similar to '97, we are now dealing with the issue that actually the member raised previously, the critic raised previously, and that is the \$100,000 level in terms of individual claims which was established in '97. I thought that was important. We certainly raised

the issue in opposition. The government did the right thing in bringing it in. Letting any politics out, I mean, it was recognition of the reality of what was happening. The \$30,000 was inadequate. Recognizing, too, that people can claim up to \$300,000 because it is multiple, depending on farm situations.

So we have done that. We have put it in place. We have declared the DFAA program and basically we have the advances out in a record period of time. We are continuing to assess the claims and continuing to try and get the money out as soon as possible.

**Mr. Jack Penner:** Clearly, there were a number of programs announced that were what we called extraordinary programs, announced in 1997. I believe, and I stand corrected here, but I believe virtually all of them became 50-50 cost-shared programs between the federal and provincial governments.

The one that comes up most often in my area, and every time I visit people in my communities or my communities, the question is constantly asked why is the Government not announcing the same programs that were announced in '97, that the Premier (Mr. Doer) promised in Vassar and why is he not keeping his word.

So I ask the minister: When can we in southeast Manitoba expect that we will be given the same options that the people during the Red River flood had, because the disaster for many individuals here is exactly the same? Not many of them, but a number of them lost their homes. A number of them are asking now will we be able to move our homes, as was offered during the '97 flood, to higher ground instead of diking, or will we be able to dike our properties to protect from future flooding.

There is one property that is just west of the bridge on No. 12 highway, just downstream of the bridge, that was severely flooded. Those people would like to know whether they could move their property to higher ground or be offered a buyout package.

I am wondering whether those decisions have been made or whether the minister can give

us a bit of an overview as to when the Government will announce the balance of the programs that were offered in 1997.

**Mr. Ashton:** I think the member is talking about two different programs we had in 1997. One was the JERI program, and the second is the Flood Proofing Program.

**An Honourable Member:** There are a lot of programs.

**Mr. Ashton:** Yes, but there are sort of two basic focusses here. Certainly in terms of the Flood Proofing Program, we have identified that we want to learn from the experience, both in terms of individuals but also in terms of the drainage system. I want to qualify that by saying that given the highly unusual nature of the rainfall, I am not suggesting for any moment that a change in the drainage system would have prevented some or even all of the damage. We are dealing with record levels, certainly in the Roseau, record levels of rainfall, flash floods. So I want to qualify that. When I was out visiting a number of the R.M.s, there were suggestions made that while it may not have prevented the basic impact of the disaster, it certainly could have improved some of the drainings and the diking. They learned from the experience.

So I think that is certainly something we have to follow up in terms of not just of looking at a program per se, but also what the strategy should be, quite frankly, and I am talking about diking because, you know, we have some aging infrastructure there. The Gardenton dike, for example, which the member is quite aware of, is I believe, how many years old, in fact, the 1920s, I believe, it goes back.

The JERI program is a one-time-only program for the '97 situation. It was basically a federal-provincial program. The member is quite correct. I did flag with the federal minister, when I met with him. I can tell you this when we sit again.

**The Acting Chairperson (Mr. Daryl Reid):** The time being 12 noon, I am interrupting the proceedings. The Committee of Supply will resume sitting this afternoon, following the conclusion of Routine Proceedings.

## INTERGOVERNMENTAL AFFAIRS

\* (08:40)

**The Acting Chairperson (Mr. Doug Martindale):** 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 Intergovernmental Affairs. Does the honourable minister have an opening statement?

**Hon. Jean Friesen (Minister of Intergovernmental Affairs):** Yes, I do, Mr. Chairman.

Mr. Chairman, I am pleased to introduce, for the review today, the Estimates of the Department of Intergovernmental Affairs for 2002-03. The department continues to work in partnership with many rural, northern and urban community leaders to build strong and healthy places to live and work. External forces of globalization and socioeconomic and environmental change and rapid technological developments, particularly in agriculture, are resulting in dramatic change in parts of our rural and northern areas. The recent Statistics Canada census confirms this, as it does for other Prairie Provinces. I think members are very much aware of the changes that some communities are experiencing.

The challenges are diverse, and it makes sense, I think, as our department has tried to do, to suggest that we be flexible, that one approach does not fit all. So, as we go through these Estimates, I hope we will have the opportunity to highlight how the department is responsive to the specific needs and challenges of rural, northern and urban communities and the many stakeholders who support them.

Intergovernmental Affairs funding appropriation is \$141.9 million, and, in 2002-03, the department will operate with a staff complement of 327 staff years, equivalent to its previous year's level. To balance priorities and activities within our rural, northern and urban areas, the department operates in four functional program areas: Rural and Northern Community Economic Development Division; Community and Land Use Planning Services; Urban Strategic Initiatives Division; and Provincial-Municipal Support Services.

As part of its intergovernmental role, the department also maintains responsibility for federal-provincial co-operation in federal-provincial agreements such as the Canada-Manitoba Infrastructure Program and the Economic Development Partnership Agreement.

The department's comprehensive and integrated approach to community and neighbourhood development enables it to work with a cross-section of senior government departments, external organizations and community interests from local governments to community and regional organizations to business and youth organizations.

Under the Rural and Northern Community Economic Development Division, the department co-ordinates VLT-funded economic programs for rural and northern areas. In 2002-03, the Rural Economic Development Initiative or REDI will invest \$16.2 million, an 8% increase over the past year, to support initiatives in the areas of feasibility studies, infrastructure development, small business loans, community investment and youth development in rural and northern Manitoba. Since 1999, over 250 rural and northern projects have received assistance, resulting in the creation of over 1220 jobs, 355 additional positions and support to 160 new youth businesses. There are now 92 community development corporations involving 151 municipalities; 67 of these CDCs are approved Community Works Loan Program lenders, providing loans to dozens of local small enterprises.

This past year, Mr. Chairman, we worked in partnership with financial institutions under the Rural Entrepreneur Assistance program, REA, to support 36 rural and northern small businesses with loan guarantees of close to \$1.5 million. Green Team approved 617 summer jobs for youth. In addition to REDI programs, Manitoba's VLT revenue sharing program provided \$6.5 million to rural and northern communities for locally identified economic priorities.

The Grow Bonds program remains active in rural Manitoba. Simply Natural Canadian Spring Water Corporation in Middlebro received a \$383,000 Grow Bond in '01-02. Custom Pipe of Selkirk received approval in '02-03 for a

\$350,000 Grow Bond issue and the program has other proposals under consideration for '02-03.

\* (08:40)

Under the Rural and Northern Community Economic Development Division, our '02-03 Estimates also provide for continued support for rural capital projects such as sewer and water. This includes the management of 14 water treatment plants on behalf of municipalities and the Conservation District Program. We have allocated support to the Manitoba Water Services Board who in partnership with municipalities and the federal government will be providing local governments with \$11.25 million in assistance for water and waste water infrastructure, with priority continuing to be given to the upgrading of the municipal water systems. Together with our local and external partners we are investing \$25 million, which goes a long way to support sustainable economic development in Manitoba's rural communities.

An additional \$3.2 million is being allocated to assist large infrastructure projects which can have a major economic and employment impact in their region. This includes funding for sewer and water infrastructure in the city and R.M. of Portage la Prairie to meet the needs of the Simplot development and for assistance to upgrade and expand the Blumenort sewage system in the R.M. of Hanover. These Estimates acknowledge the tremendous importance of having a comprehensive sustainable approach to soil and water management in rural Manitoba.

For '02-03 we have committed \$3.55 million to support Manitoba's 16 conservation districts, which will leave her an additional \$2.45 million for local and external partners, for a total of \$6 million of investments into integrated resource management in Manitoba's watersheds. Through the Conservation Districts Program, new approaches have been developed to improve the management of drainage licensing to the benefit of agro-Manitoba. The immensely successful pilot program in the Whitemud Conservation District has recently been expanded to the Cooks Creek Conservation District. The benefits are increased compliance, more timely responses and more technically and environmentally sound water management decisions. We look forward

to implementing this new approach in other conservation districts.

As you know, over two years ago, Mr. Chairman, a new six-year Canada-Manitoba Infrastructure Program was successfully negotiated. That program, now in its second full year, will provide over \$180 million for the renewal and expansion of infrastructure projects throughout Manitoba. The Government is committed to continuing to ensure that local government involvement is strong in the project selection process. Two local government consultative committees have been established to review and recommend project funding.

Rural northern projects are reviewed by a committee consisting of representatives from the AMM, Northern Affairs Community Councils and Manitoba Aboriginal and Northern Affairs. City of Winnipeg projects are reviewed by a committee consisting of senior City officials. To date, 70 percent of the program funds have been committed, over 100 infrastructure projects representing approximately \$130 million.

Also in '02-03 the Province continues to allocate operating and capital funding under the Economic Development Partnership Agreement. The purpose of the EDPA is to promote greater federal-provincial co-operation in Manitoba's economic development through a partnership program of strategic investments with other stakeholders. Since the EDPA was signed over four years ago, the \$40 million in matching federal and provincial funding has been fully allocated to some 50 projects throughout Manitoba, leaving an investment of over \$141 million. During the current fiscal year many of the EDPA projects will be completed. In the meantime we continue to work on a priority basis with our federal colleagues and western diversification on the renewal of the federal-provincial Economic Development Agreement.

Mr. Chairman, the department also continues to strengthen and better co-ordinate land use planning and development services across the province through the work of the Community and Land Use Planning Services division. In '02-03, the department will continue \$4.4 million to planning programs and services, including grant support to the Livestock

Stewardship Initiative. We have also initiated a planning law review to modernize and streamline our planning legislation. The provincial land use policies regulation is also being reviewed to update the policies and extend their application province-wide.

Financial support programs such as the Community Planning Assistance Program are providing one-time cost-shared financial assistance to municipalities and planning districts to prepare or update planning by-laws to meet the challenge of an expanding livestock industry in Manitoba.

Mr. Chairman, I am pleased to advise that all but six municipalities in the province are now in a planning program or in discussions to enter into planning. That municipalities are recognizing the importance of planning speaks to the successful efforts of this division. Also noteworthy are numbers of municipalities that have recognized the importance of partnering with their neighbours in land use planning. As a result of the financial and technical assistance offered through the division, today 139, or almost 70 percent of municipalities, have joined together to form 43 planning districts.

In the Capital Region, our Regional Planning Advisory Committee has now completed its public consultations and is in the process of preparing its report that I expect to receive in the fall. By working together we have the opportunity to develop mutually acceptable and beneficial growth management policies for the regions surrounding Winnipeg.

On July 22, I, along with the Honourable Rosann Wowchuk and the Honourable Oscar Lathlin, announced a comprehensive plan for the sustainable growth of Manitoba's livestock sector that will also include enhanced management of livestock operations, expanded research and monitoring of the long-term impact of the operations. I think that has been generally well received in the province.

In the coming year, the department, through the division of Urban Strategic Initiatives, will invest \$21.8 million to continue to address the challenges of revitalization within Winnipeg's downtown and the older neighbourhoods of our

major urban centres: Winnipeg, Brandon and Thompson.

The division co-ordinates Neighbourhoods Alive!, the Government's comprehensive long-term social and economic strategy, to support and encourage the revitalization of designated urban neighbourhoods in Winnipeg, Brandon and Thompson.

Neighbourhoods Alive! is a cross-departmental initiative and provides neighbourhoods with the tools needed for neighbourhood revitalization. Through Neighbourhoods Alive! we are investing approximately \$3.7 million annually to support neighbourhood planning, capital projects, economic and community development, training initiatives and safety programs in designated neighbourhoods. This is separate and apart from the increase in neighbourhood housing assistance, and in housing programs that has been achieved with the Department of Family Services and with the federal government and city government.

A more recent initiative is Building Communities, which is a new cost-shared community revitalization partnership with the City of Winnipeg. Building Communities is investing a total of \$14 million over six years into capital improvements and public infrastructure in housing in designated older transition neighbourhoods in Winnipeg, in consultation with neighbourhood advisory committees.

The Urban Strategic Initiatives division is leading our Government's efforts to engage the federal government and the City of Winnipeg in a new tripartite initiative that will build on the successes of previous agreements, such as the core area initiatives, one and two, the Winnipeg Development Agreement and the Winnipeg Housing and Homelessness Initiative.

Each fiscal year Manitoba invests 25 percent of anticipated VLT revenues, this year \$18.9 million, from within the City of Winnipeg in initiatives that have long-term community benefits.

The Urban Strategic Initiatives division brings together urban policy initiatives across government in support of urban development and renewal. We think this is having some considerable effect. According to a recent Winnipeg downtown business improvement zone membership survey, the degree of optimism regarding downtown Winnipeg appears to be at an all time high. I think versions of this have also been reported in the *Free Press* and in other media outlets.

Neighbourhoods that have experienced years of decay are beginning to turn around. Recent multiple listing services, for example, the data from real estate sales is showing increased sales and prices in inner-city neighbourhoods.

Another of our major commitments, as reflected in our departmental Estimates, is support to the operations and activities of local governments. In '02-03, close to \$78 million will be dedicated to supporting the operating and capital requirements of local governments.

\* (08:50)

As a province-wide measure, one of the most significant supports to municipalities is the provincial-municipal tax-sharing program, which shares a portion of personal income tax and corporate tax with local governments. I believe that this is unique to Manitoba. It goes back over a series of governments in the province and is a program which has enabled municipalities and northern communities to benefit from the growth in provincial tax revenues.

Despite the uncertainties, however, in other areas, particularly earlier in the year, the presentation on the federal error, as we could call it, and a significant decrease in corporate income tax revenue, our Estimates maintained the level of PMTS at approximately \$35 million for rural and northern communities and \$47.5 million for the city of Winnipeg.

Mr. Chairman, 2002 is also a general election year for municipalities. The division is supporting local election authorities through our Web site, which has links to important electoral information, and a guidebook for municipal

candidates, which has also been prepared by the department. For the first time, an elections training manual has also been developed and is serving as the basis for training for election officials. This year the department hosted 11 training seminars throughout June, with over 500 officials participating.

I believe the elections with new franchise legislation went into effect for the resort communities in the past month. I understand that for all concerned elections went well in the administrative sense. After local elections training will continue to be offered to provide new councillors, and there is an anticipation that there will be many new councillors, with the necessary information and tools to undertake their responsibilities with increasing confidence.

This division also has the responsibility for assessment in areas outside of the city of Winnipeg; 2002 was a big year for assessment. It marked another general property reassessment year across the province. Implementation of continued improvements in the assessment process, through expansion of computerization and through increased staff training, have resulted, I think, in high-quality assessments being delivered to Manitobans in 201 municipalities.

In conclusion, Mr. Chairman, staff from Intergovernmental Affairs have worked diligently and energetically to develop increased networking and marketing opportunities for Manitoba communities, organizations and businesses through such initiatives as the very successful and growing annual Rural Forum held in Brandon, our MOU with Nunavut, and our continuing work in international development with countries such as Ukraine.

This is an overview of the Estimates and initiatives for the Department of Intergovernmental Affairs. Our staff, I believe, are ready to enter the Chamber if the Chair is ready.

**The Acting Chairperson (Mr. Doug Martindale):** We thank the honourable minister. Does the critic for the Official Opposition have an opening statement?

**Mr. Larry Maguire (Arthur-Virden):** Just a few comments on the record. We will have more general questions as we get into the meat of the documents before us in Estimates and line by line.

First of all, I just want to say that it is our opportunity to ask questions on these areas. Our critic for Urban Affairs is with me as well. We will ask the minister questions as time allows today in regard to the Estimates that she has put forward.

First of all, I would say that we would like to proceed more globally on some of these issues for the time being than line by line. There are some general concerns that we will have. I will be specifically more on areas outside the city, perhaps on rural, given that our leader has given a clear indication that we will have a Department of Rural Development. I think that it is incumbent upon the Member for River East (Mrs. Mitchelson) and myself to be more specific, I think, than what the minister has been on some of the particular issues. I know it was only an opening statement, but we will get more clear direction from her on those. I thought, at one time, we had a longer prepared statement that I wanted to read at this time, as well. I think, given the timeframe, I will forgo that.

I would just like to say, however, that I feel the minister has misled Manitobans in some forms, in some areas, in regard to the things that the NDP claim to be doing in regard to rural areas. At the very best, in some areas, they are maintaining the status quo, which is a move backwards in regard to the development of our rural economies.

I just wanted to make sure that, as we go forward, I will be more specific on some of those issues. I know that she will certainly take umbrage with some of those, but I think the facts are facts, and these Estimates show that the focus is not on the development of Manitoba to the same extent that it has been in the past, given the fact that they have spent a billion dollars more money than any Filmon government ever had to spend in the province of Manitoba. I think that is quite a dilemma that Manitoba taxpayers will deal with at the next election, and it will be

very clear to them that we are back to the ways of the mid-eighties in this province and piling up the debt and increased spending.

Mr. Chair, with that, rather than getting into the specifics of each of these issues at this time, I just turn it over to my colleague from River East, as well. Then we will begin the global discussion.

**Mr. Chairperson:** Is there agreement for the Member for River East to make a statement as well? [*Agreed*]

**Mrs. Bonnie Mitchelson (River East):** I look forward to discussion on the Estimates of the Department of Intergovernmental Affairs. I know that the minister has a heavy load with the combination of both responsibility for the city of Winnipeg and the rest of the province, all of the areas outside. As my colleague just stated, our leader and our party really believe that, by combining all of the province of Manitoba into one Intergovernmental Affairs Department, really, it has not allowed for the kind of attention that was given to rural Manitoba, rural and northern Manitoba, in the past.

Our leader has indicated clearly that, when we become government again, the department will be split into an urban and rural portfolio so that the kind of attention that has been paid to rural Manitoba in the past can be undertaken again.

I know that our time is a bit fragmented. My understanding is that we will be breaking at 10:15, 10:30—[*interjection*—]10 o'clock. Okay, at 10 o'clock for a while. I know that I have some specific questions on the city of Winnipeg and other cities. I know that my colleague will be dealing more with the issues in rural and northern Manitoba. I am hoping that we will have the flexibility to move back and forth. I know that sometimes that presents a bit of a problem for staff and having the appropriate staff, but, if I could indicate to the minister this morning that I would like to deal with a few urban issues in the first half hour this morning until about 9:30, and then let my colleague take over from there. I know that some of my other colleagues from the city of Winnipeg will have some specific questions a little later on.

I am asking for that kind of flexibility. I am asking whether we might just deal with Executive Support, and then move into a couple of city questions until 9:30 and then revert to that possibly when we come back after the break.

**The Acting Chairperson (Mr. Doug Martindale):** We thank the members. 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 the consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in Resolution 13.1. At this time we invite the minister's staff to join us at the table.

**Ms. Friesen:** Okay, I just wanted to respond to the Member for River East's desire to have some urban questions first and to move globally. Given the relative level of time we have, I am quite open to moving globally, but, I mean, the obvious problem is we do not have the right staff at the right time. As you can see, it is the rural staff for the most part and the municipal government and planning staff that we have here at the moment. So I can certainly check and see whether the assistant deputy for urban issues is available right now, if you just give me a minute.

**Mrs. Mitchelson:** Just before staff is introduced, I was wondering whether maybe we could then just deal with Executive Support this morning, subappropriation 13.1.(b), and just some very global questions that might not require any detail from staff on the Winnipeg side of things.

**Ms. Friesen:** We will do our best. If we come to things that we do need the ADM for then we will defer them until later. Perhaps what we can do is at 10 o'clock get a sense of who you might need in the next chunk. Okay? *[Agreed]*

**The Acting Chairperson (Mr. Doug Martindale):** It has been agreed that we will proceed in a global manner. Will the minister introduce her staff, please?

**Ms. Friesen:** On my immediate left is the Deputy Minister, Marie Elliott. Sitting on her left is the Assistant Deputy Minister of Community and Land Use Planning, Heather

MacKnight. Sitting on my immediate right is the Executive Director of Finance, Denise Carlyle. On her right is Executive Director of the Municipal Finance and Advisory Services, Lori Davidson.

**The Acting Chairperson (Mr. Doug Martindale):** The floor is open for questions.

**Mrs. Mitchelson:** I wonder if the minister, looking on page 23 of the detailed Estimates, could give me some information on who staff are presently in the Managerial, Administrative Support lines.

**Ms. Friesen:** There is no change in the staffing complement in comparison to last year's vote. This section is currently staffed as follows. Is the member looking for names as well? The deputy minister is Marie Elliott. My executive assistant is Lisa Bukoski. My special assistant is Val Bingeman. The ministerial secretary is an acting position. That is Margaret Ali. The administrative assistant to the deputy minister is Lynn Nesbitt. The deputy minister's secretary is Angele Kirouac. The administrative secretaries, there are three, Marilyn Ringland, I am hesitating over some of the names here because there have been quite a number of changes because of maternity leave. Michelle Radocaj was there but is on maternity leave and has been replaced by Thelma Findley on the deputy minister's side. So that is three positions of administrative secretaries, two in the minister's office, one on the deputy's side, a total of 9.5 staff positions.

\* (09:00)

**Mrs. Mitchelson:** The minister has indicated that there has been significant turnover since last year. I wonder whether she might indicate to me how many people have changed and for what reasons.

**Ms. Friesen:** In my office basically the issue is two maternity leaves, Denise Chartrand and Michelle Radocaj. In order to deal with those positions, we have actually had one or two people who have filled those for several months at a time. The names I have given you are actually the people who are there now. But there have been, there was one person who came in



for a period of a few months and then moved into the Department of Health. So this is where we are at the moment. But they are both on maternity leave.

**Mrs. Mitchelson:** I wonder if the minister could indicate to me whether there was a competitive process or whether they were direct appointments into her office or the deputy's office.

**Ms. Friesen:** These are term positions, because we are dealing with maternity leave replacements and maintaining those vacancies. So they are not done through the competitive process by requirement.

**Mrs. Mitchelson:** Would the individuals that filled those positions then on a term basis be individuals that were previously part of the civil service, or were they new people that came into the civil service?

**Ms. Friesen:** To my knowledge the people that we have at the moment were not in the civil service before. These are of course term positions. Of the people who fill things on a monthly basis there were I believe two who had come from other departments and then moved to other departments.

*Mr. Conrad Santos, Chairperson, in the Chair*

These were hired, both the people who we have now, in fact in each case it was done through the human resources area. Interviews were held and the appropriate process was involved.

**Mrs. Mitchelson:** The minister indicated that there was one person that came into her office I believe for a short period and then moved into the Department of Health. Was that someone that had previously been in the civil service and came into her office and then moved?

**Ms. Friesen:** The person I was referring to was an individual who came from the deputy minister's side of the office staff, came into our office, helped us for a few months with that co-ordination and then moved into what I think is a permanent position in the Department of Health in the office area.

**Mr. Maguire:** Thank you for the response, Madam Minister. In regard to the number of staffing and the people that have changed in those areas, just a query as to the levels of salary that some of these persons are at. You have indicated particularly, I guess, Ms. Bukoski, is it, your executive assistant, is still your executive assistant. Can you give me the range of salary that position entails?

**Ms. Friesen:** These remain at the level that they were under the previous administration. The executive assistant is \$47,000, and the special assistant is \$50.7.

**Mr. Maguire:** Can the minister answer if those are the present salaries of each of those individuals or if that is the range that they are in?

**Ms. Friesen:** That is the present salary.

**Mr. Maguire:** What is the range of each of those classifications, or are they salaried differently than departmental staff?

**Ms. Friesen:** These are standard positions in minister's offices. We do not have the salary range here, but we can bring it at 11 o'clock, 11:15.

**Mr. Maguire:** So the executive assistant is Ms. Bukoski?

**Ms. Friesen:** Yes, Mr. Chairman. Lisa Bukoski.

**Mr. Maguire:** And the special assistant the minister mentioned?

**Ms. Friesen:** Sorry.

**Mr. Maguire:** I think we got all that on record. Ms. Bingeman is the special assistant is the minister's reply. Are those the same persons that were hired? How long have they been with her?

\* (09:10)

**Ms. Friesen:** In both cases they have been with me from the beginning.

**Mrs. Mitchelson:** Mr. Chairperson, I do not know if the minister is prepared to get into any detail, not right at this moment but sometime

later today on The City of Winnipeg Act, the new charter, and just some general questions about the direction that that legislation has taken.

I would just like to talk briefly this morning on the all-party committee that has been set up to deal with flood mitigation. I know that the minister is a member of the all-party committee that has been established to deal with the options that have been presented to Government on what should be done. I would like to ask the minister at the outset, because I know I am a part of that committee. I have noticed that she has not attended any of the meetings, as yet, dealing with floodproofing. My sense would be that as the Minister responsible for Intergovernmental Affairs and certainly the minister responsible for the City of Winnipeg that would be severely impacted should we not do something. I wonder if she could just indicate why she has not felt it has been a priority to attend any of the all-party meetings?

**Ms. Friesen:** Mr. Chairman. Well, I did not think that I was on that committee and I am interested that the member does. So perhaps we have got some confusion there but—

**Mrs. Mitchelson:** Mr. Chair. I will have to go back and look in my office but I believe that there was a news release that came out from the Government that indicated that the Minister of Intergovernmental Affairs was a member of that committee. So I will check between 9:30 and 11 o'clock and see if I cannot find that. I do not have it with me but I found it interesting. I may be wrong but I do not think I am, so I will get that news release and then maybe we can come back to that issue after 11.

I know that even if she has not been at the meeting, certainly maybe she could explain to me or indicate to us what her thoughts are and where she believes the process is at now for moving forward on one of the options? I know that the Government and our party have both indicated that the floodway is the preferred option. I wonder as the Minister of Intergovernmental Affairs and responsible for federal-provincial relations, whether there has been discussion, whether she has had any discussions with anyone at the federal level, whether there is a process or a proposal in the

works to the federal government on moving forward on expansion of the floodway.

**Ms. Friesen:** I just wanted to correct the honourable member. My responsibility is not federal-provincial relations. That remains, of course, as it did previously with the previous government, with the Premier (Mr. Doer). I do have responsibility for a number of federal-provincial agreements. Obviously, the responsibility also to, as some of those are winding down, look at what options we might have with the federal government and, in some cases, with the City; tri-level agreements to pursue some extensions, or to pursue new agreements. That is certainly something that we have been pursuing for some time now.

On the issue of the floodway, in particular, I think the Premier has been very clear, and he was very clear again in the House yesterday, that this is the priority of the Government, and so whenever I have been talking to the federal government, whether it has been to Minister Owen, Minister Pagtakhan, Minister Duhamel, I have dealt with each of those in this context. The issue of the floodway is always first and uppermost, so whenever I talk to them about whether we might have had an extension to an urban development agreement, whether we are looking at a new Winnipeg development agreement, whether we are looking at other infrastructure proposals, that we always make the point that in the bigger context, our first priority is the floodway.

When Minister Owen first became minister in January, and when responsibility was transferred from Senator Duhamel to Minister Pagtakhan, I did meet with both of them in Ottawa, and have met with them on subsequent occasions in Winnipeg, and have repeated that same basic principle, that the priority of this Government is the floodway, that those kinds of negotiations and discussions do continue. They are ones, obviously, that are going to require a considerable amount of money.

The federal government has been proposing new infrastructure programs. I am sure, as the member is aware, we were somewhat disappointed with the change in formula that led

to a lesser amount in the Canada-Manitoba Infrastructure Program. We have had to be working within somewhat constrained circumstances there because it was not as much as we had anticipated or hoped for. Since then the federal government has made announcements about other infrastructure programs, whether they are in transport or whether they are in other areas of infrastructure.

I should say that when I met with Minister Owen for the first time, and I think we were the first province to meet with him, it really was not clear. I do not think I am speaking out of turn. It was not clear to him at that point how those funds would be allocated, what kinds of principles they were going to be allocated on, or, indeed, how much there was in each of the funds. How each fund, whether it was transport, whether it was the super-infrastructure money, was differentiated from the other. As I have met with him on subsequent occasions, not specifically about the floodway, but always mentioning that this is the broader context of our discussions, I think what we have seen is some changes in the federal approach to those programs.

You know, as I read from *The Globe and Mail* yesterday, there may indeed be other changes in the offing as there is a transition again from Minister Manley to Minister Rock, although that may still be at the level of rumour. I do not know that I have seen any press releases on that yet. But obviously there are changes happening in the federal government. There has not been agreement yet on what Manitoba can expect for floodway support. Those discussions do continue. The Premier is very much a part of those. The minister of highways and transportation is the lead minister, obviously, for disaster and for other areas of disaster assistance and for government services, takes the important lead role in that.

\* (09:20)

**Mrs. Mitchelson:** I wonder if the minister could indicate whether in her discussions the federal government has indicated clearly that expansion of the floodway is their preferred option. Has the federal government given the clear signal that

they endorse the province's position that expansion of the floodway is the way to go?

**Ms. Friesen:** What I can tell the minister is that in my discussions with the federal government they have not been focussed on the floodway. What I have always prefaced every discussion with is that in the larger context Manitoba's priority is the floodway. Let us remember that and let us start from that principle.

What I have been discussing with them is issues of the Urban Development Agreement, the Economic Development Partnership Agreement and specific issues that have arisen within those and the possibility of extensions, expansions, renewal, et cetera. So my discussions with them have not been focussed on the floodway other than to reiterate each time, and I have been very consistent in that, saying that Manitoba's priority is the expansion of the floodway.

**Mrs. Mitchelson:** I wonder if the minister could indicate what role her department has played in the analysis of the proposals of the Ste. Agathe dam versus the floodway. Obviously there was a report that came to government with two options from the International Joint Commission, I believe was the report, and what analysis her department did that ultimately led to the end result of having government choose the floodway as the option to move forward on.

**Ms. Friesen:** The main participants in that have been the Department of Conservation and the Department of Government Services. Our staff have not been involved in those.

**Mrs. Mitchelson:** I guess when we have a department that has responsibility for relations certainly with the City of Winnipeg and the surrounding municipalities, there certainly are other impacts on either the city or the municipalities as a result of new initiatives that might be undertaken. I find it hard to believe that there would not have been some analysis by the minister's department on the options that were presented and some input into the process.

So, again, I would ask: Did her department not look at it? Was there not any feedback? Were there any cautions or any suggestions that

her department put forward in the process that led to the decision?

**Ms. Friesen:** There is an interdepartmental committee at the deputy's level and assistant deputy level. Certainly there would have been analysis there. I thought the member was asking for the specific staff and group within Intergovernmental Affairs that might have worked on that. But, at the level of inter-departmental co-operation and analysis, that certainly would have been done as a matter of course.

**Mrs. Mitchelson:** I guess maybe the minister could indicate to me who from her staff would have been involved in an interdepartmental analysis or process?

**Ms. Friesen:** It is at the deputy's level that the interdepartmental process works, but I think—*[interjection]* Could I just add, Mr. Chairman if the member is asking about the technical analysis of the many options, or the several options, I should say, that were presented, the issue is one that was dealt with primarily by Conservation. I am sure the member is aware of the water strategy. I do not know if it was discussed in Conservation Estimates, but certainly the technical aspects of that lie within Conservation. We do have the Water Services Board, which I am sure the member is also aware of, and something that works very closely with municipalities in water issues, although, primarily, in the issues of municipal water and sewage, obviously, discussions and representations are made in other areas, we also have the conservation district. So there are some areas of water and water responsibilities which are in this department, but the lead on the floodway has been, and the analysis has been Conservation and Government Services.

**Mrs. Mitchelson:** I have just received a copy of the news release that was sent out by the Premier (Mr. Doer), talking about the all-party committee on flood protection, and it indicates that the Government has asked the Opposition to join him on the committee with Deputy Premier Jean Friesen, Conservation Minister Oscar Lathlin, Transportation and Government Services Minister Steve Ashton, with Selkirk MLA Greg Dewar, who will chair the

committee. This was back in February, and I guess I do not know if the minister can explain to me the lack of communication between the Deputy Premier and the Premier and whether she did not receive the news release, was not asked, or why she was not aware she was on the committee.

**Mr. Chairperson:** Before I recognize the honourable minister, may I remind all members that members of the House should be referred to by their own constituencies.

**Ms. Friesen:** While the member has a very good point, I certainly trust her reading of the press release. Obviously, I should have known, and I did not. I will have to find out why.

**Mr. Maguire:** The minister has indicated that a number of the staff are here this morning with rural issues, and perhaps we would like to proceed with some of those discussions a little bit in regard to some of the areas that are before us, as well. Before we do that, we had looked at some of the issues of staffing before the Member for River East (Mrs. Mitchelson) started asking questions, and I wonder if perhaps, for a few moments, I could look at just some of the staffing concerns in those areas.

In page 25, under the Brandon office, there is an indication there of staff, as well, and I wonder if the minister could indicate just who the members are in managerial and administrative support in those areas.

**Ms. Friesen:** Presently in the Westman Regional Cabinet office we have Jason Woywada, who is classified as an executive assistant, and Donna Shimamura Everitt, who is classified as an AY3.

Mr. Chairman, I just wanted to introduce for the members present the new staffperson who has arrived, Christine Burton, who is an Acting ADM of Rural and Northern Community Economic Development.

\* (09:30)

**Mr. Maguire:** Thank you for the introduction, Madam Minister. I wonder if the minister could indicate who the administrative support staff are in Brandon.

**Ms. Friesen:** There is one vacant position. The director's position is vacant in Brandon, and the two people whose names I read out to you earlier, Jason Woywada and Donna Everitt, Jason is classified as an executive assistant, and Donna Everitt is classified in the AY3 position. So that will be the administrative support position I think that the member is looking for.

**Mr. Maguire:** Thank you. That is what I was looking at. There are two administrative support mentioned here in the Estimates, and so there is one vacancy in that area. Can the minister indicate to me the salary ranges that they are at the present time?

**Ms. Friesen:** Jason Woywada is at 49.9, and Donna Everitt, which is the administrative support one is at 33.4. Again, Mr. Chairman, I do not have the ranges here, so if the member is interested in that, we could perhaps provide those later.

**Mr. Maguire:** Yes, thanks, Madam Minister. We will attempt to look at dealing with those ranges later today if that is possible, as you have indicated earlier.

Can the minister indicate how long these staffpersons have been there or if, as is likely, the executive assistant and special assistant that she has, if they have been there since she became Government.

**Ms. Friesen:** The executive assistant and special assistant that I have, have been there since the beginning, that is in my office. In this office in Brandon, the Westman Cabinet office—*[interjection]*

Mr. Chairman. I do not have the specific dates of appointment but generally speaking, Donna Everitt has been there from the change in government, and Jason Woywada has been there since last fall.

**Mr. Maguire:** Can the minister indicate to me who Jason replaced?

**Ms. Friesen:** Mr. Chairman. I think and I am not sure if the positions work in exactly this way, but I think Jason Woywada replaced Cathy Thomassen.

**Mr. Maguire:** I wonder if the minister could indicate where Ms. Thomassen is working now.

**Ms. Friesen:** Mr. Chairman, I guess I have probably a knowledge of where Cathy Thomassen may be working, but I do not want to get into her private affairs. All I can say at this point is, I do not think it is in government but we can certainly check on that.

**Mr. Maguire:** So the minister is indicating, then, that Ms. Thomassen is not working for the Government of Manitoba. That should have been a more appropriate question.

**Ms. Friesen:** Just for Hansard, I think the member is saying Donaldson, and I am saying Thomassen. So it is the same person, I think. Maybe I was not clearly enunciating, and the Member for Arthur-Virden picked up Donaldson, not Thomassen. So just for Hansard's perspective, I think we are talking about the same person.

**Mr. Maguire:** Yes, it was Cathy Thomassen that I was referring to. Yes. Pardon my tongue if it was coming out Donaldson, but it was Thomassen that I was referring to. Thank you for that. I guess, then, I would ask the question more appropriately that Ms. Thomassen is not working for the Manitoba Government at this time.

**Ms. Friesen:** Not to my knowledge.

**Mr. Maguire:** I wonder if the minister sometime this afternoon or later could give me a definitive answer on that as to whether she is or not.

**Ms. Friesen:** Yes, Mr. Chairperson, we will check on that.

**Mr. Maguire:** I wonder if the minister, if we were to turn the page and just look at the Human Resource Management area and look at the managerial staff position there as well as the administrative support persons and if she could indicate to me who each of those would be and their titles.

**Ms. Friesen:** Mr. Chairman, I have listed for that area: Bev Katchenowski, as manager; Freda

Broughton, as clerk; and Alice Reimer, as secretary; and there is one vacant position.

\* (09:40)

**Mr. Maguire:** I will jump over the Financial and Administrative Services to Municipal Board, and I wonder if the minister could indicate the managerial and administrative support staff in the Municipal Board.

**Ms. Friesen:** Mr. Chairman, I have for that area: Peter Diamant, as the chair; Lori Lavoie, as the vice-chair; Rose Gibbons, secretary of the board; Alice Hopko, assistant secretary; Shelly Riopka, administrative support; Mary Jarowec, administrative support; Eileen Pociuk, administrative support; Leona Van Osch, administrative support. There is one other person working in there in administrative support, who is being paid from another cost centre within the department, and her name is Pat Markotjohn. That is it.

**Mr. Maguire:** Minister, I just missed the first one, the chair of it, and could you tell me if that is a full complement or if there are any vacancies there?

**Ms. Friesen:** Mr. Chairman, the chair is Peter Diamant, and there are no vacancies.

**Mr. Maguire:** I guess just a question around the Municipal Board, can you give me the names of the persons who are on the Municipal Board, the appointees that are presently on the new board?

**Ms. Friesen:** Mr. Chair, the members of the Municipal Board, and this is as of July '02, are: Inonge Labun, Grant Buchanan, Tom Carter, Neil Cooper, George Corbett, Peter Diamant as chair, Douglas Dobchuk, Clif Evans, Georgina Garrett, Ruth Hammond, Neil Harden, Ed Hart, Jim Husiack, Cyril Keeper, Don Kille, Lori Lavoie, Robert Loiselle, Nora Losey, Budd Mager, Greg Manzuk, Ross Martin, Neil McGregor, Ricaredo Medina, known as Ric Madena, Monique Mulaire, Jim Neil, Russell Newton, Jack Nichol, Becky Parkes, Chris Pawley, Arthur Proulx, Garth Rice, Leona Schroeder, Meir Serfaty, Wendy Sigmar, Arnold Sinclair, George Smith, Michelle Smith, Larry Steine, Morgan Svendson, Frank Thibedeau,

Ram Tidwari, Sudesh Treon, Marilyn Walder and Grant Wichenko.

**Mr. Maguire:** I just wanted to switch gears here a little bit. The last little while, last Friday I believe, there were some announcements made about Rural Forum. I wonder if the minister could update or tell the House exactly what her announcement entailed in regard to or whether there was any announcement of it. I guess there was some discussion, I know, in Brandon last weekend around Rural Forum.

**Ms. Friesen:** Well, there was no announcement this week about Rural Forum. I think the member is quite correct to say that there was certainly some discussion in Brandon. I think possibly I would not like to say who initiated it, but people were raising some of the concerns that had been raised on a number of occasions about where, when, Rural Forum. There were some media inquiries and we responded to those.

**Mr. Maguire:** I know that there has been some speculation, even perhaps by the minister, at last Rural Forum, a number of those areas that perhaps some of the Rural Forum would be moved out of Brandon. I wonder if the minister can give us a definitive answer that Brandon will remain the centre for the Rural Forum for the future?

**Ms. Friesen:** Well, I do not know how many times I have given that assurance. If had written down what the member had asked, I would have repeated it back to him that as I have said in letters, as I have said to the *Brandon Sun*, as I have said in my speeches at Rural Forum, as I have said to the new farm newspaper, there is no intention, there is no question of moving Rural Forum out of Brandon. Many times I have explained why, but I have also paid attention to those people who have suggested that. I have tried to understand what it is they are looking for. What they are looking for, it seems to me, are ways of ensuring that rural Manitoba is represented in Winnipeg and that the kinds of benefits that are there for Rural Forum for Brandon can be felt to some extent where possible in other communities.

I have looked at the underlying concerns that people have and have been trying to find

ways to address those. As I suggested in my interview in the *Brandon Sun* and as I suggested in interviews to another rural newspaper, given that we are not moving, I repeat it again. I do not know how many more times I have to say it, that we are not moving Rural Forum from Brandon.

Given that we are not moving Rural Forum from Brandon, how do we ensure that the benefits and the experience of Rural Forum can be shared elsewhere? One of the ways that I thought and certainly one that we are canvassing with our partners and with the kind of evaluation that we are doing this time, are there ways that we can add to Rural Forum and use the kinds of seminars, for example, that people find most useful at Rural Forum? We are doing continuing evaluation to find the ones that people find the best, and are there ways that we can take those on the road? Can we take them to Neepawa? Can we take them to Minnedosa? Is that feasible? Is that something that people would welcome? Is that the kind of thing they are looking for?

\* (09:50)

So I have been listening to all sides on this, and let me repeat. Rural Forum is booked for the Keystone Centre next April, and there is no intention, as both I and both of the ministers in Brandon have said on a number of occasions, there is not intention of moving it from Brandon.

What I am looking for is ways to add, ways to add on, ways to bring benefits to other communities. I am also looking for ways to represent rural Manitoba more extensively in the city of Winnipeg because, for those people who have, from time to time, talked about moving Rural Forum from Brandon, I think that is one of their concerns. They want to ensure that rural Manitoba is well represented in the city of Winnipeg and that the kinds of opportunities that are there in rural Manitoba, whether it is for tourism, whether it is for ecotourism, whether it is for farm bed and breakfast, whether it is for other aspects of rural Manitoba, that people are made more aware of them in Winnipeg. This is a very large market.

One of the ways, for example, that even within my own portfolio I have been trying to do that is to talk to The Forks board about rural

Manitoba to see how we can better showcase, just as we do in Brandon, and since the intention is not to move Rural Forum from Brandon, how do we do some of the showcasing that happens very well in Brandon, in Winnipeg? Well, The Forks is one venue. It is a good tourism draw. It is a place where most visitors to Winnipeg will find themselves at some point. How do we ensure that there is a good representation of rural Manitoba?

I have talked to some of The Forks staff about this, and in both of the last two years, in fact, persuaded The Forks to be represented at Rural Forum. That was new for them. That had not been there. So it fills the mandate of the department in the sense of bridging those boundaries, bridging those divisions, as I think they have been, between rural and urban Manitoba. The Forks is an important market. Let us see how we can ensure that The Forks people are aware of the incredible range of products and opportunities in rural Manitoba, and they can, as opportunities present themselves, make those available at The Forks.

I should say that I have had a great deal of interest from the chair of the board, from Mr. Norrie, on this, and the CEO and the staff have been at Rural Forum and have been becoming very familiar with the opportunities that it offers.

One of the most recent ways the member might be interested in was the opening of a new bakery at The Forks, and that was last week. It is a bakery, I do not know if the member is familiar with it, but it is called the Tall Grass Prairie Bakery. It is a Winnipeg bakery, and it is one that has quite a drawing power. Its opening at The Forks was, I think, well received, but what was interesting about the way in which the opening was done is that the farmers who provided the wheat, and there is a farm family from southern Manitoba, and there is another family in Strathclair and very locally connected, they were brought into the opening. They were presented to this urban audience and sort of trying to make those links. Here is how your food is made. Here is who made it. Here is the 90-year-old aunt who taught these bakers. She is from rural Manitoba, and they are in fact a rural farm, a rural community. This is who taught us how to bake.

In a very personal way and actually quite a moving way, the connections between rural Manitoba, between the farm families who provided the grain, and, actually, if you go and see this bakery, you will see that the milling operation is actually done on premises. You can see it, and there is an explanation of it. So that very process, from the farm gate to the finished product is there. Very small scale, very Manitoba. It is something that this particular bakery has done before. I remember when they had a five-year anniversary, they actually had a small street party and they brought in the people who provided them with their produce. They have jams, they have grain and obviously the bread and the berries for the pies. They have two sisters from, I cannot remember which order it was, it might have been the Benedictine order, who provide them with some of the cheese. So making those personal connections I thought was common to this particular bakery, but also exactly the kind of things that I would like to see at The Forks in much greater measure.

So, taking account of the concerns that people have about building on the success of Rural Forum, and I should say that it was very successful this year, we had the largest attendance ever. As the member is aware, we have made great attempts to ensure that there is an expansion of Rural Forum benefits for young people.

We have continued and, indeed, expanded the youth business game with the Chamber of Commerce. We introduced a number of other games this year for which we had both urban and rural youth competing. We had a test run of a particular, I do not know if I can call it game, but simulation on municipal government for young people which we do hope to be developing further. We had, and I think the Member for Arthur-Virden (Mr. Maguire) was there, we had some round tables with Cabinet ministers. I do not know what his observations were, but I always find them very pointed and very stimulating and certainly some of the comments from that stay with you a long time and can be very effective.

I think this is one of the important things for Rural Forum and for rural communities generally. I am not saying anything new for the

member opposite here, but the concern that rural communities have is for maintaining young people and for keeping young people in the communities and for being able to offer them the range of opportunities, whether it is educationally, academically, or in terms of a business or other opportunities that will enable them to see rural communities as a future home, and as a future opportunity for them. By expanding Rural Forum to be perhaps more prominently a place for young people, I think that we are trying to do something there that speaks to all rural communities.

My son says that the young people enjoy it, that they get a great deal out of it, not particularly talking to me but in talking to each other. Of course, that is always the case with young people, but I found that the format of both the games and the round tables do enable them to connect with young people from elsewhere.

In the group that I had, for example, there were concerns expressed about the limited recreational opportunities for young people that were available in some of the smaller communities, but we had people in that group from a slightly larger community who had experience in developing new recreational opportunities on their own in conjunction with a particular church. They were able to express their success and obviously learning from each other at that age has a much greater effect and impact. So I am quite hopeful about that direction. That may be something that we can take to Minnedosa, to Neepawa, even to Arthur-Virden, that there might be opportunities there for youth round tables that build upon the experience and the organization of Rural Forum.

I would say, and I want to pay tribute to the staff, not just from this department but from elsewhere who helped to organize that. I think we learned from earlier experiences that to make those round tables successful, you do have to spend a fair amount of time and preparation and you do have to create essentially a group ethos before they can be effective in the relatively short period of time they have in the afternoon. So time is spent in the morning in preparing questions, in encouraging the students to talk to each other because they do not know each other



for the most part and they are a mixed group. There are some urban communities, there are some Aboriginal communities, and there are predominantly rural communities. So setting it up in that way, putting time into preparation, creating group ethos and priorities of questioning really does make for a productive session, not just for the ministers, but for the young people themselves. I think there may be some experiences that we can build upon there that will have some impact in other communities.

\* (10:00)

**Mr. Maguire:** I know that the minister wants to leave at ten o'clock. I have a few more questions around the success of the event. I certainly will maybe bring those up later with her, but I guess in regard to the concerns about moving the Rural Forum from the city of Brandon, I was just somewhat concerned about the member from Brandon West, the Minister of Consumer and Corporate Affairs (Mr. Smith), comments about spreading this event around the province of Manitoba as the minister has just indicated, not to take away from that event, certainly successful opportunities and venues for, if we can use the word displaying rural life and rural heritage, the same as any other cultural heritage, are prevalent all over Manitoba on a regular basis.

Manitoba communities are full of them. We have seen them at the Ukrainian Festival in Dauphin. We have seen them at even events like the Rockfest that was held at Minnedosa last weekend, the Frog Follies and other events that occur around Manitoba on a regular basis, the Hopper Days in my own hometown of Hartney that occurred last weekend and Lukkenfest in Deloraine. We could go on and on and on about the success of other events that showcased rural activities in Manitoba and around those areas.

I would suggest to the minister that as was done this year, you know, I acknowledge that perhaps the turnout was somewhat greater, I believe that the movement of travel awards to that venue as well was a first time and was an opportunity to do it, a new initiative that she has brought in, at least. Balancing the successive turnouts I would say depends on what kind of

focus and what kind of priority is given to that particular event in that particular location at that particular time. I mean, there are no end of things that we could add to it to say that the attendance came up. I would say that is my point. I just want to have the minister acknowledge that and to know it.

Certainly having a bakery at The Forks is a great idea from those perspectives. There might be a whole host of questions that I could ask the minister in regard to policy around the farm community being able to bake its own bread and sell it in the province of Manitoba, which is illegal without buying it back from a monopoly that handles it in the first place.

I do not know if you want to get into that. But I wonder if she could just answer the only question that I would like answered at this time. The minister, can she give any indication to me why the Minister for Consumer and Corporate Affairs, the Member for Brandon West, would be questioning removal of any of the successes of Rural Forum from Brandon at this time?

**Ms. Friesen:** I am puzzled by the member's question. I certainly will return with the actual clipping from the *Brandon Sun*. But it puzzles me that anything could be considered as—there could not be anything clearer than what the member from Brandon West said. I am paraphrasing, but it was, *nada*, not a chance, no way, not on, I mean, if there are any more ways of insisting that Rural Forum will stay in Brandon. He was responding to a question. He did not pose the question. He did not initiate the question. He was responding to it.

I think perhaps again to clarify this issue, although we have certainly, I thought that I had clarified it again today as I have on a number of occasions. I will bring the clipping and we will read into the record so that we are both clear what it is the Member for Brandon West (Mr. Smith) said.

**Mr. Chairperson:** As previously agreed by the House, the time being 10 a.m., we will set aside the Estimates of the Department of Intergovernmental Affairs and consider the Estimates of the Department of Family Services and Housing.

Shall we briefly recess to prepare for the Family Services Estimates? *[Agreed]*

*The committee recessed at 10:03 p.m.*

*The committee resumed at 10:04 p.m.*

## FAMILY SERVICES AND HOUSING

**The Acting Chairperson (Mr. Doug Martindale):** The Committee of Supply will please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Family Services and Housing.

Does the honourable minister have an opening statement?

**Hon. Tim Sale (Minister of Family Services and Housing):** Mr. Chairperson, I have a brief opening statement, but I am wondering if I might invite my huge panoply of staff to join me.

**The Acting Chairperson (Mr. Doug Martindale):** The normal Manitoba practice is that the staff come in after the opening statement.

**An Honourable Member:** Into the Chamber.

**The Acting Chairperson (Mr. Doug Martindale):** Into the Chamber.

**An Honourable Member:** Because they are in committee rooms from the beginning. *[interjection]* Yes, they are. Of course, they are.

**The Acting Chairperson (Mr. Doug Martindale):** For opening statements, the staff are never present, whether it is in the committee room or the Chamber, I am advised.

**Mr. Sale:** Mr. Chairperson, I will make a very few brief comments.

First of all, I think that it shows the priority of our Government that our increase in support to persons with disability, children who are vulnerable, day care, housing and other issues

has provided an increase of about \$29 million this year, about 3.5 percent.

Persons with disability are a very high priority in our area. We have the first disabilities round table just completed, and you will notice a line item in our Budget which provides for the establishment of the office of persons with disability. We are one of two provinces with a minister responsible for persons with disability, and we are pleased to be establishing this disabilities office shortly.

In terms of the particular priorities of the department, I think that they are: First of all, expanding supports for citizens with disabilities, and we will be dealing with a number of issues around their income supports pursuant to the white paper which was tabled a year ago; providing greater support to families on assistance by restoring the National Child Benefit; implementing the first year of a five-year child care development plan, which resulted in an unprecedented number of people supporting day care in Manitoba. Just to give a brief perspective on that, with 1 million people, we wound up with well over 20 000 responses to the day care paper. British Columbia, with 3 million, wound up with 10 000 responses. So you can get a sense of the priority with which Manitobans responded to that, and I would like to acknowledge Manitobans' commitment to child care.

A fourth area is restructuring our Child and Family Services system. I want to thank the members of the Opposition for their support of that process. I believe that that is a nonpartisan issue that has been in the works for a long time, and I am delighted with their support. *[interjection]* Of course, I have always recognized the great work of the Opposition House Leader (Mr. Laurendeau) in rescuing day care from the fate that his party had consigned to it by appointing him to provide wisdom and direction to exit from a very divisive strategy. *[interjection]* You are welcome, Marcel.

I think the other issue which we are absolutely delighted with is that we finally have the federal government back at the table on affordable housing. Canada was and still remains the only nation in the developed world without a

national housing strategy for affordable housing. We now have an interim strategy that will last four years, but we still do not have a long-term framework, and that is one of our commitments, to work on that.

I think it is fair to say that Manitoba, along with New Brunswick, played a very, very significant role in getting the federal government back to the table and negotiating an agreement that all provinces and territories could actually use, as opposed to the draft agreement which had been put forward by Ottawa which could only really be used by Toronto and perhaps Calgary and Vancouver because it was limited to private-sector rental market multiple-unit supply and would not have been, in effect, a program in most parts of Canada.

Finally, the area internal to the department, which I think will pay great dividends in the future for Manitobans, is the service delivery improvements that we are seeking through integrating our services. We brought housing into the department when we formed government. We are now, essentially, collapsing three divisions, three departmental organization structures of income security, social services and housing into one structure so that, wherever citizens encounter our department, they will be able to get any service that our department delivers, and that will mean some cross-training of staff. It certainly means some savings in the area of managers, and it allows us to increase our front-line supports. So that is a very major and difficult process because, whenever you are bringing together two former departments, let alone bringing together services within a department under one structure of management, it means significant work for our staff, and I am very proud of our staff.

\* (10:10)

Finally, Mr. Chairperson, I want to pay tribute to our staff in our department. I am proud of the reputation of this department in that we respond quickly to members of the public and to members of the Legislature, whether they are on government or opposition side of the House, when there are issues raised in regard to either general issues or specific individual issues or programs or projects. I am extremely proud of

our staff's ability to respond quickly and flexibly to human need, which is, after all, what our service ought to be all about.

I want to thank my staff through this process of Estimates for their dedication, their flexibility and their innovation. I am particularly amazed that, through the process of the slowdown last year, our social assistance rolls actually continue to decrease through the very good work of the people dealing with short-term assistance, general assistance recipients, 391 York, in particular. It is just astounding to me that we are well below half of the rate of general assistance recipients than when we formed government about three years ago. So I am very proud of that record, and I am proud of my staff. So I want to make that very plain, Mr. Chair, and I think we should get on with the Estimates process.

**The Acting Chairperson (Mr. Doug Martindale):** We thank the minister. Does the critic for the Official Opposition have an opening statement?

**Mr. Glen Cummings (Ste. Rose):** Well, my statement will be relatively brief, although I was going to pick up on what the minister just indicated, the reduced rolls, probably a product of a couple of things. Certainly, it needs educational and employment opportunities for people to be off of assistance, and it also takes a healthy economy, which I would argue that many members on this side took some pride in leading up to the end of the nineties and how the economy of the province was beginning to grow and find its role in the North American economy.

I, however, do express some concern in the bigger picture that we also are seeing a distressing trend, and that is that we have more people who have chosen to live in other jurisdictions than what it would like, rather than reversing that trend to have an immigration both within the country and outside of the country, having people move into this province. How that directly relates to this department, of course, it is a side issue because I am actually pleased to see the number of people on assistance requiring support being reduced because, every time we can do that, we have more people who have some pride and feeling of self-worth and being

employed and being able to take a useful and aggressive role on their own behalf in society.

In terms of the department, overall, I also see that there are a number of changes that are occurring, not the least of which is the devolution of the portion of Child and Family Services to four agencies. That is an important change, a significant change that, as it unfolds, will have its challenges. It will have, I hope, some significant results.

In dealing with those challenges, I have a few questions to ask the minister and the department. I also have some questions very directly related to child services in the Winnipeg Child and Family Services which is now being directly administered, I would think would be a fair comment, by the department, given that the board is now a direct appointment of the minister. That leads to some interesting assumptions which I will look forward to hearing the minister's answers on. If the minister wishes to bring in his staff, we can get started.

**Mr. Chairperson:** We thank the member. 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 now defer consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in Resolution 9.1. 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. Sale:** I am delighted to welcome Tannis Mindell, who, I think, is known to all members. She is our staff, she runs the whole department by herself. It is a good thing the caseload has gone down, because now she has some time.

**Mr. Chairperson:** Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

**Mr. Cummings:** As the minister is well aware, we probably have a fairly limited amount of time. It always seems there is a lot of time when we start this process and then we end up with

relatively short periods in some areas. I would prefer a global discussion. In that respect, I would like to begin with the Winnipeg South family services issue if the minister is willing.

**Mr. Chairperson:** Is there agreement that we proceed with a global discussion?

**Mr. Sale:** It is agreed.

**Mr. Chairperson:** The floor is now open for discussion.

**Mr. Cummings:** I would invite the minister to correct me if my assumptions are incorrect, but, as I understand it he is now the direct appointment of the board of directors of the Winnipeg Child and Family Services. In that respect he, rightly or wrongly, is now directly responsible through those appointments. Because the *raison d'être* of doing this was to contain costs, he felt we were getting out of control, but in many respects we all know that this is a department in government, and this is a service in this department that is very often demand driven, as is health care. Very often, those costs are directly related to demand, and, frankly, no government wants to leave people, especially children, on the street corner because of budgetary constraints. So this is a very difficult direction for the minister and the department to embark on.

One question that has come directly to my attention is that the number of shelters may have been reduced since this change in management has taken place. What impact is that having on the delivery of service and, of course, the intake of children needing service?

\* (10:20)

**Mr. Sale:** Mr. Chair, I thank the critic for the question, just perhaps a slight correction. The actual board of Child and Family Services of Winnipeg has been since 1991, when the previous government amalgamated the six agencies. Well, actually, there were four by then, no, there were six, when they amalgamated them into one agency, and the previous government began the practice of direct appointment of the board at that time. So the board has been, since

1991, a directly government-appointed board, and that has not actually changed. What changed was the composition of the board. The board became, instead of essentially paid part-time volunteers, they became more, although not completely, more a full-time management board as opposed to a policy board. The previous board did, I think, a very good job of attempting to provide quality service and to contain what had become a runaway budget problem.

The member will probably know that budget has always been an issue with Winnipeg CFS. Interestingly, it has not been an issue with any of the others, but Winnipeg has been an issue, I would think, since I have known Child and Family Services, which would be 1976. I do not think there has been a period when Winnipeg CFS has not had a budget problem. It would be interesting some day to speculate over why it would be such a problem for 26 years.

What we have done is to recognize that, in the period of the last roughly 28 months or 30 months, the number of shelters ballooned from the high 20s to 60-plus, 64, I think, was the peak. I am not being partisan here, but the reorganization that took place during the last year of the previous government's time, I think, has proven to be exceedingly dysfunctional because what it did was take the specialized services and re-establish them as parts of CFS of Winnipeg. So you have a foster family, recruitment of foster family support group. Well, they are located over in St. Boniface. You have an adoption support group. They are located somewhere else. You have a very large intake unit located on Portage Avenue, just west of Broadway, where Broadway comes in, in that largely provincial-occupied building. That intake service is disconnected from family support, that are located somewhere else. So they have gone back to a silo type of organization inside the agency, but now the silos are geographically separated all over the place.

So it simply seemed to be, when we analyzed it, a huge disconnect between each type of service. Well, of course, kids move through these services. Families need these services to work together, but there was this crazy geographic disconnect in a silo system. If you are going to have a silo system, you have to have

them at least linked together so that they talk to each other. Well, they did not appear to do that.

We looked at that when we formed government, and, because the reorganization was so far along, we made a judgment call, which probably, in retrospect, it might have been better to have interrupted it, but we made a judgment call that the agency was already in significant turmoil the reorg was well along, we should let it go and see what happened. Unfortunately, what happened was we went from deficits that ranged in the \$3-million to \$4-million or \$5-million region to last year's \$13.1 million. In turn, more than half of that was related to the expansion of emergency support services. In 1995-'96, if memory serves me and the deputy can probably correct me, I think the emergency service budget was in the three point something million dollar region. By last year, that budget had risen to well over \$10 million. I think, in fact, the total in that whole area was over \$15 million.

But the lack of control seemed to relate to unbridled expansion of shelters but with no connection to then move the kids somewhere else. So the shelters simply filled up and the numbers went up and shelters were costing more to staff and operate than our highest-cost treatment beds, which is bizarre when you think about it because shelter is supposed to be short-term emergency, do some assessment, get a plan for the kid, move them on. In fact, what they were doing was spending very, very large dollars for what is, essentially, custodial care.

We were not able, through the previous board, to get a handle on what had happened, and why that was happening. We simply felt we could not tolerate the kind of expenditures that were happening. So we moved to appoint a board that had people with significant management experience in government, including people from the Winnipeg regional service system and from our direct delivery system, as well as people like Dave Waters who is the Executive Director of Knowles and previously had worked for CFS of Winnipeg and, I think, provides a great deal of long-term management competence in that area and a number of other people who will, ultimately, take responsibility for the delivery of these

services when they become part of government in Winnipeg.

That is a long answer to that short question and I have not talked about the issue of the shelter reduction. We have reduced shelter. So far, I believe the actual closures are eight formal closures to date. Most of those, strangely enough, the critic will probably find this interesting, had only one child in them. So we were staffing, around the clock, a house which we were renting or buying, with one child. You can imagine what the cost was for that. Most of those eight either did not meeting zoning criteria properly, and would have required rezoning—or had only one child.

Now there are plans to reduce shelter capacity and to accumulate shelters to the three- and four-size as opposed to the one- and two-size. About 60 or 70 percent of kids who come into shelters are not there because they are a problem. They are there because their parents are a problem and so they do not require a huge amount of supervision or hands-on treatment. They simply need a safe, clean place while you try and sort out whether they can go back home or not. So, having three or four of those kids is no problem.

Occasionally, we have children, and we do have adolescents who are violent or self-destructive, who are drugged, or have other behaviours that require almost one-on-one support. They are a minority. Unfortunately, the one-on-one model started to look after kids who did not need one-on-one any more than I need another hole in the head. So, well, I guess that is a debatable point sometimes. That is what has happened. Our feeling from talking with senior management and middle management in the agency is that service quality is actually improved, because there is now more of a handshake between the intake and Family Services side and there are specific, very concrete plans to improve that starting in September with some very specific initiatives that the agency itself has designed to both improve quality of service and contain costs.

Just to anticipate the member's next question; in the first three months of the year, so far, we are below our budget target for CFS of

Winnipeg, which itself is about \$7 million below last year's actual expenditure. So we have been, thus far, touch wood, able to reduce expenditures, slightly reduce numbers of kids in care, and we believe improve the quality of service, and we are on target for the first time in many years in terms of budget. Now I would not want to boast that we are going to stay that way all year, but the first indications are hopeful.

\* (10:30)

**Mr. Cummings:** Somehow we seem to have a role reversal here, but, given my number of years on Treasury Board, I am glad to see that there is fiscal responsibility. But, at the same time, and this is the same dilemma that your Treasury Board is wrestling with, and that is that there are some stories, and I bring it here in the context of issues that have been raised with me, not as third-party stories, but issues that have been raised directly with me that there also seems to be a bit of a policy shift.

I wonder if this is a directive that comes from the minister's office, or if it is a directive that has simply worked its way through the system, that is, two things, one being that rather than apprehend, there are times when children may have been taken into care before because they were found to be alone or not be in proper supervision and a complaint came in, where workers perhaps will not apprehend them but will work harder to try and make sure they are safe where they are, so that there is a reduction of children coming into care. I am not making a judgment call on whether that is good or bad, but it does lead to the question of is this reduction an expenditure related to a reduction in the numbers of children coming into care during that same period.

**Mr. Sale:** In response, there has been no material change in the numbers of kids in care. There has been a slight reduction. Well, I do not mean tiny, but there has been a numerically significant but not huge reduction in the number of days of care which means essentially that kids are finding their way to the right place more quickly. That is one of our goals that kids should not sit, do not say that too quickly, should not sit in shelters for too long. That is what had happened. Kids were finding that shelter was

their permanent placement. In one extreme case, there was a kid in a shelter for four years. That is crazy. So that is where we are finding that we can move kids along more quickly so days care is down.

The other thing that is happening is that, as I said, instead of having one child or two children in a shelter with shift staff around the clock, we now have three or four and with the same amount of staff because you do not need any more staff, either under the rules or just in terms of good service.

So those are the areas where savings have been achieved in service. Other savings have come from simply putting real pressure on management to save money on things like photocopiers and insurance. Just to give you one example, we are now covering CFS of Winnipeg's insurance costs as part of the general provincial system instead of having separate insurance. So we are paying for their insurance costs but it did not cost us any more. We simply bound them under our staff policy as a whole because we have, what, 15 000 and so adding another 500 does not change our premium costs, but it reduced theirs.

So we are doing things like that. Vehicles, copiers, a fair amount of administrative savings were simply achieved by saying, look, government has to do this, our department has to do this, so do you. But the service cuts have not been cuts in service, they have been reductions as a result of days care, and more kids per staff supervision.

**Mr. Cummings:** Well, I thank the minister for that answer. The kind of things he is talking about would seem to make sense. But there is one bugbear that always plagued ministers of Family Services. I do not think this minister should be excused. That is there is always a variation in how many times temporary emergency service has to be provided in a hotel room. Of course, that probably was related to the concerns that were expressed about emergency shelters. So I just seek an answer to that direct question.

**Mr. Sale:** Staff are just retrieving the actual number of days care in hotels in the first two

months of the year. I do not want to guess at them. Either we could go on to the next question or we could wait a minute until we find it.

*Mr. Conrad Santos, Chairperson, in the Chair*

**Mr. Cummings:** That also leads to my next question in this area, which is in terms of where service is provided once you get past the emergency intake services. Service being currently provided many times in four-bed units, is the region and/or the department looking at providing housing and residence for children in care up to larger numbers?

**Mr. Sale:** As I have said to the member, we are trying to move our shelter sizes from one and two to three and four, in general, although we acknowledge that there will always be a few kids, primarily adolescents, but there are some kids who are eight, nine, ten who can be incredibly violent and need to be closely supervised because they will hurt themselves or they will hurt other people around them. In general we are trying to move those shelter sizes up and have fewer shelters. That is one change.

We are establishing in, hopefully, September—that is certainly the current plan, and it is on target—to establish an assessment unit. Most provinces and most CFS agencies of any size have an assessment unit for intake where you have appropriate staff there that are not shift staff, not hired on a casual basis, but trained staff who provide an assessment of kids coming in so that they have a care plan and can move on to the appropriate placement quickly. Now those are intended to be six to eight beds, but short stay. The hope is to have Ma Mawi Wi Chi Itata run those assessment units for us. Another one will be—sorry, I am informed that Ma Mawi is responsible for those assessment units that are coming on stream in September.

So the member is partly correct that we are moving to establish a couple of slightly larger units. They are still not very large, but that is not a different policy. For example, Ndinawe has been around for a long time. I believe Ndinawe has 12 beds located on Flora and is essentially a receiving assessment unit that has been operated primarily for Aboriginal kids coming off the

street for a number of years under a number of different governments.

So I do not think it is a change in policy. It really is looking at the question of what has been driving the costs, as well as I think resulting in not very good service because having to staff these very small units wound up calling Olsten and We Care and temporary agencies to simply put a body in there. Usually, they had no training whatsoever.

So I think changing that pattern not only cuts costs, it also allows us to staff with competent people.

**Mr. Cummings:** I have one more question in this area, and it does relate to safety of the children and safety of the employees, I suppose, because certainly when children can be of a mind to be violent towards others or abusive, as you get into older children, they can be abusive in ways that are very inappropriate for other children in care.

Will these units at least have one or more secure units? I am not suggesting that this is liable to be an outcome. I am suggesting that from my understanding of the problems faced in manning these areas, is it planned that at least one of the units is to be appropriate security? I am not advocating a jail-type system. I am advocating, however, that unless these larger units are properly built and properly staffed, that there can be children coming out of there in worse shape than they went in.

**Mr. Sale:** I think the member hit on it exactly. It is a question of appropriate, trained staff. Most youth and child treatment techniques today do not use physical restraint and do not lock kids up. It is very rarely necessary to segregate kids to that extent, and that is the kind that I guess I was speaking about earlier where we acknowledged that there are and unfortunately probably will continue to be a very few children who need to be in a one-on-one situation for their own safety and for the safety of other children and staff. That is a question of trained staff.

Fortunately, we have been able, with a great deal of work, to find those kinds of people to

look after the kids that I am speaking of now, but the units that are assessment units will be for much more sort of, maybe not a good term, but run-of-the-mill kids. Remember that well over 60 percent of the kids who come into our care come in because their parents are out of control or absent or whatever, so most of the kids we are sheltering on a short-term basis are kids for whom we need a family plan, not a treatment plan. So the attempt is to have these assessment units capable of dealing with the vast majority of kids that we deal with.

Most of the rest are not huge problems. They are kids like yours and mine who made some stupid choices, or got themselves in a place where they should not have been and came to the attention of authorities. I always kind of remind myself that most of the things we pick kids up for, me and my friends did, but we did not get caught. I think, if we were all truthful, we might all recall, perhaps, in the member's case, only one or two occasions, but, in most of our cases, most of us did things as kids that, had we been in the presence of someone else, we might have gone on a different track. We do have a very small number of kids who need secure placements, and we are able so far to find those, but the new units will not have physical restraint capacity. They will be staffed properly to deal with kids who have got behaviour problems but are not extreme.

\* (10:40)

**Mr. Cummings:** I lived out in the country, very remote. This does lead into the second aspect of what I saw as important areas to discuss, and that is as the devolution of services to the four new authorities occurs. We had some discussion around this in committee on the legislation. I recognize that many of these conditions were negotiated and would be less than easy to make significant variations, but, nevertheless, there are people out there who are concerned and who need some understanding of what the direction is and what to expect in their own future, let alone those who are employed in the system.

I know that, No. 1, there is an expectation that a number of people within the current service delivery aspect of Child and Family Services, an expectation that maybe then would



continue under secondment or even under contract or, as in the initial stages of turnover, that the minister has led me to believe there is not going to be a day when a switch is turned and everything changes, but it does raise the question that, however delicate it is, I think we have to discuss it in the interests of continuum of service to the children because, ultimately, they will be the ones who would suffer, and that is related to the employ of the people that I referenced and what they might be able to expect as this evolves to the four new authorities. My concern is that today they are in a structured workplace in the sense that they have known standards in the areas that they work as a rule, certainly those that are at the front end of the delivery of service, and they have some ability to negotiate in their workplace.

Certainly, I know that what we saw in legislation is the devolution of the authority, but that ultimately leads to those authorities being able to hire and, I suspect—and I invite the minister to correct me on that if I am wrong, that, as this is devolved to the authorities, the new authorities will have the authority. They will be able to hire as they see fit. They will be able to set standards as they see fit. I know, to go back to under the act, they still have to operate under the same authority as the current act does. It is the authority itself that is being devolved. But under the condition of employment, I believe there will be no continuum between the current system that there are literally hundreds of employees in and the new system that, in fact, there will be a new system evolve. It will not pick up the standards, it will not pick up the contracts. I see a negative shaking of the head across there, and if I have misunderstood some of this, then I welcome the minister to correct me.

**Mr. Sale:** The standards that apply to the current system in terms of regulations, and I am sure the member is aware that there is a very thick book of service standards and protocols in terms of what do you do: what do you do when this happens, and what do you do when that happens, what is expected in terms of file recording, what is expected in terms of sharing information, et cetera. All that stays. It is not negotiable, it is not up for grabs. It stays. What we expect the new

authorities to do is to establish policies and build on the framework of quality service.

I just ask the member to recall Bobbi Pompana's presentation in which she made the point that she thinks training is extremely important. She has two degrees as she said, but she also said if she had to choose between a mom of 45 who had a two-year diploma and was a good mother and had had lots of experience in her community, and a newly minted MSW from the school of social work, she would take the 45-year-old every time. Frankly, I think I might agree with her. I would want the MSW to apprentice to the 45-year-old for a while, but I absolutely agree that in human services a combination of real life experience and training is what you want. Probably not either, but both real life experience and training. So standards do not change in that sense. They get added to, they get adapted to communities, and I think that is very important.

I think the second issue that is confusing and I understand really, really clearly why anybody would be confused by this, it is a very unique solution that the communities have come up with as they work through this. The authorities themselves are not service delivery units. We just have to absolutely keep reminding ourselves of this. There is a separation between the authority that has a supervisory, regulatory, standards maintaining, quality assurance, system management role and the agencies that they will mandate to deliver service.

The best analogy is the current Child and Family Services directorate—the director is Dennis Schellenberg. He is the director of Child Welfare for Manitoba Child and Family Services. It is easier to think about it as child welfare because it separates it from the rest of the department. So he is the director and he has a staff that support his quality assurance standards maintenance, investigative where there is an issue that has to be investigated. His staff support that process for him. So he has absolute, I suppose, authority, oversight of the current agencies, both Aboriginal and non-Aboriginal, that currently deliver service.

In the new system, the authority takes the place of the directorate, but it does not deliver

service. So the staff of the new system will be largely the staff of the Aboriginal agencies that are there now added to, as the member says, by either secondments, perhaps by contract, but in the longer term and even in the medium term by newly trained people such as the young Metis woman who spoke at the committee the other night. The goal, of course, is ultimately to have staff who come from those communities staffing the new agencies.

\* (10:50)

So I think the third area that the member raises is the question essentially, bluntly, of unions and successor rights and collective agreements. Our view on this has been that that is an issue that is best dealt with by unions and the Labour Board, should they decide to pursue that. The unions involved have been very co-operative in working through these issues. They are difficult issues for them. The question in the long run of whether the new agencies will have a unionized workforce or not will be up to the Labour Board and unions if they decide to organize. There are, as the member probably knows, Aboriginal organizations that have unions. Some have had unions and have decertified, some have got unions now. It is not a kind of single picture here.

The guarantee of work that was afforded to employees of the current system was that employees who were regular employees in a collective agreement or a like relationship, which covers CFS of western, on December 22, 2000, would have either existing continuing work or a fair offer of employment. A fair offer of employment, as the member knows, means reasonably similar work of a reasonably similar pay range that does not require the employee to move to Churchill. So that is where we are at. Employees that have come on to the system since then are essentially term employees without a guarantee. We have been working through how that, you know, in all the details of how you do that the unions have been very involved in that from day one.

That is an attempt to respond to the three separate issues I think the member raised. They are difficult issues.

**Mr. Cummings:** Well, in fact, the latter issue is the one that I was directly most concerned about, what the minister saw as potential employment opportunities for people who might find themselves unable to continue in the current area. What I am taking from that answer is that only those who are currently within a union would be able to take advantage of this opportunity. This explains in part where my original question was coming from in terms of continuity, that being that many people who are currently offering care may well be offered care again, the opportunity to provide care in the future with one of the new authorities, but they may not be offered at the same level they are currently receiving. That, I suppose, is an issue that is no different than any other contractor or self-employed person where the entity they are doing business with ceases or is assumed by another authority.

Then, in this case, the other agencies, as they grow, as new agencies may well be certified, or whatever the correct term is, approved to act, as they assume responsibility for the children who will likely be within the system and ones coming into the system, those will be the people who will be probably the most displaced in the end, in terms of whether or not they will continue to provide care to children. As children move through the system, new children coming in may not be offered to them. They may be offered by the agency to other people who they would have certified, I presume, or are considered as appropriate caregivers.

I see a puzzled look on the minister's face. I think he and I are probably talking about two different ends of the spectrum. I am talking about—let me make sure I enunciate this the way I believe I understand it, that is that, for example, foster families who have been fostering for a number of years, if they are not offered children from the agencies that operate under the new authorities, they will simply have to seek other agencies to foster for or do something else. I am saying in terms of protection their only protection is that they have presumably done a good job and that they will be asked again, but there is undoubtedly going to be an evolution there that will change. I say this in light of the fact that I recall hearing part of an interview the

minister gave where he was asked about whether or not more appropriate foster families may in fact be available.

I am assuming there will be a more aggressive look, if you will, or program by the new authorities and their agencies to seek out foster care in some different areas than where it is currently being provided. I do not have a problem with that. I just want to clearly understand, very likely, that is where some of the larger changes are going to occur as these systems begin to evolve. Is that a correct assumption?

**Mr. Sale:** The short answer is yes. That is the hope is that Aboriginal agencies will recruit more aggressively, although they may not recruit traditional foster families. They may recruit, for example, Ma Mawi Wi Chi Itata has helped us find around 30 inner-city homes, so that kids who are apprehended in the inner city because of parental neglect, or whatever reason, do not wind up in foster homes in the suburbs away from their school and away from their natural community.

The traditional agencies have had a great deal of difficulty recruiting foster families that are appropriate to the communities from which the kids come and to which something well over 90 percent of them return. It does not make a lot of sense to take a kid out of the inner city for three weeks or two weeks or whatever, stick them in a rural or suburban placement, interrupt their school and then say: Well, it is time to go back home again.

Most of them are going to go home anyway. It hardly sounds innovative, it sounds obvious, but, anyway, that is what is happening in regard to foster families in the inner city which is different.

\* (11:00)

Two other things that I think are important, the member will know that we re-established the Foster Family Association of Manitoba after a number of years of not having such an association. That association took a very interesting approach to forming itself. They went out to the grass roots and talked to foster

families in every part of Manitoba and invited each area to establish its own region and then built the Foster Family Association from the regions up instead of from the centre down.

I was really delighted at their first annual meeting several months ago out at the now Victoria Inn. It was then the International Inn. I think it was just in transition. They had very, very strong representation at that meeting from Aboriginal foster families. We have quite a number of Aboriginal foster families in our systems now, fostering both for Aboriginal and non-Aboriginal agencies. I thought it was a real mark of the foster families' integrity and commitment to the future that they made a very determined effort to link the Aboriginal communities and their fostering, including on-reserve foster families, into their association. The old association really had very little connection with that community. So I thought that was a very positive thing.

Another thing that I think we have to keep bearing in mind is that the Aboriginal child and family directors currently use and have said they will continue to use non-Aboriginal foster families who provide quality care, commitment to culture and connection with the child's natural community.

There has been a very concerted effort on the part of directors, such as Elsie Flett, Bobbi Pompana, David Monias, David—I do not remember his name—anyway, the South East Child and Family—Rundle to use quality foster family placements regardless of their ethnicity. I do not see that changing in the short term. They see it evolving rather than changing abruptly, because as the member earlier said and again we would underline, there are about 2200 Aboriginal children in the care of Aboriginal agencies now. That number will grow to probably in the order of 4000, 4200 in total over this period of time.

But it is not starting from scratch. I will give the member a current example. We are in the process of providing Aboriginal child and family services through one of the northern agencies, Cree Nation Child and Family to the community of Lynn Lake which has a large number of Marcel Colomb band members living in the

community now. But because Marcel Colomb is not yet a band legally, does not have a reserve—I guess it is a band but it does not have a reserve—there is no mechanism for them legally to affiliate and provide on-reserve services. They do not have a reserve. So we have entered into a three-way agreement with our Thompson region, with Cree Nation Child and Family and with Marcel Colomb band to provide services in Lynn Lake through Cree Nation, statutory services. That is the kind of process that is going to just keep evolving as we move responsibility more towards these new agencies.

The only new agencies I expect to see will either be agencies that serve big bands like Sandy Bay, for example, where we may well see a band-based agency evolve over the next few years, but it will really be an offshoot of an existing agency, or in the case of the Métis, there will be new agencies. But I expect that the existing Aboriginal agencies will simply grow, and we are not going to see a lot of new First Nation agencies. We will see at least one new Métis agency, but I do not know if there will be one or two. It is up to them.

Just maybe if I may, Mr. Chair, provide the information on hotel and shelter use. From April 1 to June 20 of this year there were a total of 19 different children in hotels. At any given time there was one or none or two. Over that period from April 1 to June 20, 19 different children, for variety of periods of days, the total number of days was I believe under a hundred days care, which is a fraction of what we have seen in the past.

I cannot make any guarantee. All I can do is live in hope and say that the early indications are that we are getting somewhere. The member knows that we have gotten somewhere in the past and then slipped back. I do not want to see us slip back. I am saying this is what we have now. I can only hope the pattern continues.

**Mr. Cummings:** I would like to move from the topic we have been discussing to child care and acknowledge the dollars that are being put into this area, but I do have a bit of a philosophical concern that perhaps this minister and his Government are not really enamoured with private, home-based home care. Maybe that is an

unfair statement. I am sure the minister will tell me if he sees it that way. One example does not good law make. Having said that, I want to ask the minister, however, if there have been any changes in standards that are being applied to home-based day care in terms of numbers, in terms of space, in terms of operation standards, if there have been any changes that have been made in the last couple of years in that respect. If the answer is no, then I have a question that I will leave with him about an experience that was brought to my attention.

**Mr. Sale:** First let me give the member some numbers just to indicate where we are. In '97-98, we had 3489 licensed family day care spaces. Today we have, this is an '02-03 estimate, but it is pretty close to the actual number, 4105. That is an increase of just over 600. The centre-based care has grown from 17 001, '97-98, to 20 895, '02-03. The total system in that five intervals has grown from 20 490 to 25 000 spaces. The proportional increase, roughly the family system has grown by a sixth. That is almost exactly the same as the centre-based. They have both grown by about the same percentages, 16-17 or so percent in that period of time.

There have been no regulatory changes for family, centre-based care, or, for that matter, significant changes other than fee structures in the centre-based care either. There is, however, this year a change coming. That is that all new family day care providers will have to take a 40-hour course. Currently there are no actual training requirements for family-based care. There are lots of licensing requirements, but there are no training requirements. We are starting to do some basic training. Forty hours is not a lot, but it is more than we have now. We will be encouraging existing family providers who have not taken some training over the years to do so as well. I think that is a really important initiative, because inherently family-based care is more flexible than centre-based care. In particularly rural and smaller communities it is often the only option, because there are not enough kids to run a centre. So we see it as an integral part of our system. I guess our concern is to try and move the standards of care providers up to just more appropriate standards for providing child care on the notion that really what we are doing here is not just care, it is child

development. If you do not understand what is happening in little kids' development, then you are not going to be able to provide the kind of environment that will maximize those kids' development.

\* (11:10)

**Mr. Cummings:** I had brought to my attention a situation, and I am smart enough to know that there may be other circumstances on both sides that I am unaware of. That is why I asked about the enforcement of the standards. But there does seem to be one part of this scenario that seems to be somewhat out of sync. I think I would be negligent if I did not put it on the record and then let the chips fall where they may. In fact, I do not even have the name in front of me at the moment.

The basis of my concern is that there was a family based in a day care that after four when their own children came home they seemed to have too many children in care. Part of their care was that they actually went to the school and brought the children across the street from the school to their residence, which is a pretty unique service. I am sure with the parents involved where they are working flexible hours and all that that this was a very useful service. I cannot speak to whether or not they were definitely over their numbers, but apparently enforcement happened in the way that they were told they could not actually go and pick up the children. Because they had been warned enforcement came down and said this afternoon you cannot pick those children up or you will be in violation or you will lose your licence.

I am going to just leave it there. I will speak to the minister privately about the details. I do not want to unfairly malign either the enforcement side or the centre, but it strikes me that at any time when children are involved in this manner, the parents who were maybe going to come at 6:30 to pick those children up might have been three hours out at noon hour or have to take the rest of the day off from work to come and pick those children up.

I would just put on the record that I hope that the minister encourages the enforcement branch to consider when these enforcement

orders are invoked, better that the kids do not go to the centre in the first place or better that the parents be warned as well. If in fact the day care operator was told and did not warn the parents, then that puts the onus on the operator. If it was the other way around, then it seems to me it had the potential to have a problem if no one came to get those children in time. That is why I raise it.

I raise it the way I do because I do not know all of the details on either side. I come from a community where until last recent history, you know, very largely almost all of the home care was home based and requires flexibility. The exception, of course, would have been Langruth, where they have a system that was started as an experiment and has grown and certainly has to push the envelope all the time in order to make sure they are able to provide services, but they are now providing services across the whole west lake region and deserve a lot of credit for that. But there still is a place for home-based day care. I too often do hear of where home-based day care is running afoul from time to time of regulatory process. I understand that can be simply related to the numbers, but I hope that we do not ever get into a situation where we discourage home-based day care, because that would be contrary to the principle that if we cannot run and we cannot afford to run centres or they are not conducive to the work responsibilities in the areas that we continue to encourage home-based day care. It is a system that certainly during my lifetime has evolved and grown and helped an awful lot of families. I do not want to see it ever in a position where it is disadvantaged.

**Mr. Sale:** Well, I appreciate the comments. I want to assure the member that first of all we have always seen family-based care in my time in government anyway as an integral part of the system. I know there are some people who ideologically believe that that ought not to be the case. It is interesting. The member may remember that Québec often gets kudos for its child care plan. In Québec, family-based care is an absolutely integral part of their system. Not only is it integral, they require their local child care providers, which are modeled really very much like the Langruth hub model that Jane Wilson—I think it is Jane Wilson, am I correct?—has pioneered. They require their centre-based

systems in each community to recruit and support family-based systems. So it is an integrated system. In Québec, for the four years or so since they introduced their five-dollar-a-day goal, which they still have not quite reached but they are getting there, their family side has expanded roughly three times as fast as their centre-based side. So, you know, I just note that.

I guess also the old separation of the associations ended several years back when the Family Day Care Association merged with the Manitoba Child Care Association. Now they are one unit too. When the regulatory review committee advises the minister each year on what ought to happen they always have on that committee family care providers as well as centre care providers, and they make recommendations for both. In fact the recommendation for training for family-based care providers came from the reg review committee both last year and this year. We were able to act on it this year. I think I know the case of which the member is speaking, but I would be glad to attempt to address it.

I would just note that inherently, and I do not say this because there is any judgment here, but inherently family-based care is a higher risk situation for children than centre-based care, simply because you have usually one adult or at best two with children. You do not have more eyes around and more hands around. So we pay close attention to the supervision of family-based care, which I know the previous government did too. I am not making that as a comment, any different than it was. The reality is that when we find that a centre persistently is caring for significantly more kids than it is licensed for, we are very concerned about that. I would be glad to talk with the member about the specifics of the situation if he would like to raise them with me and hopefully we can shed some light on what happened.

**Mr. Cummings:** Well, thank you. I understand that Intergovernmental Affairs was supposed to be on our heels in the House here and I do not see the minister. So if anybody knows where she might be—

**An Honourable Member:** If we could just pass all of our Estimates we would be fine.

**Mr. Cummings:** Maybe she can hear that we have not passed them yet. I am prepared to move the Estimates by category. We can proceed.

**Mr. Chairperson:** Item 9.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$622,300—pass; (2) Other Expenditures \$73,800—pass.

1.(c) Social Services Appeal Board (1) Salaries and Employee Benefits \$215,200—pass; (2) Other Expenditures \$145,300—pass.

1.(d) Human Resource Services (1) Salaries and Employee Benefits \$1,140,400—pass; (2) Other Expenditures \$114,900—pass.

1.(e) Policy and Planning (1) Salaries and Employee Benefits \$1,411,500—pass; (2) Other Expenditures \$163,300—pass.

1.(f) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,421,600—pass; (2) Other Expenditures \$432,600—pass.

1.(g) Information Technology (1) Salaries and Employee Benefits \$2,653,100—pass; (2) Other Expenditures \$1,450,900—pass.

1.(h) Disabilities Issues Office \$200,000—pass.

2. Employment and Income Assistance (a) Program Services (1) Salaries and Employee Benefits \$19,847,700—pass; (2) Other Expenditures \$7,624,500—pass.

2.(b) Income Assistance Programs (1) Employment and Income Assistance \$252,471,600—pass; (2) Health Services \$42,705,300—pass; (3) Municipal Assistance \$4,450,600—pass; (4) Income Assistance for Persons with Disabilities \$15,527,500—pass.

2.(c) Building Independence \$2,515,000—pass.

2.(d) Income Supplement Programs (1) Salaries and Employee Benefits \$602,900—pass; (2) Other Expenditures \$293,000—pass; (3) Financial Assistance \$6,277,100—pass.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$352,315,200 for Family Services and Housing, Employment and Income Assistance.

\* (11:20)

**Mr. Cummings:** Before we pass that last line, has the minister spent any time with our critic for Housing? Has our critic for Housing spent any time with the minister on that department? *[interjection]* Then I would like to leave that last line open at this time.

**Mr. Chairperson:** If we want to revert to an item that has already been passed, there should be unanimous consent.

**Mr. Sale:** First of all, I have no problem with unanimous consent, but I am wondering if we could just agree to leave the Housing piece and, if he has questions around the rent supplements, I would be glad to go back to those. That is no problem. That way, we would simply leave the last section of Estimates, which is 9.5. Leave that open for him and, by agreement, to agree to have questions on supplements.

**Mr. Chairperson:** Is that agreed?

**Mr. Cummings:** The Clerk has the page and the number. It is the one that the minister was referring to. We will stop at that.

**Mr. Chairperson:** We will continue with this resolution.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$352,315,200 for Family Services and Housing, Employment and Income Assistance, for the fiscal year ending the 31st day of March, 2003.

*Resolution agreed to.*

**Mr. Chairperson:** As previously agreed, we shall be suspending the Estimates. Is that what you want to do?

3. Community Living (a) Regional Operations (1) Salaries and Employee Benefits \$20,563,200–pass; (2) Other Expenditures \$2,538,800–pass;

3.(b) Adult Services (1) Salaries and Employee Benefits \$1,822,500–pass; (2) Other Expenditures \$1,814,900–pass; (3) Financial Assistance and External Agencies \$123,474,100–pass.

3.(c) Manitoba Development Centre (1) Salaries and Employee Benefits \$24,816,100–pass; (2) Other Expenditures \$2,987,300–pass; (3) Less: Recoverable from other appropriations (\$171,400)–pass.

3.(d) Residential Care Licensing (1) Salaries and Employee Benefits \$257,800–pass; (2) Other Expenditures \$33,600–pass;

3.(e) Office of the Vulnerable Persons' Commissioner (1) Salaries and Employee Benefits \$371,000–pass; (2) Other Expenditures \$176,200–pass.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$178,684,100 for Family Services and Housing, Community Living, for the fiscal year ending the 31st day of March, 2003.

*Resolution agreed to.*

\* (11:30)

**Mr. Chairperson:** Item 9.4. Child and Family Services (a) Strategic Initiatives, Co-ordination and Support (1) Salaries and Employee Benefits \$1,119,700–pass; (2) Other Expenditures \$64,900–pass; (3) Aboriginal Justice Initiatives – Child Welfare Initiative \$2,745,200–pass.

4.(b) Child, Family and Community Development (1) Children's Special Services (a) Salaries and Employee Benefits \$335,800–pass; (b) Other Expenditures \$85,000–pass; (c) Financial Assistance and External Agencies \$12,375,700–pass.

4.(b)(2) Child Day Care (a) Salaries and Employee Benefits \$2,404,600–pass; (b) Other Expenditures \$434,100–pass; (c) Financial Assistance and Grants \$67,126,300–pass.

4.(c) Protection and Support Services (1) Child Protection and Support Services (a) Salaries and Employee Benefits \$2,546,800–

pass; (b) Other Expenditures \$4,010,800—pass; (c) Maintenance of Children and External Agencies \$149,355,900—pass; (d) The Family Support Innovations Fund \$1,900,000—pass.

4.(c)(2) Family Conciliation (a) Salaries and Employee Benefits \$908,400—pass; (b) Other Expenditures \$295,500—pass.

4.(c)(3) Family Violence Prevention (a) Salaries and Employee Benefits \$504,500—pass; (b) Other Expenditures \$100,600—pass; (c) External Agencies \$9,807,500—

**Mr. Cummings:** Mr. Chairperson, I would like to leave one. I think the minister would be disappointed if I did not have a little bit more time to discuss issues with him, and I would like to leave the last. I had agreed to pass up to 9.4.

**Mr. Chairperson:** We have passed up to 9.4.3(b) Other Expenditures.

**Mr. Cummings:** We may have a little bit more time available to us. I wondered if the minister would agree to leave the last item open on the Family Services, that we could overlap a couple of questions with Housing later on when the House leaders can arrange an appropriate time.

**Mr. Chairperson:** Is that agreeable to the committee?

**An Honourable Member:** Or you could do it on the Minister's Salary if you wanted to do that. Whatever, I do not mind that.

**An Honourable Member:** We are not closing the Minister's Salary.

**Mr. Chairperson:** No. We have not closed it.

Item 9.4. Child and Family Services (c) Protection and Support Services (3) Family Violence Prevention (c) External Agencies \$9,807,500—pass.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$256,121,300 for Family Services and Housing, Child and Family Services, for the fiscal year ending 31st day of March, 2003.

**Resolution agreed to.**

**Mr. Chairperson:** As previously agreed, we will suspend temporarily the consideration of the Estimates for Family Services and revert to the consideration of the Estimates for Intergovernmental Affairs.

#### INTERGOVERNMENTAL AFFAIRS (Continued)

**Mr. Chairperson (Conrad Santos):** Will the committee please come to order. We were in a global discussion before.

**Mr. Larry Maguire (Arthur-Virden):** I know we were in discussions on some of the issues around Rural Forum and those issues, but my colleague from Fort Garry is here as well and has some particular questions she would like to ask at this time. So I turn it over to her.

**Hon. Jean Friesen (Minister of Intergovernmental Affairs):** The member had asked for some information to be brought back so I am bringing that back. He had asked for the salary ranges of executive assistants, and that range is \$41,703 to \$47,207. He had asked for the range of a special assistant, and that range is \$45,373 to \$50,838.

The member had also asked about whether Cathy Thomassen was still employed by the Manitoba government. To the best of our knowledge, she is not employed in any way by the Government of Manitoba and is not currently residing in Manitoba.

The member had also raised issues around his understanding of what the Minister of Consumer and Corporate Affairs (Mr. Smith) had said about Rural Forum. I did indicated to him at that time that I would look at the press release myself because I thought there must be some misunderstanding, and I want to read the story which is from the *Brandon Sun* of August 3. It opens with: Rural Forum is in Brandon to stay, says local NDP Cabinet Minister Scott Smith, "I can tell you without a shadow of a doubt—zero, *nada*, Rural Forum is going nowhere. In fact, it is going to expand." Smith was responding to Mayor Reg Atkinson's concern, et cetera. So it seemed to me that it was



quite clear, as indeed I think I have been quite clear, but obviously repetition does not hurt so we will repeat.

\* (11:40)

**Mr. Maguire:** Thank you for what the minister sees as clarity, and we will continue with this discussion later. I would just like to turn it over to my colleague from Fort Garry.

**Mr. Chairperson:** Sometimes clarity is power.

**Mrs. Joy Smith (Fort Garry):** Mr. Chair, this question is for the Minister of Intergovernmental Affairs (Ms. Friesen), and I would like to set up some lead in to the question because it is a very important one and it is very important to my community in Fort Garry.

As a result of the Winnipeg Ward Boundaries Commission final report released in November 2001, the ward of Fort Garry will no longer exist. I have to say on the outset there is a lot of very, very angry people in Fort Garry, and I will tell you why. Instead, our community has been split up and divided among the wards of Fort Rouge and River Heights. These new ward boundaries will take effect on September 2002, prior to the upcoming civil elections in October 2002.

In December of 1999, the Winnipeg Ward Boundaries Commission presented a number of recommendations to the present Minister of Intergovernmental Affairs (Ms. Friesen). Included in those recommendations was the commission's request for greater flexibility in determining the number of wards in Winnipeg. In July of 2001, the present Government amended The City of Winnipeg Act to allow the Winnipeg Ward Boundaries Commission to change ward boundaries in Winnipeg and to make the ward boundaries established by the commission final and binding. Unfortunately, the Minister of Intergovernmental Affairs failed to provide the commission the flexibility they had asked for in their December 1999 report. In the commission's final report, the commission states and I quote: "Notably the commission recognized that it had the luxury of determining the number of wards as recommended in its 1999 study. The addition of an additional ward

would provide a solution to the Fort Garry problem."

It is regrettable that the Minister of Intergovernmental Affairs (Ms. Friesen) did not fully respect the original recommendation of the Winnipeg Ward Boundaries Commission. If she had, the community of Fort Garry would have been saved. Her decision has resulted in the elimination of our historic place as a community in the city of Winnipeg.

I wanted to come today to speak directly to the Minister of Intergovernmental Affairs and have her explain why she made this decision and why she felt it was best, because I have to put on record that the people of Fort Garry resent this decision very much. One of the priorities for ward boundaries as outlined in the document is: Communities should stay together that have like commonalties, like interests. Basically, what happened in Fort Garry is that it was sliced and diced and chopped up to such an extent that the community was not recognized at all. East and west Fort Garry have been historically very close communities. For instance, we live on side on Riley Crescent, and our daughter goes across the highway to General Byng School on the other side. I use that as an example, because there are many families who share community centres, share schools. This has been historically the Fort Garry community.

I would ask the Minister of Intergovernmental Affairs why the people of Fort Garry were not properly notified, why the little advertisements in the paper were felt to be sufficient by this Government to notify people. I know that the answer probably will be, well, it is the City's responsibility. Well, I want to point out right now that this Minister of Intergovernmental Affairs did not provide the commission the flexibility they asked for in their December '99 report. This did not need to happen to Fort Garry, and I want to know as MLA for this community, for our community, why this happened.

**Ms. Friesen:** Mr. Chair, I appreciate the member raising this. She has certainly raised it in Members' Statements that I have been aware of and read and considered. Obviously, this is very much her duty to do as the Member for Fort

Garry. The arguments that she makes about the unity of parts of the broader Fort Garry constituency, I am sure, are ones that are shared by others and ones that I assume—and I know she did make a presentation to the Ward Boundaries Commission—so I am sure that those issues were brought forward not just by her. I did not recognize the other names, but I do know that the member made a presentation. So I assume that these issues were brought to the Ward Boundaries Commission, who has the statutory authority to set the boundaries.

Having said that, obviously, boundaries are very difficult issues. There are entire academic disciplines built out of boundaries. We face many boundary issues in deciding on whether it is school board boundaries or whether it is regional health boundaries, whether it is community development corporation boundaries, anywhere you try to set a boundary, obviously, you have many difficult issues. We did try in the legislation before last year to indicate to the Boundaries Commission that—and I do not have the list in front of me because we are going globally—but I am sure the member does remember the legislation where, of course, there was the opportunity for members of all the community of Winnipeg to make presentations. It was in the usual Manitoba way.

So it did indicate in there a list of criteria that it encouraged the commission to look at. I do not remember the exact language, but historic communities, I think, was one of the issues. I cannot remember the rest of the wordings. I probably should not go any further, but normally what you look at is patterns of communication, whether it is trading areas or whatever. So those are exactly the kinds of issues that should be brought to the commission, and it is a statutory commission. It is comprised of a judge, I think either the president or a designate of the University of Winnipeg and I believe—is it Elections Manitoba or is it the City of Winnipeg Clerk?—[*interjection*]-the Clerk of the City of Winnipeg. So that is statutory one; government does not interfere with the composition of that commission at all. The commission had clearly encountered difficulties from all parts of the community, I would say, in the kinds of boundaries that it had set: going across highways, going across rivers, dealing with

constituencies—by that, I mean groups of people who may not have seen themselves with similar kinds of interest. So every boundary commission faces those kinds of issues.

\* (11:50)

As a result of their first round, and feeling that more flexibility would give them a better result, they did ask for two kinds of flexibility. One was a flexibility in percentages, varying it and looking comparably at something like the province has. They did also, as the member says, ask for an additional member. Now the additional member is one that we did not agree to, although I should advise the member that, in the forthcoming City of Winnipeg Act, which we will be looking at shortly in the Legislature, there is the opportunity for the City of Winnipeg to increase the number of councillors. That may be of some interest to her and some interest to her constituents.

The ability to set the number of councillors is in The Municipal Act and is possible for other municipalities in Manitoba, so it was one of the things that we thought should be available to the City of Winnipeg. Now, whether they will choose to do that or not, I do not know. Obviously, that will depend upon the kinds of input and concerns that their citizens raise with them.

In any case, I obviously would also advise that it would not take place overnight because the changes in The City of Winnipeg Act are going to require by-laws. They are going to require the usual public input into every by-law so that it will take some time, but that does seem to me to be one option for addressing those issues.

We are getting down to the number of whether there should be—and I think the commission welcomed the flexibility, the part-flexibility. I know there were concerns that we did not do everything that they asked for, but I do feel that we have addressed that with some flexibility in enabling the City of Winnipeg to do as other cities do and, in this case at least, to be able to increase the number of councillors to perhaps take account of what the member's

constituents would like to see and would see as the right thing to happen.

So I would suggest that to her, but I am also a bit puzzled because it does seem to me to be the case that it was the other side of the House—not the immediately previous government, but in the early 1990s—which reduced the number of councillors in Winnipeg from I think it was 26 to 15. At the time it was something which we felt was going to reduce representation and make it more difficult to meet the kinds of communities that the member is talking about, not just in Fort Garry, but elsewhere as well.

It was not a piece of, I think, the election campaign in the last election, but it seems to me that what we tried to do is a moderate, gradual, and flexible option for the City of Winnipeg and for the member's constituents.

**Mrs. Smith:** Quite clearly, I will state here the political rhetoric does not fly with me. This Government sliced and diced Fort Garry. The community has been split up. It makes no sense. People in Fort Garry have let me know, and certainly I am sure you have heard from areas of Fort Garry as well: We do not like it.

We do not like what has happened. You know, the little sentences like, oh, well, it is the MLA's duty—excuse me, we have lived in Fort Garry, we are residents of Fort Garry, this is our home. My husband moved there when he was two years old. The family has lived there for years. We have raised our six children there. We love Fort Garry. It has been sliced and diced and destroyed by this Government, and we do not like it. Political rhetoric, I am sorry, does not fly with me, in all due respect.

Going back 10 years, saying your Government did this, dada, dada, da, does not fly with me either. The fact of the matter is, the guidelines were not followed. The prerequisite was that the communities are like communities. The prerequisite for putting the ward boundaries together was historic significance. This was not followed, and this minister has to know that you are the Government. This Government sliced and diced Fort Garry. Nobody else did that. Fort Garry is no more. No excuse will do any good. I am asking that you rectify the problem. You

made the decision. It was wrong. Fort Garry is very upset—

**Mr. Chairperson:** Order, please. The member will address the Chair, through the Chair.

**Mrs. Smith:** I will be happy to, and that is what I am attempting to do, but I get a little impatient with political rhetoric when I am trying to come to Estimates and explain the heartfelt dismay that the Fort Garry community has. There are no excuses. The community has been sliced and diced. Fort Garry no longer exists. This year what we have put up with is forced amalgamation. There is no Fort Garry School Division; there is now Pembina Trails. We have a ward now that is no longer Fort Garry; it is sliced and diced into two different wards.

I am telling this Government that Fort Garry community does not like this. I am asking that this Minister of Intergovernmental Affairs not give excuses for this but come to Fort Garry and meet with the Fort Garry people and find a solution to putting the Fort Garry ward back together again. In actual fact, this problem could have been solved. The ward boundaries were already written out. In the December 1999 report, this minister, this Government failed to provide the commission with the flexibility they asked for. Now, as a result, a very historic part of the city has been eliminated very callously. We are concerned about this as a community.

I have not heard one person, other than members on the other side of the House, that have agreed with this move. Fort Garry people should have been notified in a proper manner. They were not notified. It happened in the darkness of night. This is how Fort Garry—*[interjection]* Yes, the minister says, What. You go down the streets in Fort Garry, and they will tell you they did not know this was even happening. I think this was a shameful way of dealing with a community that is historically one of the finest communities in the city of Winnipeg. I am asking this Minister of Intergovernmental Affairs—

Mr. Chair, could I please ask for the attention of the Minister of Intergovernmental Affairs because this is rather important?

**Ms. Friesen:** I deeply resent the implication of the member's statement. I am consulting with officials to ensure that I have the correct information to give to her. I can assure her that she has my deepest attention as she has throughout this very unusual speech.

**Mrs. Smith:** I have to put on record that I am sure it is unusual for any MLA to dare to come to this Government and question what they have done. This Government has not done the right thing in Fort Garry. That, I put on record. If the minister feels that she resents my asking these questions, I cannot begin to tell you how much Fort Garry residents resent—

**Some Honourable Members:** Oh, oh.

**Mr. Chairperson:** Order, please. She has the floor. The Member for Fort Garry has the floor.

**Mrs. Smith:** To the Minister of Inter-governmental Affairs come out to Fort Garry—I will organize the meeting— and listen to what the people of Fort Garry have to say, and reconsider this decision to slice and dice the Fort Garry ward.

**Ms. Friesen:** I think the member should perhaps—I understand that she is very passionate about this, and some of her language perhaps shows that. Far from resenting any of her questions, I am doing my best to answer them as calmly and as fully as I can. A full answer seems to elicit the response of political rhetoric. In fact, what I was trying to do on my previous answer was to give the member some history, to give her positions—I mean, why do we have a council of 15? Well, those are very clear political decisions that were taken some time ago.

We have, as I explained to her, a statutory, non-partisan commission, untouched by any government, which deals with boundaries at the provincial level, and a different one for the city level. I explained—and she may or may not be

aware, I do not know—the composition of that commission.

It does seem to me, Mr. Chairperson, that the member is not clear on what the responsibilities of that commission are, and, in my view, she does seem to be confusing the responsibilities of the provincial government, which are to have the statutory commission, which are to, every 10 years, review the boundaries, and, in this case, as the commission made a request to us, to respond to their concerns. As I indicated, the member is quite right, we did not respond to both of them at that time. But what we did do—and again I offered the member history, I also offered her some course of action which was that in the new City of Winnipeg act there is the possibility for the City to increase the number of councillors. That is an action that she could take to the City.

To say that the Province cut up Fort Garry is wrong. It is the commission. The member made a representation to that, as I am sure others did, and the commission made its decision. There are rules and regulations around how the commission makes its decision. We do not normally—and that is why I said this is an unusual speech that she was making—criticize after the fact the decisions that an independent commission makes; we live with it. In the case of the number of councillors in the City of Winnipeg, there is an additional option now for flexibility, one that I have tried to do, more or less parallel, to the municipal. On the advertising, on the notification at night, my understanding is—

**Mr. Chairperson:** The hour being 12 noon, pursuant to the rules, I am interrupting the proceedings of the Committee of Supply with the understanding that the Speaker will resume the Chair at 1:30 p.m. today, and that, after Routine Proceedings, the Committee of Supply will resume consideration of Estimates.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Wednesday, August 7, 2002**

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