

Third Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy	St. Vital	NDP
ALLUM, James, Hon.	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
ASHTON, Steve, Hon.	Thompson	NDP
BJORNSON, Peter, Hon.	Gimli	NDP
BLADY, Sharon, Hon.	Kirkfield Park	NDP
BRAUN, Erna, Hon.	Rossmere	NDP
BRIESE, Stuart	Agassiz	PC
CALDWELL, Drew	Brandon East	NDP
CHIEF, Kevin, Hon.	Point Douglas	NDP
CHOMIAK, Dave, Hon.	Kildonan	NDP
CROTHERS, Deanne	St. James	NDP
CULLEN, Cliff	Spruce Woods	PC
DEWAR, Gregory	Selkirk	NDP
DRIEDGER, Myrna	Charleswood	PC
EICHLER, Ralph	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FRIESEN, Cameron	Morden-Winkler	PC
GAUDREAU, Dave	St. Norbert	NDP
GERRARD, Jon, Hon.	River Heights	Liberal
GOERTZEN, Kelvin	Steinbach	PC
GRAYDON, Cliff	Emerson	PC
HELWER, Reg	Brandon West	PC
HOWARD, Jennifer, Hon.	Fort Rouge	NDP
IRVIN-ROSS, Kerri, Hon.	Fort Richmond	NDP
JHA, Bidhu	Radisson	NDP
KOSTYSHYN, Ron, Hon.	Swan River	NDP
LEMIEUX, Ron, Hon.	Dawson Trail	NDP
MACKINTOSH, Gord, Hon.	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor, Hon.	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MARTIN, Shannon	Morris	PC
MELNICK, Christine	Riel	Ind.
MITCHELSON, Bonnie	River East	PC
NEVAKSHONOFF, Tom	Interlake	NDP
OSWALD, Theresa, Hon.	Seine River	NDP
PALLISTER, Brian	Fort Whyte	PC
PEDERSEN, Blaine	Midland	PC
PETTERSEN, Clarence	Flin Flon	NDP
PIWNIUK, Doyle	Arthur-Virden	PC
REID, Daryl, Hon.	Transcona	NDP
ROBINSON, Eric, Hon.	Kewatinook	NDP
RONDEAU, Jim	Assiniboia	NDP
ROWAT, Leanne	Riding Mountain	PC
SARAN, Mohinder	The Maples	NDP
SCHULER, Ron	St. Paul	PC
SELBY, Erin, Hon.	Southdale	NDP
SELINGER, Greg, Hon.	St. Boniface	NDP
SMOOK, Dennis	La Verendrye	PC
STEFANSON, Heather	Tuxedo	PC
STRUTHERS, Stan, Hon.	Dauphin	NDP
SWAN, Andrew, Hon.	Minto	NDP
WHITEHEAD, Frank	The Pas	NDP
WIEBE, Matt	Concordia	NDP
WIGHT, Melanie	Burrows	NDP
WISHART, Ian	Portage la Prairie	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, March 19, 2014

The House met at 1:30 p.m.

Mr. Speaker: O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom and know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Good afternoon, everyone. Please be seated. Down to business.

ROUTINE PROCEEDINGS

Mr. Speaker: Introduction of bills?

PETITIONS

Mr. Speaker: Moving on to petitions.

Beausejour District Hospital— Weekend and Holiday Physician Availability

Mr. Wayne Ewasko (Lac du Bonnet): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The Beausejour District Hospital is a 30-bed, acute-care facility that serves the communities of Beausejour and Brokenhead.

(2) The hospital and the primary-care centre have had no doctor available on weekends and holidays for many months, jeopardizing the health and livelihoods of those in the Interlake-Eastern Regional Health Authority region.

(3) During the 2011 election, the provincial government promised to provide every Manitoban with access to a family doctor by 2015.

(4) This promise is far from being realized, and Manitobans are witnessing many emergency rooms limiting services or closing temporarily, with the majority of these reductions taking place in rural Manitoba.

(5) According to the Health Council of Canada, only 25 per cent of doctors in Manitoba reported that

their patients had access to care on evenings and weekends.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government and the Minister of Health to ensure that the Beausejour District Hospital and primary-care centre have a primary-care physician available on weekends and holidays to better provide area residents with this essential service.

This petition is signed by M. Dewald, L. White, E. Marek and many, many more fine Manitobans, Mr. Speaker.

Mr. Speaker: In keeping with our rule 132(6), when petitions are read they are deemed to have been received by the House.

Any further petitions? Seeing none, move on to committee reports.

TABLING OF REPORTS

Mr. Speaker: Seeing no committee reports, I have a report to table for the House.

I am pleased to table, in accordance with sections 10(1), 14(4) and 16(3) and 28(1) of The Auditor General Act, the March 2014 Auditor General's Annual Report to the Legislature.

Any further tabling of reports? Seeing none, we'll move on to ministerial statements?

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us this afternoon from HBNI-ITV system out of Fairholme school 19 grade 9 students under the direction of Ms. Evelyn Maendel, and this group is located in the constituency of the honourable member for Portage la Prairie (Mr. Wishart).

On behalf of all honourable members, we welcome you here this afternoon.

ORAL QUESTIONS

Canadian-Manitoban Immigration Agreement Resolution Civil Service Involvement—Government Knowledge

Mr. Brian Pallister (Leader of the Official Opposition): Blame placing, broken promises, false accusations, phony talking points: this is the descriptive of this government. And now a cover-up, an ongoing cover-up, a cover-up that describes very well to the people of this province the priorities of this government.

After 20 questions I'll ask a 21st, and I'll ask the Premier this: When did he first know that political direction was provided to a non-partisan civil servant to encourage them to engage in partisan activity? On what date?

Hon. Greg Selinger (Premier): As the member knows, the federal government made changes to how they wanted to manage immigrant settlement services in the spring of 2012, and we resolved to take action on that in the form of a resolution in front of this Legislature. And Cabinet ministers, senior staff, special assistants, caucus members were involved in inviting members of the public to attend for that resolution debate.

During the course of that activity, the minister did invite people to come to the Legislature through her civil servants and has taken responsibility for that and has corrected the record in terms of her role that she played in that.

We learned of this in the summer of 2012 after the Ombudsman's report had commenced, and we made it clear that we expected the former minister to co-operate with the Ombudsman, which the minister did. And we let the Ombudsman's report conclude and then we took serious account of the recommendations, which we are following up on.

Mr. Pallister: With 192 communicators, you'd think they could come up with more than one answer to that question, Mr. Speaker, especially when it's as general and non-specific as that answer has been.

Now, the reality is, of course, that on February 4th, 2014, the Premier and his colleagues decided to lance the boil, so to speak, and they tried to expel, and did expel, in fact, the member for Riel (Ms. Melnick) from their caucus. And the Premier said, and I quote—at that time, he said: It is abundantly

clear that she will not be taking responsibility for her own actions.

Why the double standard? Why should the member for Riel be accused of not taking responsibility for her actions when, in fact, she owned up to her own actions?

Will the Premier take responsibility for his own actions? Will his Cabinet take responsibility for their own actions? Will his party take responsibility for this cover-up? Will he finally answer the question?

When did the cover-up begin? On what date did he first know that political direction was provided to a non-partisan civil servant to engage in a partisan activity?

Mr. Selinger: Again, Mr. Speaker, I've answered that question on several occasions, and I've put on the record that we learned of that after the Ombudsman's investigation had commenced in the summer of 2012, made clear our expectation that the former minister fully co-operate with the Ombudsman, which the former member did, made her role clear in that, and subsequently apologized to the public for that and corrected the record as with respect to her role. That's a matter of public record.

Mr. Pallister: What's also a matter of public record is the Premier sat silent for 17 months while an innocent civil servant stood accused of wrongdoing when he knew that was not the case.

Manitobans expect and deserve a non-partisan civil service. And Manitoba civil servants expect and deserve that they should be free from political manipulation and political influence in the operation and performance of their duties. And Manitobans, as well, Mr. Speaker, deserve to know that they have a non-partisan civil service that will deliver services to them and their families free of political manipulation. We understand this and we understand the importance of it on this side of the House, but clearly the government has lost sight of these important goals.

* (13:40)

For 17 months, I repeat, that Premier, and, I expect, many of his colleagues, sat on information which would have cleared from wrongdoing an innocent civil servant, yet they did nothing.

I ask the Premier again: On what date did he first become aware that political direction was provided to a non-partisan civil servant to engage in a partisan activity?

Mr. Selinger: Again, Mr. Speaker, I have been clear on this matter.

I've said that we've learned of this—we learned of this matter after the Ombudsman had commenced his investigation. I made it clear that Cabinet ministers, caucus members, senior staff members, political assistants, all were involved in inviting members of the public down to the Legislature to hear this important debate on a resolution about a program which has been fundamental to the economic well-being of Manitoba, a very important program called immigration. And again this year, we've seen statistics come out that we've gained 14,000 new people in Manitoba from all around the world. It's a very important program.

We believed the resolution would have been broadly supported in the Legislature, particularly when members opposite were involved in the early inception of the program. We were sadly disappointed in that.

The member has taken responsibility for her behaviour.

And I do have to say, Mr. Speaker, the greatest partisanship in public service was during the vote rigging of 1995, and the Leader of the Opposition has still not taken responsibility for that.

**Canadian-Manitoban Immigration
Agreement Resolution
Civil Service Involvement—Government
Knowledge**

Mr. Cameron Friesen (Morden-Winkler): What is clear is that this First Minister and this government has been anything but clear in all of this with regard to the civil service.

The civil service must be able to do their job free of political interference, free of political manipulation.

I have a question for the Minister of Finance. I want to know on what date she first became aware that the NDP government had directed a civil servant to send email invitations for an NDP political rally at the Legislature on April 19th, 2012. When did she first become aware?

Hon. Jennifer Howard (Minister of Finance): I think, as the First Minister was talking about, I remember the day that we discussed immigration in the House and the topic of immigration, the topic of bringing people to Manitoba, welcoming them here, having them participate in the economy, I wouldn't

think that is a partisan discussion. I would think that that is a discussion that all members in this House would be in favour of.

In fact, you know, as lately as last month when I was travelling the province talking and listening to Manitobans about the budget, I heard time and time again from employers who are finding it more difficult under the current rules under the federal government to bring people in to do the jobs and asked questions again and again about when we might restore the Provincial Nominee Program. So this is still a topic of conversation.

It's not a partisan conversation; it's a conversation that is of interest and concern to Manitobans.

Mr. Friesen: Mr. Speaker, this Finance Minister says that she remembers the day of the event, she remembers the debate. The question that I asked her is: Why can't she remember when she first became aware of what had taken place?

As I said, civil servants have to be able to do their job without political interference. They have to be able to do their job without political manipulation.

I ask this minister again: On what date did she become aware that the allegations against the civil servant who sent the email invitations and who was placed under investigation as a result were false?

Ms. Howard: This member opposite who represents some of those communities which he has said in this House are growing, are booming, are benefiting from those immigration programs. Talking to people that work in those communities and other places in the southern Manitoba, they told me clearly that they have concerns in the way that that program is being administered.

They have concerns now that the language requirements for people to come into Manitoba to work are so high that many of the people who came when that program was administered provincially today wouldn't be eligible. Those people have been here. They have worked here. They've learned the language. They have raised families. But under the current requirements, those people wouldn't be allowed to come.

So this continues to be an item of concern to employers, to Manitobans. It continues to be something that we in the provincial government are active on. We know the benefits of immigration not only to the economy but to the province of Manitoba.

We're proud of what that Provincial Nominee Program has achieved, and I would think the members opposite who so quickly take credit for it would have stood up for it.

Mr. Friesen: Mr. Speaker, the Minister of Finance wants to talk about many things, and I assure her that this afternoon in Estimates and again at Public Accounts this evening we will have ample opportunity to explore lots of themes, but this afternoon we are asking her specific questions about civil service and government interference.

Mr. Speaker, a non-partisan civil servant was implicated for wrongdoing and remained under a cloud of suspicion as a result of this government's actions for a year and a half.

I want to ask this Finance Minister one more time: At what time, on what date did she first become aware that it was the NDP government that directed the civil servant to send the email invitations to the NDP political rally on April the 19th, 2012? When did she first know?

Ms. Howard: Well, at the time that we brought that motion forward, I was the House leader in the House and we brought forward that motion, and I brought forward that motion with every expectation that members opposite would join us in our concern about that program because, as the former minister of Immigration, I had heard from them many times and from others in the community that this Provincial Nominee Program had been one of those rare examples that had multipartisan support, that everybody supported.

But then, you know, when it came time to stand up for that program which has been successful in bringing people here, which employers supported, which people, I thought, from all political parties supported, they didn't stand with that program. They didn't stand with those employers who now tell us that the results they are getting are not as good, that they have deep concerns.

They chose to stand—

Mr. Speaker: Order, please. The honourable minister's time has expired.

**Canadian-Manitoban Immigration
Agreement Resolution
Civil Service Involvement—Government
Knowledge**

Mr. Kelvin Goertzen (Steinbach): I am, Mr. Speaker, growingly concerned about the mass

amnesia that is sweeping through the NDP caucus, but I'm sure that it hasn't affected the Government House Leader (Mr. Swan). I'm sure that the current Government House Leader has brought his mind to bear on this issue because it impacts him and his entire caucus.

So I'll ask him, the Government House Leader: On what date did he first become aware that the NDP government directed a civil servant to send an email invitation to an NDP political rally which was held here in the Legislature on April 19th of 2012?

Hon. Andrew Swan (Minister of Justice and Attorney General): Well, Mr. Speaker, I was surprised as anybody the member for Steinbach didn't stand up for the Filipino families in his community that were so concerned, so concerned about federal changes to the very successful Manitoba immigration program. And, you know, like all other members in this side of the House, I was shocked.

I was shocked that the member for Steinbach and all other members of the PC caucus refused to stand up for Manitoba and instead—we made calls. We made sure that there were community members that came. What were their outreach calls? They called federal MPs and had them sitting in the loge rather than doing what ministers and MLAs did, which was to invite members of the community to come down for a very, very important debate.

I'm very disappointed the—

Mr. Speaker: Order, please. The minister's time has expired.

Mr. Goertzen: One of the things that Filipino families are very concerned about, and it comes from their history, is they're concerned about corrupt government. And, Mr. Speaker, they expect us as legislators to act in a way that's responsible.

And I'm asking this minister, the Attorney General, the House leader, and I hope he's not suffering from an undiagnosed disease, but if he isn't, if he could turn his attention to this issue and tell the House when he first became aware that the NDP government directed a civil servant to send an email—to invitations to a political rally held here on April 19th of 2012 to civil servants.

Mr. Swan: You know, Mr. Speaker, I thought the member for Steinbach was going to stand in his place and apologize, but I guess that's not going to happen today.

My Cabinet, our caucus, our senior staff were all involved in this effort to make sure that as many Manitobans as possible were aware of what was happening at the Legislature, and we reached out to those communities.

Prior to the debate, the MLA for Riel, then in her capacity as minister, has acknowledged that she directed departmental staff to make calls. She has acknowledged that's the case. She has apologized to this House and has acknowledged that she misled the House, and to her credit, she stood up her first opportunity in this House and made that statement.

Unfortunately, the member for Riel (Ms. Melnick) made that choice. That was not a choice that anyone on this side of the government—

* (13:50)

Mr. Speaker: Order, please. The minister's time has expired.

Mr. Goertzen: The fact is that this Government House Leader, the Attorney General, Cabinet ministers and his caucus hung a civil servant out to dry for a year and a half.

And all I'm simply trying to do is ask a simple question to the minister. Surely, he's thought about this over the last year and a half. Clearly, he can give us an answer. He can choose not to.

But we're simply asking for the date that he first became aware that the NDP government directed a civil servant to send an email invitation to an NDP political rally here on April 19th of 2012. Can he just simply answer that question, Mr. Speaker, or is he simply not able to give us a clear answer because of what it might implicate him in?

Mr. Swan: Well, certainly, Mr. Speaker, there is amnesia when it comes to civil servants, but it's not on this side of the House.

It's on that side of the House, when the Leader of the Opposition has stood up, he's gone to the media and said his vision is to cut \$550 million out of the budget. His vision is to put a chill on the civil service. His vision is to have across-the-board, indiscriminate cuts that would rip apart the civil service in Manitoba. And, of course, now none of them seem to remember that. It was so bad during his response to the budget speech he had to turn his back on all of us and try to convince his own caucus members that that was the right thing to do.

If there's amnesia, it's that individual right there that's suffering very badly.

**Canadian-Manitoban Immigration
Agreement Resolution
Civil Service Involvement—Government
Knowledge**

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, the Premier (Mr. Selinger), the Minister of Finance and now the Attorney General (Mr. Swan) have refused to answer a very simple question.

So if neither one of those folks will answer the question, I will turn to the Minister for Jobs and the Economy and ask her: When was she first made aware, Mr. Speaker, that the NDP government directed a civil servant to send email invitations for an NDP political rally at the Legislature on April 19th, 2012?

Hon. Jennifer Howard (Minister of Finance): Mr. Speaker, you know, when I was the Minister of Immigration, something I came quickly to appreciate was how much that program, the Provincial Nominee Program, was changing the face of Manitoba, not only the people that lived here but the economy of Manitoba. When you look at the growth that has been experienced in the Manitoba economy, the fact that there's been a growing population and immigration has had a lot to do with that, the fact that that has happened has really enabled the economy to grow, new businesses to be found and people to get those jobs.

And the reality is, as I went around the province in the last few months and talked and listened to Manitobans, I heard time and time again from employers who asked if we could go back to the way things were under the Provincial Nominee Program, because they were experiencing barriers to getting the employees they needed to grow their economy.

That's why we have stood on the side of the Provincial Nominee Program—

Mr. Speaker: Order, please. The minister's time has expired.

Mrs. Stefanson: Well, Mr. Speaker, we know that the Minister of Finance has already refused to answer the questions. That's why we're asking the Minister for Jobs and the Economy if she will answer these very simple questions.

Mr. Speaker, I would like to ask her once again: When was she first made aware that the NDP government directed a civil servant to send email

invitations to an NDP rally here at the Manitoba Legislature on April 19th, 2012? When was she made aware?

Ms. Howard: Mr. Speaker, I'll be pleased to talk about immigration all day long. It's a very important contributor to our economy in Manitoba.

And one of the great things that you get to do in both this job and the job as minister of Immigration is talk to people who have come to Manitoba from all over the world and talk to them about the reasons why they come here. And when you talk to them about that, what you hear from their stories, many of them come here mostly for a better life for their kids because they're leaving countries where they don't believe that their kids are safe or that their kids won't get a fair chance.

And many of those families who have come here would not be allowed today, would not be allowed to come under the current rules because their language isn't strong enough, because there have been tremendous changes in the rules that bring families to Manitoba.

Under the Provincial Nominee Program, which the members opposite have every right to be proud of, under that program we saw tremendous growth in our communities and growth in our economy. And I thought that day, when we brought that motion forward, we could stand together in support of that program.

I was disappointed that the members opposite didn't stand by the Provincial Nominee Program then. I'm disappointed that they continue to not stand by that program now.

Mrs. Stefanson: Well, Mr. Speaker, it's clear to me that this government is in full damage-control mode.

It is unfortunate that when I asked the Minister for Jobs and Economy a very direct question that is deserving of a very direct answer, Mr. Speaker, that that should be offered in this House, because Manitobans want to know: When was she first made aware that the NDP government directed a senior civil servant to send email invitations to an NDP rally on April 19th, 2012?

I want to know when the Minister for Jobs and the Economy was first made aware of this.

Ms. Howard: You know, I think this is more questions on immigration I ever got when I was Minister of Immigration.

One of the things that I heard clearly as I listened to employers around the province about some of their concerns with how the immigration system was currently working was really the language requirements, which have become much stiffer under the new rules. And one these employers, you know, said to me quite, you know, clearly that when my family—when his family came to Manitoba, if the current requirements were in place, they wouldn't have been able to come here.

And we have always prided ourselves in Manitoba on that immigration program because it addresses the very unique needs and challenges of this province. That's why I think it was a good thing that the party opposite started and it was a good thing that we continued to support.

That's why I believed in all honesty that we would get all-party support for the notion that we should maintain and keep that program—

Mr. Speaker: Order, please. The minister's time has expired.

Canadian-Manitoban Immigration Agreement Resolution Civil Service Involvement—Government Knowledge

Mrs. Bonnie Mitchelson (River East): I'm wondering if there's anyone on the government side of the House that will set aside the selective amnesia that they seem to have around this issue and answer a very direct question.

Mr. Speaker, the Premier (Mr. Selinger) has selective amnesia. The Minister of Finance has selective amnesia. The Minister of Justice (Mr. Swan) has selective amnesia. And the Minister of Jobs and the Economy (Ms. Oswald) isn't allowed to stand up and let us know whether she's got selective amnesia.

I'm wondering, Mr. Speaker, whether the Minister of Housing will stand up and indicate: On what date did he first become aware that the NDP government directed a civil servant to send email invitations to an NDP political rally at the Legislature on April the 19th, 2012?

Hon. Jennifer Howard (Minister of Finance): I know that must have been a hard day for the member opposite who's asking this question to see the program that she helped start, to see that program be abandoned by her party. I'm sure that was a very difficult day for her that day to see that program that

I know that she is proud of and she should be proud of—to see her own party abandon that made-in-Manitoba program.

And I'm sorry for that. I'm sorry that they made the decision—they made a decision, frankly, to stand with partisan politics on that day and not to stand with what's best for the Manitoba economy.

And it's being borne out now. When you talk to, when you listen to employers in this province who are having difficulty bringing the workers they need here under immigration, it—

Mr. Speaker: Order, please. The minister's time has expired.

Mrs. Mitchelson: A simple question. Possibly we could get a direct answer from someone over there, Mr. Speaker.

The Minister of Housing indicate on what date he first became aware that the allegations against the civil servant who sent the email invitations and who was placed under investigation as a result for false? When did he—what date did he realize that those were false allegations?

Ms. Howard: I'm sure that she well remembers the day of that motion because I'm sure she had a crisis of conscience.

Do I stand with the program that I know is working? Do I stand with a program that I know is bringing people to Manitoba, that's helping employers fill jobs, that's helping businesses grow, that's bringing families together, families that I'm sure all of us represent in our constituencies? Do I stand with that program, or do I take the order from on high to stand for partisan politics and stand against a program that was growing the economy in Manitoba?

* (14:00)

I'm sure that was a difficult choice for her that day. I think she made the wrong choice that day to not stand up for the Provincial Nominee Program in Manitoba.

We continue to stand up for—

Mr. Speaker: Order, please. The minister's time has expired.

Mrs. Mitchelson: But, again, Mr. Speaker, I wish someone on that side of the House would have a crisis of conscience and stand up and answer a very simple, direct question.

Mr. Speaker, a senior civil servant was implicated and left to endure suspicion of wrongdoing for a year and a half because of this government.

I ask the Minister of Housing again: On what date did he first become aware that it was the NDP government that directed the civil servant to send the email invitations out to an NDP political rally on April the 19th of 2012?

Ms. Howard: Well, Mr. Speaker, my conscience is clear, because when it came time to make a decision whether I was going to stand with immigrant families, whether I was going to stand with employers who depended on those people to come and fill the jobs and grow the economy, whether I was going to stand for the rightful role of provinces in immigration policy, I stood on the right side of that question.

And the sad truth is, Mr. Speaker, that when it came time for them to decide whose side they were on, they decided they were on the side of their political masters, not the people of Manitoba.

Ukrainian Crisis Sanctions against Russia

Mr. Ron Schuler (St. Paul): Mr. Speaker, last week the Manitoba Legislature unanimously condemned all violence and antidemocratic acts perpetrated against Ukraine. Yet even today the people of Ukraine continue to suffer at the hands of violent aggressors.

Will the minister responsible for the Manitoba Liquor Control Commission commit today to removing all Russian-produced products from the shelves of MLCC stores? Will he also suspend the sale of Russian-produced products until the international crisis in Ukraine is resolved?

Hon. Dave Chomiak (Acting Minister charged with the administration of The Liquor Control Act): Mr. Speaker, as I understand it, the—we have looked at the issue in terms of products, et cetera. We're also working with the federal government to try to determine how and when sanctions and other matters like that should apply. So it's a valid suggestion, but it's already been discussed and looked at.

But there is an overall strategy that—approach that ought to be adopted. Clearly, we are strongly advocating for economic sanctions against Russia,

and we encourage that, Mr. Speaker, and we'll do our part. We will do our part where we can.

STARS Helicopter Service Contract Tendering Process

Hon. Jon Gerrard (River Heights): Mr. Speaker, in 2011 the government gave a \$100-million untendered 10-year contract to an Alberta company, the STARS helicopter service.

The normal limit for contracts above which they should be tendered is \$25,000 for goods and \$100,000 for services. The contract is for—STARS was for 1,000 times more than the normal maximum size for untendered contracts for services.

I ask the Premier: What was he thinking when he and his government gave a \$100-million untendered contract to Alberta's STARS helicopter service?

Hon. Greg Selinger (Premier): What we were thinking was is that Manitobans deserve to have continuity of service.

The STARS helicopter program had served us well in the flood of 2009. It had served us well in the flood of 2011. And an expectation had been generated in the public that that service would be continuously available to Manitobans, particularly during challenging times of events like floods or other disasters or situations where people could not be reached by land. So the project was continued. The STARS project was continued, and it has provided continuity of service.

And when errors have been identified or problems have been identified by medical professionals, we have listened to them. We've let the medical professionals deal with that. And when medical professionals have said it's ready for that service to be put back into action, that is when it has occurred.

Mr. Gerrard: Mr. Speaker, the Auditor General has found that the government's action in giving an untendered contract to STARS did not comply with provincial tendering principles, practices and legislation.

I ask the Premier: Why did he disregard normal business practices and provincial laws and hand a lucrative untendered contract to a company in another province rather than opening up this contract to competition from excellent Manitoba businesses?

Mr. Selinger: It was determined that continuity of service was fundamentally important to serve the

needs of Manitobans. To put it out to tender would've taken 18 to 24 months to reboot a service, potentially under another provider. We wanted continuity of service.

That continuity of service had served us very well in '9, had served us very well in '11, and there was a desire to continue to provide that service based on the successful performance of STARS in '9 and in '11. And that was the rationale behind it, to make sure Manitobans had emergency service when they needed it, particularly in difficult circumstances or in situations where land service was not able to reach people.

That was the priority was to protect the health and well-being of Manitobans, Mr. Speaker, rather than have a gap in service which would've left Manitobans vulnerable during very critical times in their health-care cycle.

Mr. Gerrard: Mr. Speaker, the Auditor General has revealed that the full cost is likely to be \$159 million, not just \$100 million. The Auditor General has also revealed that the costs per mission in Manitoba were likely to be 231 per cent or 618 per cent higher than in other provinces.

I ask the Premier: Does he not, as others do, consider untendered contracts as unfair business practices?

I ask the Premier: How does giving away enormous untendered contracts to non-Manitoba businesses benefit Manitobans?

Mr. Selinger: Mr. Speaker, I've put on the record the rationale for continuing service—to provide continuous service to Manitobans to ensure that at a critical time in their lives, when their lives are at risk or their health is at risk, the service would be available.

We want as few incidents like that as possible, and Manitoba has worked very hard to reduce the number of emergency situations when people would need that service. We've done that in a variety of ways. We've made very significant investments in nurses, very significant investments in doctors, very significant investments in new hospitals and personal-care homes and very significant investments in healthy living in the province of Manitoba and addressing chronic disease issues. So the less incidents we have, the less we will need the service.

But where it was need—where the service is needed, it is available, and that is the point, is to ensure the service is available on a continuous basis when Manitobans need it, from a provider that had a good record of providing that service not only in Manitoba in '09 and in '11 but a good record of providing that service both in Saskatchewan and Alberta as well.

Highway 10 Upgrade Announcement

Mr. Clarence Pettersen (Flin Flon): Mr. Speaker, I am proud to be part of the government that will invest in core infrastructure such as in important economic corridors.

I know the members of the opposition don't prioritize northern Manitoba. They cut northern highways funding when the Leader of the Opposition was a senior Cabinet minister in Gary Filmon's government in the 1990s.

Highway 10 is key not only to Manitoba, to Canada, and you could even say North America. At the heartbeat, at the start, is Flin Flon, of course, and it goes all the way from Flin Flon to Mexico.

Can the Minister of Infrastructure and Transportation—and like the opposition like to call him, Captain Asphalt—inform the House of our next investment into that great highway that the PCs have voted against? Thank you.

Hon. Steve Ashton (Minister of Infrastructure and Transportation): Well, Mr. Speaker, I'd like to thank the member for Flin Flon for the question.

I point out it's a day after the provincial budget and not a single question about the budget, not a single question about infrastructure. I wonder if it's got something to do with the fact that yesterday the Conservative Party voted against more than a billion dollars' worth of investment in core infrastructure.

And, Mr. Speaker, if you want to see the difference, this government is investing, yes, in Highway 10. Our Premier (Mr. Selinger) made announcements in Brandon, \$80 million worth of announcements; in Swan River, \$80 million worth of announcements in the Parkland. And you're going to see improvements on Highway 10 from the Peace Gardens all the way to Flin Flon.

That's because this government is investing in infrastructure for all Manitobans, southern Manitoba, the Parkland, northern Manitoba. We're a government for all Manitobans.

* (14:10)

GO Office Closures Government Timeline

Mr. Shannon Martin (Morris): After promising not to and then cutting rural Hydro offices, it appears the NDP are at it again.

The offices of the Manitoba Agricultural Services Corporation and Manitoba Agriculture, Food and Rural Development currently occupy offices in Morris. I've been told that these staff will be deployed to other offices under the amalgamation of the Starbuck, Stonewall and Morris locations. Staff are aware the consolidation is to happen in the next few months, but of no other details are aware.

When does this minister plan on closing these offices located in the heart of the Red River Valley?

Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Development): I want to ensure the members opposite about the restructuring of the GO offices and I want to ensure the member opposite, as we move into agriculture, what it used to be 25 years ago, what it is today, is a true transition of efficiency.

But I want to ensure the member opposite we will still provide the professional services that we have for a number of years. We don't need to have people coming through the offices, because, obviously, the numbers going through the offices have dropped. Communication has really begun through the social networking system, and we will continue to move with the producers and have ongoing discussions to provide a professional service as we have previously, and we will continue to provide those services regardless where we are.

Mr. Martin: I appreciate the Minister of Agriculture acknowledging that they're planning to cut and close these offices, as they've done with so many offices across this province.

My question to the minister is: When will these offices be closed? The people of Morris are wondering when is this office to be closed.

Mr. Kostyshyn: I want to ensure the members opposite that we are doing our due diligence by informing the people that have used the offices. We want to continue to have a smooth transition when we're moving out of these local offices. And we also want to inform the people that we will have the appropriate pieces in place—people in place but

also provide appropriate communication with them through the website.

And I do roughly want to say—but, generally, you know, it's quite ironic that the members opposite—let's get rid of a bunch of jobs; you want to get cut, cut, cut, but yet they come back and say they want us to spend money.

What we're doing is being more professional in our delivery, and we will continue to do that to provide the cost efficiency but also the professionalism of agriculture in the province of Manitoba.

Family Doctors Rural Manitoba

Mr. Stuart Briese (Agassiz): Mr. Speaker, Neepawa is a growing community with about 20 per cent increase in population over the last four years. In the same four years, we have seen a reduction of family doctors, leaving many people without a family doctor.

Mr. Speaker, when can those families expect the Minister of Health to keep her promise and provide them with family doctor service?

Hon. Erin Selby (Minister of Health): We know on this side of the House that Manitoba families deserve access to high-quality health care close to home.

We have a proven track record of hiring more nurses and doctors, both in Winnipeg but also in rural Manitoba, and we've got more doctors practising than ever before. We've got 562 more doctors practising in Manitoba than in 1999. Over 120 of those doctors are working in rural Manitoba. We've also, of course, filled over a thousand nurse vacancies in rural Manitoba as well.

We know that Manitobans want more doctors, and we're committed to hiring 200 more. We committed to that in the last election, and we're well on our way to doing that. We're also hiring more physicians' assistants, which allow doctors to free up their time to work with those more complicated cases.

But, of course, Mr. Speaker—

Mr. Speaker: Order, please. The minister's time has expired.

Mr. Briese: Well, you know, Mr. Speaker, almost every community in rural Manitoba is short of family doctors right now, and she does that spin.

I'm one of the people that's been left without a family doctor for the first time in my life. I've been told to go to Minnedosa and also, if that doesn't work, go to Brandon. Minnedosa's also short of doctors and taking no new patients, and people tell me that it's almost impossible to find doctors in Brandon willing to take new patients.

The minister makes many promises but falls short on implementation. When can I and dozens of others in the Neepawa area expect her to keep her promises?

Ms. Selby: I can tell you that Manitoba does have twice as many doctors practising in rural areas than the national average. But do we need to do more? Absolutely. We have the highest percentage of family doctors working in rural Manitoba. We need to do more and we know that.

That's why we're training more doctors. We're not going to cut medical seats like they did when they were in office, Mr. Speaker. We're growing the number of doctors we're training. We're recruiting more. We're getting more doctors to stay.

It's a big contrast to what they did when they were in office, and it's why I can tell you our constant recruiting efforts are paying off. We've got a new physician coming into Minnedosa starting—actually, starting this week, a nurse practitioner that's coming into 'minnedoosa' as well.

Mr. Speaker, we will continue to work with rural RHAs and keep recruiting and keep training.

Mr. Speaker: Order, please. The minister's time has expired.

Mr. Briese: Mr. Speaker, I had a family doctor through the years that Campbell was premier, through Roblin, Schreyer, Lyon, Pawley, Filmon and Doer. Unfortunately, along came the current Premier (Mr. Selinger), and what happened? Nineteen closed ERs and many more on partial service, hundreds of families without family doctors.

When will this NDP government interrupt their list of broken promises? The shortage of family doctors has got worse, not better. I don't know where these doctors are she's talking about.

Mr. Speaker, why has this NDP Premier broken yet another promise and failed to provide critical medical services?

Ms. Selby: Mr. Speaker, I wonder, when former Premier Filmon cut \$37 million from rural hospitals,

how anyone would have found a family doctor or an open hospital. And, certainly, when he fired a thousand nurses, it would have been pretty hard to find a nurse in a hospital. And when he cut the medical seats, would've been hard to train more doctors.

Mr. Speaker, we're training more doctors, we're hiring more doctors and we will keep recruiting more doctors.

Mr. Speaker: The time for oral questions has expired.

MEMBERS' STATEMENTS

Mr. Speaker: We'll now move on with members' statements.

Jagdish Kaur

Mr. Mohinder Saran (The Maples): Mr. Speaker, this winter I had the opportunity to meet with an incredibly courageous woman who survived one of the worst tragedies in Sikh history.

Ms. Jagdish Kaur lived through the terrible 1984 anti-Sikh riot in India. After a period of intense political instability, thousands of Sikh men, women and children were targeted for their faith and killed in the streets of India over four days.

This December, Ms. Jagdish Kaur came from New Delhi to visit us in Winnipeg and many other cities, hosted by community organizations and families across Canada. I had the pleasure of inviting her to my office in The Maples to hear her story. Now, I'd like to share her story with you.

Unfortunately, I must say with deepest sorrow Ms. Kaur lost many of her family members during the atrocities that took place. It saddens me even more to say she was not the only one. In fact, her entire community in New Delhi was massacred. Mobs swarmed into Sikh neighbourhoods and killed thousands of Sikh men, women and children. Ms. Kaur has spoken about how some leaders in the government at that time were identifying and directing the mobs to Sikh homes. In some cases, the police laughed at the victims instead of protecting them. Ms. Kaur has testified as a witness to these crimes many times, despite intimidation and political pressure to stay silent. Because of this mass violence, a portion of New Delhi is now known as the Widow Colony. This area is home to hundreds of widows and orphans who survived the attacks.

I know many families in The Maples and in Manitoba will join me in extending our condolences to the surviving families. Remembering tragedies such as these remind us of how important it is to have mature democracies which do not target minorities and their religions for political motives.

My deepest thanks to Ms. Jagdish Kaur for taking the time to share her experiences with us here in Canada. It was truly an honour.

Thank you, Mr. Speaker.

Elizabeth Wood

Mr. Cliff Graydon (Emerson): Mr. Speaker, last week Manitoba lost a defender of patients' rights, a defender of Lyme disease awareness and a strong defender of people everywhere. Elizabeth Wood, one of my constituents from Emerson, passed away last Thursday at the age of 65.

In July 1985, Elizabeth's life changed forever. She received a tick bite north of Emerson. She remembers having great difficulty removing the insect and when she was referred to a doctor, she was told it was just poison ivy. She later developed symptoms like aches and pains, fatigue and constant flu-like symptoms that never went away.

* (14:20)

More than two decades ago, Elizabeth founded a Lyme disease support group, the first of its kind in Manitoba. This was long before Lyme was reportable in this province and long before the government accepted that Lyme could be a long-term illness. Elizabeth had many meetings, lobbying politicians, professors, scientists and doctors about the effects of long-term Lyme disease. Just one week before her death, Elizabeth travelled to Ottawa to lobby the federal politicians on the benefit of a national strategy for Lyme disease. For several years, Elizabeth has been in contact with me regarding the provincial government's failure on Lyme disease file.

Many doctors and many members of the NDP government have refused to recognize that long-term Lyme disease is a serious illness, and testing remains inadequate in Manitoba. People like Elizabeth, Marie Hughes and others are still struggling with a government that refuses to recognize their plight. On a personal note, I want to thank Elizabeth for all the work that she has done to help political leaders recognize the long-term effects of Lyme disease and how much of a problem it remains in the province. Her emails always contained a wealth of information

for which I'm very grateful to have received and to have acted upon.

Mr. Speaker, I would ask that all members of this House join me in celebrating the life of Elizabeth Wood, and I look forward to the day that all members of this House recognize the serious concerns of long-term Lyme disease awareness, prevention and treatment.

Thank you, Mr. Speaker.

Northern Manitoba Trappers' Festival

Mr. Frank Whitehead (The Pas): Every February, during some of the coldest days of the winter, northerners come together in The Pas to take part in the Trappers' Festival, and this festival celebrates northern arts, cultures and skills needed to survive in the North. From woodcutting, snowshoe racing and the world championship dog races, to tea boiling, bannock baking, jigging, Northern Manitoba Trappers' Festival celebrates the unique life of the North.

The festival's longevity comes from the dedication of the hundreds of volunteers and organizers that come together to put on this fantastic show of northern pride. The coveted prizes of king and queen trapper are awarded to two competitors with the highest number of points after a week of competition. Congratulations this year to king trapper, Chris Perchaluk, and queen trapper, Diane Buck. Every year, the organizing committee does a remarkable job in planning and executing the festival plans. For the past two years, Jen Cook, the chair of Trappers' Festival and general manager of the *Opasquia Times*—and in spite of the abnormally cold weather, she managed to pull businesses, organizations and volunteers together for a fantastic festival.

The members of our community that organized Trappers' Festival are dedicated to keeping the festival alive. This year there was a youth component to the festival's organizing committee to help bridge the younger generations of northerners.

The Trappers' Festival also relies on hundreds of volunteers each year. As volunteer co-ordinator, Terry McKellep brought together over 300 people, making the festival a huge success.

Mr. Speaker, I would like to thank every volunteer and organizer for the remarkable job they did. Everyone maintained such a high level of

enthusiasm during the entire week, and the festival could not have happened without them.

Thank you.

Manitoba Soccer Association Awards Banquet

Mr. Ron Schuler (St. Paul): Mr. Speaker, I rise in the House today to recognize the Manitoba Soccer Association and the great work they have done to promote and facilitate soccer in this province. I had the opportunity to attend the MSA annual awards banquet on March 15th. The banquet serves as an opportunity for the soccer community to honour the dedication, skills and achievements of players, coaches, referees and volunteers.

I was particularly touched to see the inclusion of the Ashley Schlag memorial soccer scholarship in the program for the banquet. I know we all remember that tragic day all too well, and to see her spirit live on is really quite heartwarming. The Manitoba Soccer Association does more than just promote a wonderful sport and pastime, it promotes values both on and off the soccer pitch—values such as teamwork, effort, 'preserverance,' commitment and courage.

Sports like soccer and organizations like the Manitoba Soccer Association play a pivotal role not only in keeping Manitobans active, but in educating our youth and fostering positive outputs for their energy.

On behalf of the Progressive Conservative caucus, I would like to congratulate all the individuals who won awards this year at the banquet. There were many award recipients, and I will ask leave to table a document outlining them. Moreover, I would like to thank the Manitoba Soccer Association for the excellent role they play in our province, and wish them continued success in the future.

Mr. Speaker, I ask to table the list of award recipients of the Manitoba Soccer Association awards banquet.

Mr. Speaker: Is there leave of the House to table the list of names the honourable member for St. Paul referenced? *[Agreed]*

Spencer Lambert

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise today to speak about a remarkable individual, Spencer Lambert, who's a 13-year-old Manitoban with spina bifida who was selected by Shriners

Hospital for Children and the Air Canada Foundation to attend the 2014 Paralympic Games in Sochi, Russia, as an ambassador for para-sports. He's only able to walk short distances with the aid of crutches; otherwise he uses a wheelchair. He's a dynamic individual, displaying an incredible courage and passion for life. Over the years he's had many visits to the Shriners Hospital in Montreal and recently underwent a nine-hour surgery. Spencer has tremendous energy and he participates in a variety of sports, including wheelchair tennis, wheelchair basketball and wheelchair rugby, and he's played on the intermediate Manitoba Battling Bisons sledge hockey team since 2008. He hopes one day to represent Canada on the national sledge hockey team.

While in Sochi, Spencer visited various sports teams at the Paralympic Games, including Canada's national sledge hockey team. He's a fine example of a courageous Manitoban and deserving recipient of the Shriners children's hospital and the Air Canada Foundation award for ambassador to the 2014 Paralympic Games in Sochi, and I'm honoured to speak about him in the Legislature today.

The Shriners Hospital makes it possible for children like Spencer to receive the treatment required to improve their quality of life. Their commitment to medical research and treatment for spinal injuries, burn wounds, cleft palate and cochlear ear implants, to name just a few, led them to receive their one-millionth patient in October 2012.

In a recent meeting with Ross Holt from the Khartum Shriners of Winnipeg, he expressed the commitment of Shriners in assisting Manitoba children in need to receive the expert medical care in Montreal when it's not available here in Manitoba.

Thank you very much to the Khartum Shriners, who are here today in the gallery. Thank you.

* * *

Mr. Speaker: Just so I'm absolutely clear, in referencing back to the member statement for the honourable member for St. Paul, was it his intent to have the names of the members that he referenced included in the Hansard proceedings of today's sitting?

Mr. Schuler: Yes, Mr. Speaker.

Mr. Speaker: Okay, then is there leave to include the names the member referenced in today's Hansard proceedings? *[Agreed]*

List of Award Recipients

President's Award: Dick Derrett; MSA Special Achievement Award: Ali Musse; Harry Harwood Award of Merit—Outstanding Youth Male Player: Alic Rasmussen; Lorrie Thompson Award of Merit—Outstanding Youth Female Player: Amanda Wong; Frank Capasso Award of Merit—Outstanding Senior Male Player: Tyson Farago; Christin O'Connor Award of Merit—Outstanding Senior Female Player: Caley Miskimmin; Mario Perrino Award of Merit—Outstanding Referee: Kevin McEleney; Frank Major Award of Merit—Outstanding Official: Lisa Sansregret; Dave Zacharias Award of Merit—Outstanding Coach: Tony Nocita; Vic Batzel Award of Merit—Outstanding Youth Volunteer: Riccardo De Thomasis; Ralph Cantafio Award of Merit—Outstanding Senior Volunteer: Keith Driedger; Dr. Fred Stambrook Award of Merit—Outstanding Volunteer: Charlie Ironside.

* * *

Mr. Speaker: Now we'll move on with grievances.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Mr. Speaker: Seeing no grievances, we'll move on to orders of the day, government business.

Hon. Andrew Swan (Government House Leader): Mr. Speaker, I'll move this afternoon to consider Committee of Supply.

Mr. Speaker: We'll now resolve into the Committee of Supply.

Mr. Deputy Speaker, will you please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

INFRASTRUCTURE AND TRANSPORTATION

* (14:30)

Mr. Chairperson (Mohinder Saran): Will the Committee of Supply please come to order. The section of the Committee of Supply will now consider the Estimates of the Department of Infrastructure and Transportation.

Does the honourable minister have an opening statement?

Hon. Steve Ashton (Minister of Infrastructure and Transportation): Yes, I do, Mr. Chairperson.

And, first of all, I want to indicate I'm very pleased to be able to present our Estimates for the upcoming year. It's a historic set of Estimates for our department. This year, our department will be responsible for a significant component of the more than billion dollars that's being invested in core infrastructure. And, in fact, if you look at it—and it's been put in our plan, The Five-Year Plan to Build a Stronger Manitoba: Manitoba's core infrastructure priorities—this department, through its involvement with roads, highways and bridges and flood protection will be a significant part of our investments over the next five years that will total \$5.5 billion.

I want to stress that this is absolutely critical for a number of reasons. One is we've had a significant increase in investment in infrastructure over the last number of years. I want to indicate that, historically, if one looks back decade over decade, and certainly over the last number of years, we've seen a dramatic increase in the investment. That, actually, is not accidental. One of the first things we did early in our mandate is we brought in Manitoba 2020 transport vision, actually, under the chairpersonship of our Speaker in his role as the MLA for Transcona, and what that recommended was the need for a long-term plan, which we subsequently put in place, and we're now taking it to the next level. Specifically, in the next five years, more than \$3.7 billion is being put aside for Manitoba roads, highways and bridges, and, again, that's a historic level.

I want to stress again the importance this will have in terms of our economy. It certainly has a beneficial impact; Conference Board has identified that.

And I do want to stress, in this budget you'll see an investment of more than \$460 million in terms of highway capital funding. That, by the numbers—by—is about a thousand kilometres of provincial highway work. It's addition of 50 new projects, and it's going to make a very significant difference.

I'll—I can get into, briefly, some of the priorities. We're continuing to nail down the Highway 59 and the PTH 101 interchange. More than \$300 million on the Trans-Canada Highway, 213 of which is Winnipeg west. I want to indicate \$110 million from Winnipeg east to the Ontario border—boundary. And we're also, by the way, in discussions with Ontario about the potential to four-lane the remaining portion. Just note that we did four-lane all the way to Saskatchewan.

But we have some other very good-news announcements recently: the \$80 million that was announced in Brandon; flood proofing of Highway 75 and other measures that bring it up to interstate standards, that's more than \$200-million worth of investment; the Headingley bypass, which will extend the CentrePort Canada Way; the major investments for highways 6, 373, 374—and with the member for Flin Flon (Mr. Pettersen) here, I can't leave out Highway 10—again, major north-south connections, all an important part of what we're looking at; and I'd stress, too, that we're working on the major upgrade to the southwest Perimeter.

This is, to my mind, building on our success. And one of our greatest successes—and I want to give a lot of credit to our staff, the consulting engineers and the construction industry—CentrePort Canada Way was—it went from conception to opening, an opening with the Prime Minister and the Premier (Mr. Selinger), in basically less than five years. And you'll see that throughout the province, whether it's that or the Coulter bridge, whether it be any of the flood-related projects we dealt with in 2011. This is a department that has significantly—it's met the challenges, and I can't say enough about the dedicated staff in our department and what they've been able to accomplish.

I want to mention the Red River Floodway opened yesterday, \$38 million under budget. We're able to reallocate that \$38 million to other flood protection priorities, including in the city of Brandon. And, again, a very significant accomplishment. Winnipeg and people in a couple of the surrounding municipalities are now protected to one-in-700-year flood protection. A lot of attention on Calgary this past year; just by way of comparison, Calgary has one-in-25-year flood protection. I consider this to be one of our greatest accomplishments. We've gone from one-in-90-year flood protection to one-in-700-year flood protection, a very significant situation.

* (14:40)

You know, on the Emergency Measures side, I do want to indicate that we are going to be bringing out our next flood outlook over the next period of time, probably next week or so. I can indicate we've got new flood forecasting software. We've got new automated weather stations coming in, 22 new hydrometric stations. We've got various other investments that we've put in place that reflect our commitment over the last number of years to

significantly enhance our flood forecasting. Our dedicated team of 12 with Dr. Unduche is now hard at work looking at the possible scenarios in terms of floods this spring. And I do want to indicate that we have made very significant progress on virtually all of the recommendations in the two flood reports: the one that dealt with overall flood issues; the other that dealt with the regulation of Lake Manitoba and Lake St. Martin, of course, not the least is the degree to which we're moving ahead on the Lake St. Martin, Lake Manitoba outlets.

I want to stress that the degree to which EMO has been very active over the last period of time, obviously, a lot of challenges during the flood, a lot of challenges in the follow-up to the flood. But I do want to point the degree to which EMO has made a significant impact and has been working very strenuously again this spring to work with municipalities, with First Nations, Northern Affairs communities across the province to prepare for any eventuality in terms of spring flooding.

I do want to stress that we continue to emphasize the fact that First Nations communities are the hardest hit when it comes to flood impacts. We are working on the Lake St. Martin situation. I would note that we put aside a hundred million dollars in the last fiscal year. This is very much a part of the efforts to lead to permanent flood protected residences for people in all the four impacted communities.

And we're continuing to work on flood mitigation projects and permanent dike projects throughout the province. We've got a significant investment in community flood protection program. In fact, we're in \$30 million to community flood protection projects throughout the province and, again, this is all part of our commitment. I won't—I can get into details too: the individual flood protection initiative; the financial assistance to cottage owners; there were a number of components in the—in 2011 that we're continuing to put forward. I did mention already the very significant work taking place in Brandon.

I want to highlight very quickly the grain transportation scenario. As people will know, it's been a major problem for grain producers. There's a lot of grain sitting out in fields, sitting in temporary storage and other storage. We have a committee of Cabinet I'm pleased to co-chair with our Minister of Agriculture and also with our minister responsible for local government and our Minister of Jobs and

the Economy (Ms. Oswald). We have made some progress at very good meetings with Hunter Harrison from CP. There were clear commitments to move grain through Thunder Bay, which is where more than 60 per cent of the grain in Manitoba goes traditionally. We also had a very good meeting with OmniTRAX; we see them as a huge part of the solution in the future.

I do want to stress, in terms of Churchill, that we're moving ahead in terms of the next level with the Port of Churchill. We're obviously in an interim period with the end of the Wheat Board single desk. The federal government did put in place a five-year subsidy for shipment to the port. Without getting into the Wheat Board issue—which I'd be more than glad to if members want to get into it and some of the impacts it's had—I can tell you that the one thing that is clear is we have a new task force report out authored both by the federal and provincial governments. There's some real opportunities and some real necessities to invest in Churchill, and we're continuing to work with OmniTRAX. We have legislation that we hope to pass this session or, should I say, will pass this session that will set up the Churchill Arctic Port Canada Inc.

I want to stress again, too, we've been working on flexible vehicle weights and dimensions. We—

Mr. Chairperson: Order. The honourable minister's time has expired. We thank the minister for those comments.

Does the official opposition critic have any opening comments?

Mr. Reg Helwer (Brandon West): Very few, Mr. Chair. I am pleased to be here and serving as a critic, a new role for me, so lots of learning. And I trust the minister and his staff will be patient. I know they do like to teach people what—more about their department, so there'll be lots of learning, I'm sure, over the next few days on my behalf and, I'm sure, from all people.

Very interesting numbers that we hear coming out from the department, and I think we'll have to take a wait-and-see stance given the drop in infrastructure spending by this department over the last four years, 27 per cent underspending on core infrastructure, has been gone away to other departments and not spent here.

So some large announcements, and we have several questions about many of the announcements that have been made and what's going to actually

happen this year. So we'll stop there and then move along into questions.

Mr. Chairperson: We thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 15.1.(a) contained 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.

Mr. Ashton: Yes, I want to introduce staff. I want to indicate first of all the deputy minister is not here at this point—will be here at a later time during Estimates proceedings, Doug McNeil.

And also attending, as well, are: Lance Vigfusson, assistant deputy minister, Engineering and Operations; Doug McMahon, assistant deputy minister, at Water Management and Structures; Chris Hauch, assistant deputy minister, Accommodation Services; Ian Hasanally, assistant deputy minister, Administrative Services; Lee Spencer, the acting executive director of Manitoba EMO; and Jennifer Hibbert, the director of Financial Services.

Mr. Chairperson: I thank the minister. Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

Mr. Helwer: Mr. Chair, I'd suggest globally.

Mr. Chairperson: Okay.

Mr. Ashton: I would agree to that, too, and I was going to request one thing that we have done in the past. We are into spring flood preparation and we do have EMO here. If there was some way we could arrange to have time when EMO actually is specifically required to be here so that Lee can be working in the spring flood preparation, would be appreciated. He is here today, so certainly we can entertain any questions, but we'd certainly agree to global consideration and would ask for that for consideration from the critic.

Mr. Helwer: I do have many questions for EMO, maybe not just today. Do we—does the minister wish us to set a particular day for EMO, perhaps Friday morning?

Mr. Ashton: That would work for Lee and that'd be greatly appreciated.

Mr. Chairperson: Okay. It's agreed this will be 'dealed' in a global manner.

The floor is now open for questions, and the EMO will be considered on Friday morning.

Mr. Helwer: Well, we'll start off by asking for some details from the minister and, first of all, a list of all Cabinet committees on which the minister serves.

Mr. Ashton: I am on Planning and Priorities and, in addition, there's the newly created grain transportation committee of Cabinet. I'm the co-chair, along with the Minister of Agriculture.

Mr. Helwer: And could the minister give me a description of the responsibilities of Planning and Priorities?

Mr. Ashton: I think it deals with general policies just for government.

Mr. Helwer: Does the minister have a list that he can describe or read off, of all political staff—name, position and whether they were full-time, part-time?

Mr. Ashton: What I was going to suggest on this and what we've done in previous years is actually rather than tie up committee time, which is pretty precious, I'll undertake to get the list as we draft the information up and read into the record, either later in proceedings this afternoon if not tomorrow. But I can certainly provide that information forthwith.

* (14:50)

Mr. Helwer: I would appreciate that, and I assume that we're going to get answers to questions as opposed to some of the answers that we still haven't received from last year. So I would hope that we can get these answers during committee time.

Mr. Ashton: Yes, that's our aim. I mean, there are some more detailed questions that may take a bit more time, but certainly these are questions that we can respond to.

What I'm trying to avoid is—and I, you know, have been an opposition critic as well—is what I would call the dead time where you have extensive discussions between ministers and staff, you know, getting information. So, given the shortage of time and the fact that I'm sure you, as critic, and myself as minister, want to maximize the amount of time we're talking about actual issues rather than the dead time, I'll make sure that we undertake to get that information to you.

Mr. Helwer: So I guess that at that point I'll read through the list of questions that I think the minister can provide a later time, and if there's any you can answer today, then we can deal with them there. But I do have a series here that have to do with staffing, and then some more detail as we go into the Estimates.

So, a specific list of all the staff in the minister and deputy minister's office; the number of staff currently employed by the department; and the names of staff that have been hired in the past year, including whether they were hired through competition or through appointment; if there are any positions that have been reclassified, what that description of that position would be; and if all the staff years as described in here are currently filled or what the currency rate—or current vacancy rate would be; if we have a listing of all the vacant positions—we assume there's usually some in a department of your size, I would imagine; and how long we would expect to maintain that vacancy rate or if there's a goal, a target that you have in terms of meeting the government's requirements for lowering the civil service; and certainly if there's been any impacts on what portion of the department as a result of that vacancy rate—obviously, when you have not replaced a position, sometimes it is a critical position, as in the flood-forecasting position that was recently appointed; and if there have been any projects delayed as a result of that vacancy rate.

So I'll leave it there. If there's any of those that the minister can answer, or we will read them into the record at another time.

Mr. Ashton: No, I'll make sure that we get that information. That's all readily available, and we will get that. If not this afternoon, I can undertake to have it by tomorrow.

Mr. Helwer: When I'm going through the Estimates book for the last year, and the green copy here, 2014-2015, there was one thing that did strike me when I compared them to past Estimates, and that is that when I looked through significant changes—there are obviously quite a few of them—but if I were to look at say, page 45, we're talking operations and contracts, the contracts section. When I look down to the line under Salaries and Employee Benefits, and I see an allowance there, less for allowance for staff turnover, that number is often changed throughout this particular Estimates, and it was not—did not in past years. The staffing numbers haven't changed. So I'm wondering if the minister can give me an

explanation of why those numbers, in particular, have changed.

Mr. Ashton: Well, in a broader context, I can indicate that one of the areas that we have certainly been adding staff is we've built a number of post-secondary institutions. We're responsible on the college side for capital. We also have responsibility as well, and you'll see—and I'm more than pleased to get into some of the major investments we made on the corrections side, as well, and that—what it does result in is some additional staffing requirements. You know, the new facilities at ACC, which I know the member's very aware of, we do have responsibility that continues in terms staff, and once those are put in place—what we—and I can get the detailed information in terms of our vacancy management.

What we found on the other side, we do fill important positions, critical positions, but as is the case with other departments in government—and I don't think the members opposite would necessarily disagree with this approach, I think it's been standard for governments—you can often manage vacancies with virtually no impact in terms of services, and we've certainly done that.

So the broader trend is our number of full-time employees, and I'll get the exact number, is virtually unchanged, but there has been a—I would say, some greater efficiencies that we've built into our existing operations and we've been able to absorb additional responsibilities for the new capital facilities—I want to say responsibilities. This is the operating side within existing staff budget. So that's the basic answer in terms of that.

Mr. Helwer: So then, going back page 45, if we look at this number in particular, is there an expectation that you will have less turnover, and is that why this number is going down?

Mr. Ashton: One of the other factors, actually, is the voluntary reduced work week. We have had that in place over this past year. The reality for us is it certainly improves our bottom line, but when we've got a major investment taking place in terms of infrastructure we are in a position where we need that staff at times. So going into this year we're anticipating a lesser ability to accommodate that. Again, it's a voluntary program. We did get some fairly significant interest in it, but given our very aggressive capital program we're not in a position to allocate that kind of leave on an ongoing basis.

That's one of the other factors that has changed in between last year and this year.

Mr. Helwer: So again, on page 45, going back to the line, less allowance for staff turnover, I still don't have a reason for the change in that number. If the minister can be a little bit more explicit.

Mr. Ashton: Yes, again, that number is accounted for by the fact we're not going to be approving as many days off through the voluntary reduction process. So, if you compare to last year, we were able to save the equivalent, you know, and we will continue to have some benefits for the VRW, but the VRW will be lesser. So that's the difference. That's what that allowance refers to.

Mr. Helwer: So this is not an allowance for staff turnover as much as an allowance for the voluntary reduced work week. Is that the correct way to look at it? This is—

Mr. Ashton: Yes, you're quite correct. It does include other factors, yes, and that's one of them. And the management of the vacancy rate is also, you know, a factor as well. But that's essentially the difference that's identified on that line on page 45, yes.

Mr. Helwer: So in—when I look at the past couple—three years, the two previous years prior to this one, there were no differences in that. The number was the same from year to year. So is that—do I take it, then, the volunteer reduced work week was more in use during those two previous years and will be less in use during this term, or are there other factors that are engaged in this line item?

Mr. Ashton: Yes, that's the main factor. We will not be approving all of the applications. If we need somebody, a key staff person and they've asked for leave we might approve some of it, but we might not approve any of it. But that's the big difference. We're going to be really relying on our staff as we step up the program to be able to do all of the engineering work, the technical work and, you know, the finance work.

So we will be—you've identified it correctly—there will be a difference this year. There will be a lesser ability for us to approve. And I want to stress that when it comes to voluntary work reduction program, staff apply for it and we as a department then have to look at whether we can accommodate it, and we're not going to be able to accommodate as much. But it still will be available, you know, for employees where there's not a direct impact, you

know, to line services. So that's—that is the difference.

* (15:00)

You've identified it. Over the last number of years we've had fairly constant take up in the VRW program. This year—when I say take up, take up and approval. This year, regardless of what kind of applications we get, there will be a lesser ability to accommodate that. So we'll have fewer people able to access the program which is something, again, that is voluntary. It's not mandatory and we have to adjust according to our work situation.

Mr. Helwer: So, going back to the VRW, is that a program—as you said, obviously, it's voluntary, and I imagine it is generally driven by the individual not by the department, or is there a combination thereof? And did it tend to be most individuals looking for a day during a variety of months, or, like, once a month, once a week? Is there any consistency, or was it just pretty well just related to that individual?

Mr. Ashton: It varies. It varies by function in the department. This is a—it's a big department. It has a lot of different elements to it. And the bottom line, though, is that, you know, in the end it comes down to employees deciding whether they want to proceed or not and the department deciding on whether it can accommodate that. And, given the work pressures, you know, we're really accelerating on the infrastructure side. That is the No. 1 difference.

Just a reminder, by the way—and I know this is across government—the ability is to apply for up to 20 days, and I'm advised that the department, generally speaking, will approve up to five days routinely. But if it's more than five days, that then gets into whether the department can accommodate it in terms of work patterns and it varies throughout the department. Probably the—I'd say the No. 1 type of scenario is people taking an extra day in the summer. And the advantage to us, obviously, and the advantage to the individual, they get, you know, a long weekend—given the shortage of one thing in Manitoba this year, with shortage of summer—often greatly appreciated. And, again, we do this in a way that we try and balance provision of basic services. You know, offices continue to be open, professional work continues, technical work.

So, again, that's the—it's a broad system across government. Probably most departments you'd find similar administration of it. But we—we're record number employees this year. We're going to need

their services to get this capital program and the other responsibilities of the department done so there will be less of an ability to approve it.

Mr. Helwer: Are there any areas of the department that made greater use of the program than others?

Mr. Ashton: Yes, I think it's—it—in terms of applications it's probably generalized across the department. I'm advised that, really, in terms of our ability to accommodate, the more front line the service, the less our ability to accommodate it. And when I say front line, that includes, you know, anything from our operators on the maintenance side through to our front-line engineering and technical staff, you know, a few people on the finance side. So it's less to do with what section the department they're from, you know, in terms of applications or what function they have. It's more to do with our ability to accommodate that. So that'll be the bigger difference this year, re, a lot of the individuals involved in delivering the capital program; we're anticipating it. We're going to be needing—outside of the—up to five days, which is pretty standard. We're going to need their services.

So, you know, that'd be the one area that you'll notice a difference in after this year, you know, when you look at the actual experience with it.

Mr. Helwer: Well, moving on then, a little bit into infrastructure, and there have been many definitions bandied about over the last few months and years, and I guess what I'm looking for is a definition from the minister on what he sees as infrastructure. There's been discussion of core infrastructure, and there's what I would term superstructure which is things like hospitals, schools, those types of things. What can the minister tell me is his current definition of infrastructure?

Mr. Ashton: Well, Mr. Chairperson, I referenced earlier our five-year plan, and I refer the member to, you know, the document which has—describes The Five-Year Plan to Build a Stronger Manitoba: Manitoba's core infrastructure priorities—it clearly identifies here, and this relates particularly to this department, roads, highways and bridges, and flood protection. There's also a component for municipal infrastructure. Obviously, you know, that's delivered by municipalities. We provide the funding for it. I know our Minister responsible for the City of Winnipeg is part of that and is here at committee. I'm sure he'll be glad to, you know, get into some of the details in terms of the City of Winnipeg. Also, our

minister for local government is a key part of that. It's roads, highways and bridges.

There's other important elements to infrastructure within this department. There are various other aspects of capital investment that are important but aren't something that would fall under the core definition. I'd stress what I referenced earlier, we're responsible for an interesting mixture, it's college campuses and corrections facilities, and that's not part of the core infrastructure definition.

It's important; it fluctuates, obviously, with major projects. We're almost on the UCN campus, for example. So you'll see—over the last number of years, you'll see the budgeting for government buildings reflecting that, but that, again, is not the definition of core infrastructure. And, clearly, you know, we invest in other educational facilities, whether it be university campuses or the public school system. We invest in hospitals. Again, that's important infrastructure, but what we put forward in our five-year plan is core infrastructure, roads, you know, highways, bridges, flood protection and municipal infrastructure.

The other items fall into a broader category, and there's an interconnection obviously. Our ability, you know, to move ahead on the core infrastructure is very much driven by having the revenue source, the ability to deliver it and ensure that it doesn't come at the expense of other important infrastructure or from government operations generally. So, despite the fact there's an interrelation, it's a very clear definition. And again I refer the member to the document, we've clearly defined what core infrastructure is, and that's very much the message we got from Manitobans. It's—they—regardless of what their view was of the 1-cent-on-the-dollar, I think everybody said one thing, and that's invest it in core infrastructure. That's what we're going to do.

Mr. Helwer: Another level of government, the federal government, has a new Building Canada plan. And is the minister, I would imagine, familiar with that plan, and what are—what—where does he see that we are going to, in Manitoba, be able to apply to various parts of that plan? What is the major component that is going to benefit Manitoba?

Mr. Ashton: Well, I can certainly speak from the perspective of what we've outlined in our five-year plan and also what we've experienced over the last number of years in terms of direct federal cost sharing of highway projects. To put it in perspective, I think the peak level in terms of federal cost sharing

is about \$90 million. That was when we had both the Building Canada Fund and the stimulus program. It has dropped down to below \$30 million in terms of, you know, our highway system. We're anticipating, based on what we know, the upcoming program—and our experience in the past, and it's been documented as well—and probably in the range of about \$45 million.

Mr. Chair, I want to stress again, that's important. Any time we can get federal money, we're there. We made it very clear when we brought in the 1-cent-on-the-dollar that the—we have the ability to make sure we have the matching funds. That's an important part of it. And I want to stress again that in our five-year plan, and if you'd look on page 12, we have clearly identified the total plan investment. We've also made it clear that there's an amount that's in excess of the PST commitment that more than accounts for any of the cost sharing for the federal government.

* (15:10)

And I'd stress again that our key goal here is to maximize the involvement that we get with the federal government, but overall we're anticipating that the overall federal cost sharing is probably in the range of about 5 per cent of our overall capital plan. The vast majority of the investment will be from stand-alone provincial dollars.

Mr. Helwer: Mr. Chair, in part of the federal plan there is a description of public-private partnerships—or P3s—and I have not seen anywhere that I have looked in the budget or the budget speech or Estimates, any reference to P3s in Manitoba. Are there any of these particular projects that have been announced that might work in the P3 federal program, or is that something that this government is not considering?

Mr. Ashton: Well, first of all, the—I mean, the ministers actually directly responsible for the program include both the Minister responsible for the City of Winnipeg and the minister responsible for local government, in the sense that the, you know, the federal program, the infrastructure programs.

What I can tell you is the—I know the triple-P program, it's been around since I was minister, which is four years ago, and it's talked about a lot. There hasn't been as much take up—I want to say take up—much follow up early in terms of that.

A lot of this probably depends how you define the partnerships. We have had some experience with

design-build, the best example's CentrePort Canada Way. We have a wide range of projects that range up to that level. We have not had any experience with design-build finance; the primary reason for that is because the public sector is basically in a better position in terms of borrowing because of lower risk. So there aren't the finance advantages. But we've been very innovative through a lot of the design-build projects we put in place and some of the other measures we put in place in terms of that.

And I can indicate, too, by the way, in the go forward we're going to continue to look at innovative ways of handling major projects.

I can indicate, by the way, that in terms of the triple-P's—I mean, I've met with various, you know, stakeholders in the triple-P side. One of the issues there is often the scope of the project. These are large projects, certainly by Manitoba standards, and we've got five-year commitments of \$300 million-plus on Highway 1. But a lot of cases you're often talking about the interest in triple-P's really starts at a very high threshold. You know, I'm talking 100–200 million dollars-plus and certainly that's been the communication from the stakeholders, as well.

So we're doing a lot of innovative stuff. We have an access to triple-P, I don't think there's been much accessing of that across Canada. And there are projects, by the way, that certainly would fit the parameters [*inaudible*]. I'll put forward, you know, the Port of Churchill. It's a—one of the absolute example of a private-public partnership, it's the Port of Churchill and the Bay line; it's privately owned and both the federal and provincial governments have put in significant money for upgrades and it could very well be a, you know, source down the line, you know, if the federal government's interested in, you know, a triple-P Port of Churchill would fit the bill significantly—especially if there's a significant upgrade in port facilities which, you know, could raise it to a level that would solicit some significant interest.

So we haven't closed the door on any of that but, you know, right now with some of the innovation we've done, we've been able to basically have a significant increase, you know, using our finance [*inaudible*] and, you know, innovative approaches on the management side.

Mr. Helwer: There is a portion of the federal fund I believe refers to gateways and border crosses—crossing, critical trade routes, that type of thing. And I—my understanding is that is a 50-50 cost-share

program of 50 per cent federal, 50 per cent provincial.

Does the—can the minister tell me which, or if any of the potential projects in Manitoba might be applicable to that particular fund?

Mr. Ashton: What I see is I can get you a list of some of the projects that we've done that have been eligible. The reason it's more difficult with upcoming projects is obviously the federal government is now in a position of finalizing the—you know, the detailed criteria. We know what the broader criteria are. We will certainly look at any and all eligible projects. We anticipate that we have a significant number of projects, in fact, quite a few more than the available federal funding. Any funding that's available in terms of the trade corridor, et cetera, we'll make sure we access.

We are doing some significant work right now working with the town of Emerson. There's a lot of work being done in and around the border area, and that's important. As well, there's going to be some upcoming work in terms of that. But it's hard to get a full list until we actually get the final criteria and get projects put in place, but I'd stress the fact that we've accessed money already and we will do in the future. It's not the larger amount. The large amount tends to come from Building Canada Fund, but it's important. And the port of Emerson, for example, it's the busiest port west of Ontario. A lot of people aren't aware of that. It's busier than anything in BC, Alberta, or Saskatchewan, and we've had some success working with the federal government and the local town of Emerson, and we'll continue to try and upgrade those facilities.

We're anticipating, by the way, some very significant improvements in and around that area that will also plug Emerson in as a community more. That's one of the ongoing concerns. I know that—the member from Emerson looking at me and he knows that to be the case.

So we're not just focusing on the border, but we're also looking at one of the ongoing concerns which is get more services when you actually are at the border, more ability to get spinoffs for the community. So we anticipate there'll be quite a bit of work happening there. How much of it will be cost-shared? Hard to say right now.

Mr. Cliff Graydon (Emerson): I'd like to ask the minister when that project was going to start in Emerson.

Mr. Ashton: Well, there are various different components to it. I can indicate I just recently met with the mayor and a local resident. I know that the member's also been in constant contact with the community, and we're also looking, by the way, at some of the suggested changes that the community's put forward. I describe the meeting as a very positive meeting. It's one of the better meetings we've had in a number of years, and I do want to stress that there's still some more work to be done on the actual plan itself. There's some input from the community that I think needs to be dealt with.

We also have to deal with, quite frankly, the way in which—and the criteria for closures to Highway 75. And we've had this discussion, I know, but I've certainly experienced first-hand how this is a major concern. And it's not the department that makes the call; it's the RCMP. And, you know, I'm not being critical, but essentially a gate goes across, a padlock goes up, and you have to rely on the border staff to let you know, otherwise you don't know that it's closed and you also don't know that there are alternate routes. And I had that happen when I went down to meet with the mayor of Fargo and the interstate was open, Highway 75 wasn't. And it's a major concern for people in and around Emerson. So I think there's got to be some additional work done on that.

And one of the important things we're looking at, by the way—and I really appreciate the perspective of the mayor, who knows it from the border side as well as being mayor. I think there's some work we can do on 75 as well, because we've also got to make it more user-friendly. I think there are a lot of American tourists come up. It's great to have the surface of the highway upgraded. That's important to them, but any more services, some better signage in terms of some of the amenities, et cetera. So we're also taking those comments very seriously.

Mr. Graydon: As the minister pointed out, it is—the border crossing in Emerson is the largest border crossing west of Fort Erie, the fifth largest in Canada, and it is the face of western Canada, certainly, the face of Manitoba. And, also, with the development of CentrePort it's clear that we need to streamline and thin the border that we can move the product that needs to move from Manitoba and from western Canada through Manitoba, both directions, that I would suggest that the American side of the border has had significant work done in the last two years. I would wonder if the minister can tell us if the \$10 million that the federal government put

towards this project, if that's still on the table and still available.

* (15:20)

Mr. Ashton: Well, as he says, I undertake to get a detailed answer on the question. Certainly we've accessed funding from the feds already over the last number of years in certain elements, but I can get the member a full update, perhaps, if not later today, by tomorrow.

Mr. Graydon: Is there—with the update and the proposed changes at the border, will there still be significant access to the town of Emerson?

Mr. Ashton: Yes, we're—that was one of the issues came up at the meeting. That's certainly of concern to us, to—you know, to maintain the access. One of the others is actually services. There's a real potential there for additional retail. You know, there's the duty-free, but given the amount of traffic we're talking, 2 and a half million, I think, border crossings a year, you know—so that's part of it as well. And I think that there's got to be an improvement on that. We need to have more services. There's a lot—whether it's Americans coming up, or Canadians coming back home, there—you know, there's—there are services on the US side. There are services available in Emerson. People aren't always necessarily aware of that, but there are limited services on 75 itself. So part of the discussion we had was ensuring that whatever we do on the transportation side, to keep it open. Whatever is done on the border-crossing side as well, you know, this also involves, you know, the customs, as well, that we make sure that Emerson is not only not shut-out, but is able to benefit more from the crossings.

When I look at it, by the way, there should be a lot more happening in and around Emerson. We've got to make sure we work hard at the solution for that.

Mr. Graydon: I thank the minister for that, and I would like to point out that Emerson is a unique community. And, as we're going into a—the 100th anniversary of the—or 150th anniversary of the province of Manitoba, would it be fair to say that the project will be completed by that time?

Mr. Ashton: It's an interesting time frame, so I appreciate the—I'll take it as a suggestion as much as a question. And I do want to acknowledge that most people have no idea what the history of Emerson is. I mean, it was essentially at one time the—you know, going to be the capital city. It has been a boom town

at various different times. But, you know, the politics change things a bit in terms of the—you know, the borders. Flooding was a chronic problem. We have made a huge difference there over the last number of years. I love the pictures in the town office where you can see where the flood waters come up to, what, the third, fourth floor of the hotel? That's not good for long-term settlement. That's been resolved by the rain dikes in the area.

So I'll take that as a suggestion. I think we can a lot more in Emerson, and that's—that one area I do agree with the member, and if we can do it in that time frame, let's look at it.

Mr. Graydon: I—not—the minister's not here for a history lesson, but at one time Emerson did have a population that exceeded where the minister himself lives right now. It was the first crossing, that was the St. Paul's trail, and that's also where the first international railroad was built in western Canada from Winnipeg south, so it has a unique history. It's a unique community and it serves as a face to Manitoba, and it would certainly be appropriate that if it can be completed and should be completed in that time frame that I suggested.

Mr. Helwer: Getting back to the federal programs, my understanding is the end of this month is the opening application date. And are there other critical dates in the program, or is that the major one that the gates open, then, shall we say, and I imagine you have applications that may be ready to go?

Mr. Ashton: Yes, in a process—I stress we have quite a few projects coming up that will be eligible for cost sharing. If you look at the experience we've had over the last number of years, the type of projects that have been approved, a lot of them on the national highway system—not exclusively. We have some regional highways as well. We're able to access that. A lot of our focus is on the national highway system. I'm sure the member has seen some of the criteria for the program. They would fit into that. I'd stress again, too, that these are new projects.

You know, that one of the key criteria with any program is that they be new projects, so we've got a significant amount of focus on new projects. There's 175, Highway 10 I referenced earlier today in question period, Highway 6, so that's the next step. The member is quite correct, and we're very optimistic we're going to be able to access the kind of levels we've identified in our five-year plan in the way of federal cost-sharing.

Mr. Helwer: Are there any of the many announcements that we've tracked over the last little while that you anticipate will not be eligible for federal funding?

Mr. Ashton: Well, the bigger issue is really there are limits in terms of federal funding, as the member knows, based on, you know, the provincial allocation overall, so the bigger challenge, and I know this having been the minister responsible, that this is to take numerous eligible projects and narrow it down to what can fit into that overall budget. That applies to municipalities as well; I'm sure the Minister responsible for Winnipeg here and, certainly, local government, there'll be the same challenge. I know last time on the municipal side, as—a bit outside of this department, but there was—we were looking at three, four, five times the number of applications relative to funding, so a lot of these projects, we believe, would be eligible. The question is which ones would actually be cost-shared.

Mr. Helwer: Well, I have some questions about particular projects, and why don't I start at home in Brandon—announcements, many announcements last week. But there was some surprise from the mayor, from the MLA for Brandon East and it looked like from the minister in the House that the 1st Street Bridge was going to take priority over 18th Street due to some engineering analysis, I imagine, that had been done over the past several years. I know the deck has been cut in various areas over many years just to inspect the cross members underneath, I imagine.

Can the minister elaborate on the needs of the 1st Street Bridge and what we might anticipate learning or hearing or seeing happen over the next year?

Mr. Ashton: Well, the first thing I want to stress on the 1st Street Bridge, it is, you know, a bridge that we have been maintaining, inspecting. I can get into the inspections—like, we did level 3 inspections in 2009, 2011. So it's just like with any of our bridges; we have an ongoing inspection program.

I want to stress as well that we've made \$80 million in announcements. The commitment for the Daly street overpass is not affected by that. One of the advantages of our investment in infrastructure and the fact that we do have this additional funding is that we don't have to, you know, bump a project that's important for another project that's perhaps important with some, you know, significant time frames. To my mind this is not to be unexpected. The

bridge, I believe, was built in 1972, I think. It's—you know, it's 40-plus years old. This is not out of line with what we've been dealing with elsewhere. There are—there were some flooding issues. The member will know we did take some remedial action. But this is not unlike the situation we face with bridges across the province, and one thing I can stress, by the way, as we get into the five-year plan, there is a year-over-year increased focus every year on bridges because a lot of those bridges are coming up for renewal, and this is really what it's about.

So there's not bumping in projects. The \$80 million is good news all the way around, and I, you know, I know the member's aware of some of the projects that were there. I can certainly get into details on some of the other projects in the area. But, certainly, it was no surprise. I mean, this has been something we've been doing, and, again, it's part of what we're doing across the province. We get any issues with bridges, we don't wait. We act, and we put the finances in and we put the engineering teams working on this, and we'll also work to minimize any of the disruption in the area. So this, again, is in—very much what our infrastructure program's about—making sure our bridges can continue to be in place.

*(15:30)

Mr. Helwer: Well, then, going back to the detail, can the minister tell me what will actually be done on the bridge over this next year, and what will be the dollars spent by the Province on the 1st Street Bridge over the next year?

Mr. Ashton: Yes, I can—getting the—going through the detailed capital plan right now.

You know what? What I was going to suggest—we're just getting this, so I can probably read in the record in a few minutes. I'm advised, by the way, I can go straight into it. Anticipating the costs, it will be around \$10 million and engineering work this year out to tender and significant construction the following two years.

Mr. Helwer: So to understand—for me to understand this, then, we anticipate engineering work will be done this year, no probable construction happening on the bridge this year, probably the next year or the year after and a total expenditure of \$10 million. Is that correct?

Mr. Ashton: That's correct.

Mr. Helwer: Was there any damage done to the bridge during the flood that needed to be—needed remediation, or is that future?

Mr. Ashton: Some; there was rail work that was done, and the primary focus, though, was not—this is not flood related. I mean, we've had a lot of challenges with floods elsewhere in the province. A lot of it is just to do with the general age of the infrastructure and the fact that we're going to significantly renew it, so it's some flood impacts, but that's not the primary reason we're doing this.

Mr. Helwer: So, then, moving over a mile to the 18th Street Bridge, the Daly street—the Daly bridge, lots of discussion, obviously, from the city of Brandon on the need to make this into a four-lane structure. And I know that the province has mentioned it. It is still a trade route, obviously, to the border crossing at Boissevain, and the minister mentioned No. 10 Highway running north today in question period.

So, obviously he recognizes the importance of that route, nowhere near the traffic that we see down No. 75, but nonetheless an alternative route.

Will there be any dollars spent on Daly—the Daly Overpass this year or any plans, any engineering done?

Mr. Ashton: It's very similar situation to the 1st Street Bridge. We're doing the engineering, and then we'd move to construction in subsequent years.

Mr. Helwer: The numbers that have been bandied about for the Daly street bridge are around \$66 million. Is that an accurate estimate to rebuild that bridge, if that is, indeed, what's going to be done to make it into a four-lane?

Mr. Ashton: First of all, just to also add, there are some right-of-way issues that we're—the member's aware of and we will have to deal with. And the member's asking in terms of our current scope in terms of cost. I can—yes, I can get the latest estimate. It is a significant investment. The member's quite correct.

The range that the member's talking about is probably—it's accurate at this level but, of course, as he will know, the next step is the more detailed engineering work and that can add some more specificity to the number. But it's a very significant investment—important priority for Brandon, important priority for us.

Mr. Helwer: Is that the type of structure that would qualify for the Gateways and Border Crossings Fund as a 50-50 federal-provincial cost share? Or there was talk at one time of expecting the city to kick in a third of it, which, there was lots of discussion about that around the table in Brandon, I'm sure. But is that a type of a structure that would of—would apply for 50-50 dollars?

Mr. Ashton: Yes, again, that's—it's—dare I say, it depends. You know, I want to stress my previous discussion. I won't repeat it. We're going to have a lot of projects, a lot more eligibility than funding that's available. So it may come down, again, more to what we submit and what the feds want to be a part of rather than, you know, than us actually really driving it. I mean, the reality is—I'll just talk as a minister—what matters to me as minister is getting the project done. If we need any cost-sharing, probably the Minister of Finance (Ms. Howard) is the one that's the most pleased about that. And it really doesn't make a heck of a lot difference to us what projects get cost-sharing. You know, our job is to deliver the project.

This one, by the way—and the member's quite accurate in terms of this—it's a huge issue. This is a huge priority for the city of Brandon. And I'm going to the city, you know, both the municipal end of it, but also people of Brandon. And it's just another example, a lot of the growth in Brandon and a lot of the additional infrastructure pressures that are out there, and it's going to be one of our major projects across the province. And you know, we're—I'll tell on the department side, we're looking forward to it. It's going to be a really significant benefit and it's going to position Brandon for many years to come.

Mr. Helwer: Well, the minister mentioned right-of-way issues, and I well understand the right-of-way issues. My office will probably be affected, as I am at the corner of 18th Street and Rosser and various designs I have seen would be that that might be, indeed, where the bridge is going to end. But nothing—

An Honourable Member: Nothing personal.

Mr. Helwer: I understand. You know, I'm not quite at the corner; I'm at the back lane. But no, I certainly do understand that any time you go into projects of this type that were built a number of years ago to serve the needs at that point, you do have to look at changing the entry to the bridge and the exits from it. So I certainly understand there's going to be an impact. There's buildings that are adjacent to the

bridge that I'm sure the minister has seen and knows which ones they need to deal with, whether they have dealt with some already, perhaps. But perhaps the minister would like to comment on some of that.

Mr. Ashton: I'll just say what I said off the record on the record: nothing personal.

And I can say that the member's identified some of the challenges that we are going to be dealing with in terms of right-of-way and impact on the surrounding land. That will be a key element of the design phase. And one thing, again, I want to stress, with the department, when we do designs our engineers don't just look at the pure engineering. They—we have a lot of experience working in urban environments. We have a lot of experience working with municipal governments, with stakeholders, and any of our major projects go through a number of phases. But one of the key phases is always working with the community, seeking community input.

So, you know, I can assure the member that that will be a absolutely key focus here. We recognize this is important to Brandon, but we also recognize there's often ways in which you can minimize inconvenience, minimize impact on the surrounding areas. We'd have to deal with the rail side, as well—I mean—which does complicate things. But, quite frankly, we've had experience with that, as well, you know, in other areas.

And we certainly are working hard to develop a good working relationship with all the rail lines. I mentioned in terms of grain transport, but there are other issues like CentrePort Canada Way, and—leads into this, as well, where having that working relationship with the rail side is important. So, yes, bottom line, this is a complex project. It's an ambitious project and it's important project and we're going to build it.

* (15:40)

Mr. Helwer: Another project—well, I'll stick with Brandon for just a—probably another couple questions, and another one on the mayor's wish list, of course, was the airport reconstruction. They have an ambitious plan there. I'm—my recollection is that the federal government transferred airports such as the Brandon—McGill Field, Brandon Municipal Airport to the city in—around 1996, and it is the responsibility of the City for the maintenance and construction and—although there have been federal dollars that have gone into navigation and lights and other things of that nature.

Is there any—obviously, there's appetite in the province to do projects of this type, but not necessarily announced. And can you give us some indication of what the City should look to the Province for, in terms of help with rebuilding the airport?

Mr. Ashton: Well, the member's correct about the history.

Essentially, the government of the day, which was the Liberal government, basically went through a wholesale devolution and 'privization' of transportation in the country. One of the things that didn't follow the devolution and 'privization' was a significant revenue stream and, in fact—and, you know, I've raised this most recently with the Manitoba Aviation Council; I spoke to their AGM. For a country that is so geographically large and relies on air transportation, the irony is we take money out of airports. We take money out of the larger airports—goes to general revenue for the federal government. Put it in perspective, the airport in Grand Forks receives a subsidy from the US federal government. So, not only do we have a situation—we're taking money out of aviation, we look at increasingly difficult scenario for our airports, trying to compete with US airports, both on the subsidy side and landing fees and other costs that are also assessed on passengers.

We—our role, in terms of airports, is primarily the northern airports, the 22 airports that provide access into remote communities and semi-remote communities. We do provide a basic transfer to municipalities. There's a small grant that is provided. One of the key issues really here, I think, is again—and I don't mean this as a political shot. It's—this applies to all the previous governments. It's not the current government that, you know, created this problem; they inherited it. But I do think, you know, the broader issue for sustainability of airports has to be based on the federal government not taking money out of aviation and putting money back in.

And Brandon's a good example. I mean, it's good to see the WestJet interest in Brandon, but Brandon's been through this before—been airlines come and go. Clearly, what's helping drive Brandon Airport now is the development of the oil patch and the need of the industry to get, you know, professionals, front-line workers, people from, you know, corporate headquarters in Calgary in and out, and Brandon's the logical site for it. But, you know, what does strike me is, for the province's second largest city,

having an airport that's viable should be something that should be part of any national transportation strategy. I know Brandon doesn't have, say, the air movements like Thompson is much more significant because of its remoteness, but I do think the mayors are quite right to be, you know, putting forward that vision. Certainly, I'm sure both MLAs are—you know, are fully in support of that kind of vision as well, but I—you know, again, the broader fix to this is really part of a national transportation element.

And, by the way, I want to include a lot of the other municipal airports as well. A lot of our municipal airports are seeing more traffic. STARS—I'm not going to get into the STARS issue itself, but STARS does fly into rural airports. A lot of airports in the member's area, outside of Brandon, are pretty busy right now. And, you know, different municipalities are having greater or lesser success in making them viable. In many cases, a lot of volunteer effort goes in a lot of cases—you know, flying clubs and local businesses, you know, those under the crop-dusting side. So, you know, is that sustainable long term? I'm not sure it is.

Again, though, I think that's one of the missing elements of that devolution. It should've—there should've been an ongoing revenue stream, and I'm not saying the 'federment' doesn't provide money for navigational aids; they do. What they don't provide funding for is basic operation of airports and they don't provide it for basic capital. And most of the municipal airports, including Brandon—that's the make-or-break on the business case, not the—you know, the one-off grants you can get. And there have been grants given, you know, for surfacing of runways, but you got to have a business plan that's—covers operating and capital and we'll certainly be supportive. I mean, I've raised this with our federal minister—raised it. I'm not the only minister; a lot of other ministers are in the same boat. But, you know, there's got to be a way to make sure that there's a viable airport in the second largest city in the province.

Mr. Helwer: The Dauphin airport is another one that was brought up. As I've been travelling around, as—needing some help there. I don't know that it falls into the minister's northern airport authority, if you want to call it that. I think it's probably south of there.

But—and, of course, we see the various small airports that the minister mentioned in the oil patch there where they were sustained by the flying clubs and buying the spray planes and those types of

things, but are now seeing a little bit more traffic. Of course, who knows how long that traffic's going to last and what it's going to be. Certainly, I don't think you're going to bring a jet into Waskada or Deloraine, but you may see and have seen, I know, some of the twins coming in there—twin engines, smaller planes—come in with people from Alberta, that type of thing, to get there faster.

But—so the northern airport, I imagine, would be north of Dauphin, and where does it start and what does it include?

Mr. Ashton: Essentially, the distinction is not just geographic. Dauphin has a municipal airport. Thompson, for example, is a—it's a airport authority which involves municipality and local First Nations. There's a couple special cases where the, you know, the town of Churchill, which is under federal jurisdiction, but it's essentially the 22 northern airports are for remote and semi-remote communities. It goes back to the '70s. It was the provincial government that put the airports in. Many of them serve First Nations communities, some serve Northern Affairs communities. There is an airport that—a second airport in The Pas which plays a key role in terms of patient transportation and, you know, there are some other airports in that category. But, generally speaking, municipal airports are, again, the responsibility of the municipalities.

I can indicate, for example, we have been working with Lynn Lake. Their airport was at risk of closure. They now have a local partnership with a private business that's keeping it open. And I'll be the first one to acknowledge it, there's a lot of challenges for our municipal airports and there is need for more of a dedicated stream. Part of it, by the way, is even on the capital side. I mean, a lot of the airports in and around the time of devolution did have some capital available, and since that time—we're talking now, you know, since the mid-'90s—there hasn't been that ability to, you know, to deal with.

The other issue, and I feel like I need to detail, there's some real concern federal regulations that—some of the regulations that are coming down could effectively put some of the airstrips out of business. And everyone wants a safe aviation sector, but we want to make sure that it reflects the reality on—wanted to say on the ground, but in this case, in the air—in and around our airports.

And we, in addition to our contacts with the federal government, you know, as a transportation department we also do operate government air and

we operate 22 airports. And we have a very significant concern and we've raised with the federal government, they've got to make sure that they are not putting regulatory barriers in place that don't necessarily improve safety, but make it difficult or impossible to operate airports. And there are some airport managers I've talked to that have said if there aren't changes made it will effectively shut them down, and that should be of serious, you know, concern, because these airports are not a luxury, they're an important connection. So there's a lot of issues we're dealing with on the capital, but also the regulatory side.

Mr. Helwer: Well, just sticking with the Brandon area, there was an announcement of \$80 million last week by the Premier (Mr. Selinger). And, of that \$80 million, can the minister tell me what is actually going to be spent on those highways and bridges upgrades over this next year, and what particular projects?

* (15:50)

Mr. Ashton: Well, what I can do, I'll just kind of run through, just to summarize the announcements. And, again, this is over the next five years, and I'll get more detailed response tomorrow. We can run through the—we've got the detailed capital program which we can give the timing of. Victoria Avenue, from 18th Street to 1st Street. That's grading and repaving as the member knows; PTH 1A from the west junction for 8 kilometres—8.6 kilometres, pardon me; then 50th Street getting repaving work; Veterans Way, I've got surfacing of 3.9 kilometres, including some widening; Trans-Canada, the eastbound lanes from the east junction of 10 to five kilometres east; and also surfacing on PR 270 to the west of 10. First Street bridge, which we've already dealt with. Daly Overpass, which we've already dealt with. Brandon airport access road and the PT—or, pardon me, PR 270 north to Brandon to PR 25, that's 15 kilometres of paving.

We [*inaudible*] also reiterate the \$67-million announcement on Highway 10. One of the big ones there is actually, of course, in the Boissevain area, and I'm looking forward to visiting when that work's done, because I met with the council. And there is a sign out there that says, welcome to Manitoba, sorry about the—I don't know if I can put that on the record, but I don't think it's that unparliamentary to say crappy road. They did offer to take the sign down. I said, no, when it's done I want to go out as minister on behalf of the department, and I want to spray out

the crappy part and I want to put in the good road, because it's going to bring it up to par. And I'm very proud of the fact we're actually now going to recognize Highway 10. I mean, we're going to have, essentially, Peace Gardens all the way up to Flin Flon. When we get done with this there's going to be a significant improvement on Highway 10.

And, you know, I appreciate the lobbying efforts of people in that area, it—and, by the way, I should emphasize it's going to be real different on tourism. Shortly after we made this announcement and a couple other ones, I talked to people that deal with, you know, opinion surveying, and they've met with a lot of people in the US. Number one thing that Americans mention when they talk about coming to Canada—not the dollar, it's the condition of the roads. And in my mind, to get 75 and Highway 10 up to full standard is going to make a real difference that you're going to see. I believe a significant—at—you know, a uptake in tourism all the way along 10 and certainly 75, as well.

Mr. Ian Wishart (Portage la Prairie): Mr. Chair, through you to the minister, I had a couple questions about the redevelopment, the work that's going on on No. 1 Highway all the way across the province, and in the quality of the road and the size of the shoulders and the access roads have been improved in some jurisdictions but there's still some gaps. And of course the rumour is that we're going to a higher speed on the highway.

Could the minister shed any light on that and what is required in terms of accesses related to that, because we're always hearing they're going to close this access, they're going to close that access?

Mr. Ashton: Before I get into that, I'll just run through very quickly, for the critic, the timing. The Victoria Avenue work—2014; PTH 1A—2014; Veterans Way—2014; the work on the Trans-Canada—2014. I mentioned about the two bridges and, you know, the overpass. And we're—right now we're working with Brandon in terms of the Brandon airport access road, and the PTH 270 north of Brandon is going to be in over the next few years. So a lot of that work we're going to see in 2014.

In terms of Highway 1, we have committed to over \$300 million—actually, approximately \$320 million over the next five years, both west of and east of Winnipeg, significant work in and around the Portage area. There's a number elements to it, one is actually—it really will bring us to full interstate standards. You know, that includes shoulders, you

know, sort of the width, the condition of the highway. There's various elements that go into it.

We will be raising the speed limit in areas where warranted. The Motor Transport Board did authorize going to 110 when you have the—you know, the full upgrade, and we do have a number of small sections right now that are in that category. But you can anticipate there will be an increase on both 75 and Highway 1 as we finish this work.

The member raises an important point about access, and it's not just applicable on Highway 1, but it's particular to what we're dealing with on the Perimeter. The reality is that, you know, to have a proper standard of highway that keeps traffic moving in a safe manner, managing the access points is not just, you know, a part of what we do, it's a significant part of it. And it's never easy when you've had access for, you know, a period of time onto a highway, but if you don't deal with it, it can be a real problem.

I note some of the issues around Portage. There have been various plans on impacts of access on, you know, in around 1 and 16. Quite frankly, I've met over the years with municipal councils, you know, that have brought a lot of this forward, and members raised some of this, as well, the former member. Some of the early plans, I think, would have been very disruptive, and it's been one of our elements on the planning side. In a lot of cases, you know, the option you do look at is having access road, which is standard in some parts of province, but if you're used to direct access it can be a problem. We recognize, too, by the way, that in some case of the original plans were going to be cutting off producers from one side of their property to the other and make it very difficult to, you know, to access it. So, you know, to make a long story short, you have to have restricted access in some ways, but you trying to minimize impact. So each case is a special case.

Highway 1, by the way, west—I'll be the first one to say that they're already some imperfections in the system. I'm not sure the background of how we ended up with traffic lights at Elie, that certainly wouldn't be something we'd be looking at doing today. That was obviously a decision at the time. Usually you want unimpeded, you know, traffic that would—so, you know, 1 and 16 is the other location. That sort of makes the highways more understandable.

But we're trying to rationalize that, and I mentioned about the southwest Perimeter. We are

looking at putting a diamond—not a cloverleaf, but diamond overpasses in because we've got significant urban traffic pressures now in that area. Again, in order to that, in a lot of cases we're also having to take out some of the direct access, you know, that ensures greater safety, you know, for everyone involved, including the people that have access. So, you know, it is a complex problem we deal with in the engineering design, these are the issues we have to deal as we upgrade the highway, but the end result will be a much safer system.

Mr. Wishart: Thank you, Mr. Minister, for those comments, and I am pleased to hear you talk about access roads, and there are some locations along the river and Highway 1A where access roads are a bit of an issue because, although they can be built without access to the highway, they really go nowhere. And there are commercial enterprises that are already in place in that area that are quite concerned about their ability to continue business in that location simply because they wonder if in the future they'll have access to the highway system at all. So I think that needs to be kept in mind, and if you're building access roads they need to be built to modern standards when it comes to trucking because many of these commercial enterprises do generate substantial truck traffic.

But one of the points that—you made reference to 1 and 16, and I'll return to that—but one of the other points where we have seen quite a bottleneck and, quite frankly, quite a significant safety issue is the one crossing on the Portage Diversion where Highway 1 crosses it. And service road on one side and nothing on the other side, and we have slow-moving traffic pulling out, farm equipment in most cases, pulling out into high speed traffic, which may in fact get to be higher speed traffic in the future. And quite a distance before they can, in fact, even get off the highway.

I would—was hoping if the minister might indicate that there's some plans to include that, and provide additional access roads in that area before someone really does get hurt.

Mr. Ashton: What I'll do, I'll take under advisement the member's concerns. Certainly appreciate his knowledge of the local area and some of the particular challenges. I'm certainly aware of the general sense, but I appreciate he also knows that, you know, more directly, not just as MLA, but also in the, you know, in the producer perspective and some of the impacts it does have.

* (16:00)

I also want to stress, too—the member did talk about some of the impact on existing businesses. That's certainly a key factor we do have look at, you know, to minimize any of those impacts, because losing access or restricting access can have a very significant effect on businesses if it's—if you're not careful, if it's not done properly. If it's not safe and make everybody happy, usually you can't. But, certainly, and I'll stress again some of our initial design work in and around the area. It was well intended from an engineering side, solved some of the engineering issues.

As the member knows, there was a lot of frustration from people. And we have listened and one of the reasons we've been careful not to, you know, really push forward and rush ahead on that particular project was because of the significant access issues that came up and I take that seriously. I take it seriously for some of the individuals we've talked to, from the municipal council, you know, the RM and, you know, again, it would have created very significant disruption for both producers and a number of businesses, as well.

Mr. Wishart: And I would like to ask the minister about the damage to the access bridge on Highway 1A, west into Portage.

It's been damaged now by contact by another—by a vehicle, an overheight, for probably three years. Wondered—we're operating on a one-lane basis. I repeatedly hear from truckers in particular how dangerous that is when they come in late in the day. I wonder if there is some timelines around repairs to that bridge, and I have heard, and I think the minister's maybe mentioned this before, that they won't just be repairing. It'll be a rebuild and it'll be at a greater height so that those that seem to be challenged on figuring how high their loads are won't hit it anymore.

Mr. Ashton: I appreciate the comments about the height of the bridge. We are looking at reconstructing for a higher bridge. It's just simply not—it's—the bridge is safe but it's simply not worth, you know, just reconstructing to the current level. It's what we do generally with bridges, by the way. Whether it's the Coulter bridge or any of the other bridges we've been dealing with, we—you know, we plan out—in many cases we actually upgrade the bridge. A lot of it is the evolution of standards. So we're looking at this over the next couple of years, so it is [*inaudible*] in terms of our immediate horizon.

Mr. Wishart: Just to be clear, the minister said that it would be raised or not raised?

Mr. Ashton: The height would be higher, yes.

Mr. Wishart: Mr. Chair, I would like to go back to the 1 and 16 junction because there's been a number of studies done and commitments and—from both levels of government, but nothing's really ever happened there. It has its set of challenges because of the geography around it. I recognize that but the last proposal that was floated involved a separate access from the south which, once that was run through the community, it didn't get a very good reception, I think it would be fair to say, and certainly created some problems and concerns by some of the—because it went right through the industrial park now instead of where, adjacent to it, which is certainly a better location.

Is there anything ongoing in terms of developing a plan and a timeline for this structure? Because it is quite a dangerous intersection as the minister, I'm sure, knows.

Mr. Ashton: Yes, I think the member's comments is an understatement. There was strong, strong opposition. We took it seriously. It's—we haven't cancelled the project, but it was a good reminder to all of us, and I got feedback, not just the local area, but the Yellowhead committee that the clear recommendation was there are other aspects of 1 and 16 that needed immediate attention. We've done quite a bit of work on 16, for example, in reference to the work that's taking place on Highway 1. So it's very much still on the drawing board, but given the strong, strong opposition and the very legitimate concerns that were placed on the record by everybody, from local producers, businesses and the municipality, we really felt we had to take another look at it and that, you know, that was a project that did have some federal funding and then again, we—it's not going to lapse.

You know, the key issue, though, is, I think, that, you know, our federal partners also recognize that as well. The engineering work was well intentioned. It solves one issue but created numerous problems, and I can give the member my assurance as minister, we're not going to be pushing ahead with anything that would involve any of the same kind of opposition from local communities.

You know, you can't make everyone happy. That's, you know, the reality of any of these projects, but when you get a pretty clear consensus from

everyone that this is just not only not going to work, it's going to create havoc for people, you know, we're—notwithstanding some of the other benefits of the project, we weren't going to proceed and disrupt the local community. We believe there's got to be a better way of dealing with it. We are looking at some potential design options that would change that.

Mr. Wishart: And, accordingly, one of the sort of by-products of that proposal was it created a fair bit of uncertainty in the land-use planning process in that region, because we had an approval process. We have a plan in place that allowed for some commercial development, particularly on the south side there, and that would have been impacted by the proposal that Highways had put forward. And because there was uncertainty around whether or not that was still a live project, there was some business proposals in that area that actually went—other locations because MIT wasn't prepared to sign off at the time and, of course, it was timely and they wanted to get started.

So I guess I'm looking for an assurance from the minister that that's off the table, that the existing land-use plan that MIT signed off on some years ago now—it would be about five years ago—that's still in place and that's the planning process.

Mr. Ashton: The complication on that is really five years ago there was no plan for an interchange. There was no plan for an interchange five years ago. You know, this is—this was a project—when I say no plan, I mean no immediate plan. It would have been on the planning horizon like a lot of projects for future consideration of detailed work on land acquisition, et cetera. Until we're able to finalize, you know, a workable plan, it's difficult to say that we could go back to what the previous situation was prior to this, you know, becoming something that was being actively worked into the plan.

But what I can assure the member is that this is not something that is finalized. We're taking a lot of the concerns that were raised directly. You know, we're trying to come up with a plan that will minimize impacts. There may still be impacts.

And I certainly appreciate the issue on the development side. This is not unlike pressures we've faced. The mayor of Virden, we talked to him about some of the impacts there, you know, the potential bypass there [*inaudible*] the land that's been allocated. We're now proceeding with the Headingley bypass, but, you know, we've got land

scoped in there that's been in place, you know, for part of the longer term planning horizon.

So, until we get the actual definitive revised plan, I couldn't commit on specific impacts on land around that area, other than to say we're trying to come up with a plan that will significantly reduce the impact. And I appreciate the member's point, too, that once you get a final plan it allows you to, you know, release land that's not, you know, in the immediate planning horizon and bring some certainty to anyone that's impacted, because, you know, there are processes you go through for right away, you know, purchase, expropriation if necessary. There's a pretty, you know, pretty comprehensive compensation process as well, so that, you know, there are things that we have to do on virtually any and all major projects, and I wouldn't suggest it wouldn't be, you know, some of that happening here. But until we have a final plan, it's pretty well impossible to say that this or that area won't be impacted. The only thing I can say is that the previous plan is—you know, we've basically gone back to the drawing board on that.

* (16:10)

Mr. Wishart: I appreciate the minister's comment, and you always do have the opportunity to comment on any proposal that's come forward, as you know. But the municipality in question, Portage, has sunk substantial money into the development of an—served industrial park in that area, and I hope the minister's really not saying that their access is up in the air, because, certainly, we have lots of interest in locating in that industrial park. We have new development actually happening right there, right now. I do hope that we're not going to lose access that we already have in that area simply because we're not certain of the plan of the future.

Mr. Ashton: Yes, I think the area that question is— that you're by the intersection itself.

Mr. Wishart: I'm sorry, maybe the minister misunderstood. It's not right next to the adjacent—the intersection of 1 and 16. It's the strip leading up until that which is zoned for commercial development.

Mr. Ashton: Yes, that's what I'm saying. It's the— what we're looking at is in and around the immediate area, you know, in terms of that. So we're certainly aware of the surrounding area, and I want to stress again the potential impacts that the last plan would have had. It would have had a very significant impact on businesses and producers in the area, and

it was not acceptable. So we've gone back to drawing board and we're going to try and minimize some of the issues that were raised.

Mr. Helwer: Well, staying on No. 1 Highway for a little bit, then, the minister mentioned Virden, and there's been plans proposed and I think drawn up. If—most people seem to know what the idea is there, anyway. Can the minister tell us if there is any plan to proceed over the next year on a bypass, or is there any target date for when this might occur and how do we interact with the existing businesses?

Mr. Ashton: You know, there are various bypasses that are on various planning horizons. One is Headingley; it's moved from probably 25 years out, but with our capital plan we're able to move it now where our goal and—the only complication is going to be, really, land acquisition from the feds. The DND has a shoot—you know, shooting range. So we're going to need, you know, to get that dealt with. But it's moved to within a five-year time frame.

There are others, as well, and, you know, I'm looking here at the member for St. Norbert (Mr. Gaudreau) because St. Norbert bypass is another one that's held at broader horizon. It's not in the immediate time frame.

And one of the things we focused in with our five-year plan is these are real projects that are going to be moving in the next five years. They're not plans. These are capital projects, and Virden's in very much the same sort of category as the St. Norbert bypass. It's on the planning horizon, but it's not within the next five years.

And, you know, if you look at the priority, I think the member will see why Headingley is the key. It connects CentrePort Canada Way. It basically will finish the job there and make a huge difference. There's upwards of 17,000 cars a day going through at Headingley. So it'll be—and we're also finishing the highway through Headingley as well too. We're finishing some of the significant work that we've put in place there in terms of meetings, et cetera, so they—Virden's quite some way out.

The issue there is protecting the land in a planning sense, and our focus—and just run it by the department—is actually resurfacing Highway 1 in the Virden area. Some of the pavement there is going back, what, 20 years plus, in terms of age, and we're doing 22 kilometres and including the connecting lanes in 2014. So our main focus is the highway itself. The bypass is in our much longer horizon.

Mr. Helwer: Well, then, we'll move just a little further east to Brandon again, and there was a frontage roadwork that was done there. The plan had changed from something that was 20 years old to—or 25 years old, I think, to something that's probably five years old now, three years old—moving it north of the current highway. And is there any work anticipated over this next year on that area of the Trans-Canada, the interchange plan?

Mr. Ashton: What I was going to suggest is that I can actually get the member a map and we can list off some of the projects, you know, rather than go through sort of individual sections. But when we made the announcement we had a map and we indicated clearly some of the work has been done and the work that is coming up, and I can get some of the time frames as well, and I think that'd be available probably quite readily.

You know, our main focus, again, is on the resurfacing, you know, the—people will know, and you know it, and obviously the member knows it—both the members from Brandon here. They know first, and, you know, the member for Portage—you know, this is before and after, you can see the difference in some of the areas that we've resurfaced, and that's to be expected. I mean, paving last 20, 25 years, sometimes 30; it depends on the underlying geotechnical issues and the use.

So resurfacing and making sure that the highway's up to absolute current highway standards, that's our main focus. And I can get a full, detailed list for the member, if everything—actually, any of our announcements, we've been very upfront in terms of anticipated dollar amount, timing, all again within the—you know, the five years. If there's any complicating factors like the Headingley bypass with land acquisition, we identify that, but on Highway 1 we've got it all mapped out.

Mr. Helwer: Well, one of the complicating factors, perhaps, in Brandon, is the property adjacent to the frontage road now, that was built on the north side of the properties, is owned by First Nations groups, not currently a reserved land. I know there's been talk and applications about it. Is that something that would complicate development of a bypass around Brandon? Obviously, I would think it would, but perhaps the minister has other ideas on how that might be handled.

Mr. Ashton: Without getting into any specifics, in a general sense, any time you have any land acquisition that involves the federal government, it

complicates things. I mentioned Headingley: our No. 1 complication there, is there's a DND firing range. We would have to acquire the land; it goes through a federal process. We would then have to provide a replacement facility. I'm advised that it'd probably have to be four times the size to meet the current standards for DND if we're going to work with them. But we've already started those kind of, you know, connections. It's similar—any time you're dealing with First Nations land, and whether it's this particular location or anywhere in the province, there's a very time-consuming process it can go through with anything to do with land access, et cetera.

And, of course, there's a responsibility and a constitutional responsibility to consult with First Nations and to work with them. So without knowing the full details there, yes, any time there's any First Nations land involved, it does complicate things quite significantly.

Mr. Helwer: Well, we'll move away from infrastructure a little bit then, if the minister is—has just talked about, you know, detailed maps available and what's—what I'm looking for, obviously, is where work's going to be done this year, what the dollar amount is and what the timing is of that type of thing for all of the announcements that have been made, and we'll look for that as we go along.

But he did mention some of the other assets that the—this department's responsible for: community colleges such as Red River and ACC and others. Are there other structures of that type? I would imagine universities are their own entity, hospitals, our RHAs. Are there any of the other superstructures that this department, other than prisons, is responsible for?

Mr. Ashton: We're an interesting department. We're prisons, yes, correctional facilities. We're also the colleges in terms of campus, but we also have a significant inventory of government buildings. And we, of course, also lease with private operators as well, and there are various other, you know, structures that are out there, you know, on our highways yards, and we have various different elements to our property portfolio. So it's never a dull moment in this department, and I mean that in the best sense of the word.

Mr. Helwer: So Red River has gone through a substantial downtown expansion and some work at their core campus. Are there plans on the books for this current year on changes that they're going to add

or anything of that nature other than—not programming, of course, but structure?

* (16:20)

Mr. Ashton: Well, there's various discussions ongoing, but, you know, in terms of the current situation, you know, in terms of our capital, we're just coming to the end of the UCN campus. It's going to be open soon, in time for the next year. I don't have to go through what we've done at ACC.

To my mind, it's been exciting to see the vision that has been put forward by Brandon, and I certainly acknowledge, you know, the member for Brandon East (Mr. Caldwell), who was a strong proponent of the huge opportunity at the old site there. I mean, you know, the MHC site on the hill, so to speak, was a natural location for a campus, and, you know, Brandon should be rightfully proud of what's happened. It's been huge.

Member's quite correct. A lot of the development's in the downtown with Red River. Those are one of our first major projects when we came into government, and I think the vision of having the downtown campus has been absolutely terrific for Red River; it's really broadened their approach. I know we are working with Red River on some of the future planning. They, I know—and this is the same with the other campuses—are very much focused on our skills agenda, particularly on, you know, the need for trades and other training facilities. We are involved with the trades centre on the Notre Dame site, so that's already in the works.

And, while our current budget reflects some of the major projects coming to an end, I want to also put on the record that, both in the college side but also the replacement of the Dauphin correctional facility, that there will be some significant investments there.

The existing facility is an old facility. It doesn't meet what we would expect for current standards for corrections facilities, so we've already announced we're into planning on that, and over the next number of years we'll be looking at an enhanced corrections facility in Dauphin.

So that's really—those are the main projects on the rise are the trade facility and the Dauphin correctional facility.

Mr. Helwer: So, then, no current plans for the changes to moving into the next phase at ACC over the next year?

Mr. Ashton: We've been working on protecting existing infrastructure. We are looking at some—you know, there's the next phase.

One of the longer term issues is obviously the original campus and the new campus, and we have been working with ACC on options, you know, that look at both the potential for additional use of the new site and ongoing potential use of the old site.

That's similar to what we're doing with UCN in Thompson. They do have an existing site. I wouldn't call it a campus in the traditional sense. It's former men's residences that Inco donated for a dollar in the 1980s, but they still have a life, and we're working with them on potential new uses.

So, in a broader sense, we're not done yet with ACC, but we're really into kind of the—I'd say the next phase, and what we're doing in the interim is making sure we protect some of the existing buildings. And I've had discussion over it with the member for Brandon East (Mr. Caldwell) on an ongoing basis. You know, it—there are some uses that we could put those buildings to, but we have to protect them in the interim.

And I'll say again, to my mind, the vision there is quite remarkable. I—and I've been out there, you know, we had the Saskatchewan Cabinet, we had a joint Cabinet meeting. I think what surprised most people is that that wasn't built for a campus. It was built, you know, as part of a health facility, basically, and most people now assume that it was actually built as a campus, you know, from the grounds up. And the nurses' residence, I mean, the culinary facilities, I mean, these—you know, they're all state of the art. And, of course, the new facilities, we now have modern buildings that are doing the job.

One thing I can mention, by the way, we're also working with ACC on some of the issues in terms of noise in the trades facility in the—when I was out in Brandon recently, I took a tour of the facility, and we've been working on some options to deal with some of the ambient noise issues.

So, in addition to the broader capital issues, we are also trying to make sure we minimize any difficulties on the operating side.

Mr. Helwer: There's been, as I understand it, two or three of the old campus with the Brandon School Division and some suggestions that they make—might be able to make use of some of the shops based there for their programs, moving some out of Neelin or AC—or Crocus to those areas, and I imagine that

would be a complicated process, given that the school divisions have different budgets than the department operates with, and everybody wants it to be responsible or the responsibility of another department so they—I'm sure they'd like you to make the changes and they would use it.

But can the minister expand on what some of the things that might be able to occur there and what the process would be in order for the school division to actually use some of that—the old facility?

Mr. Ashton: I stress that we're early stages of discussion. We're certainly interested in any proposals the school board would have it. The building has a significant life ahead. You know, it's—it was built along with the—what was then the KCC campus, you know, in The Pas. So we see this has having some significant, you know, potential in terms of use. Obviously, educational use would be the most logical and, yes, we're in the early stages. And we certainly encourage the school board, you know, to look at what could be done with that facility.

I guarantee one thing; it's not going to go empty with all the growth development in Brandon and all the potential in Brandon, it's just a question of what's put in and how you deal with it, and it's very exciting actually to be into that discussion at this point because it really does point to the fact the next space in the ACC development is going to be really taking the vision of the new campus, you know, to its fruition in the fullest sense. I mean, it's got tremendous facilities right now but there's still more that can be done and, yes, we're going to be working with the Department of Education and the school board because we see them as a significant potential user of the old campus.

Mr. Helwer: During the last portion of the expansion of ACC, I'm told that the way the process worked is that there was a group of companies that got together the financing and came to the Province and presented the Province with a financing package with which to develop the second phase. And that group of companies were the ones that hired the contractors and the trades and administered it.

Is that the true reflection of the second expansion of ACC there?

Mr. Ashton: That's an accurate description of what we did previously because of complexities involved, you know, and the scope of the project. We'll look at that as a potential model, you know, in the future. No

decision's been made on that. Our main focus now is really on scoping out the specific opportunities, getting some idea of the scale of the costs and also alternate use for existing facilities. So we're at that stage. Once we scope it out in more detail, we'll know—we'll be in a better position to determine what, you know, what we do in the go forward.

Mr. Helwer: Was there a particular reason for that model to be used in that development?

* (16:30)

Mr. Ashton: Well, I, you know, advised by the department that the key to them was the complexity of what we were looking at and getting, sort of, the expert—expertise we put in. I should go back to my previous answer at the beginning of our Estimates considerations. We've used a number of delivery models in major projects, whether it be highways or government buildings, and this was a good example, you know, of a pretty innovative approach, and we can see the results. I think it's proven to be a very wise approach. The real issue with the next phase is, really, does it have the same kind of complexity or do we need to look at a, you know, another model?

Each project we get into we look at different elements. I stressed earlier, we've had some success under our projects design build, you know, approaches. But even then, it's not a one-size-fits-all. You know, there are models that may work in certain circumstances, not others.

So, yes, we'll look at this. It did work in phase 1. The real issue is what the next phase would look like. If it was perhaps less complex, we might use a different model. So no decision's been made yet. We'll make that decision once we've scoped out.

Mr. Helwer: Was that model used in either the Red River expansion or the UCN construction?

Mr. Ashton: No, I've talked about both the Red River expansion—I was the minister responsible at the time—I talked about UCN. No, the model we used—I'll take UCN which is coming to completion. We went to tender. The contract was awarded to PCL and the work has basically been done through a, you know, a traditional contract model we tendered. They brought in the subs.

We've had some significant success on local employment, including Aboriginal employment. So we've—a significant element of that. We've been working with UCN on the design. It's a perfect building. It's only part of our vision for UCN.

I mean, with the bigger element is really not the physical premise; it's the programming. But, you know, I think, as the member knows from his community, at—there's going to be, I think, a lot of pride in having a campus, you know, in Thompson or *[inaudible]* We've done a lot of work, by the way, at The Pas on the existing campus. The new Oscar Lathlin library is just absolutely spectacular—the child-care facility.

So, yes, the other campuses—UCN, in particular—have been through a more traditional tender model. And good news again is a lot of these projects not only been coming in on target in terms of dates, but they're also in a position where we're getting good financial results. You know, the—that is a key element, of course, as well. In fact, we've had a number of projects—glad to get into them—where we've actually had some real success on getting them in not just on time, but under budget.

Mr. Helwer: So how many campuses does UCN now encompass? The minister spoke about a couple, and I imagine there's some satellites and, of course, from remote facilities. But can you give me an idea of what that college looks like?

Mr. Ashton: Yes, I've not been the minister directly responsible, but, you know, I can talk in a general sense. I would say not being responsible, you know, being the Education Minister.

We have actually, I think, a dozen sites that are regional sites, two main campuses, and this is thanks to actually being in the press release where we announced the new campus. And just to give a quick summary where they are: Chemawawin Cree Nation, which is in Easterville; Misipawistik which is in Grand Rapids; Nisichawayasihk Cree Nation—I'll provide this to Hansard to make sure the spelling's correct—Nelson House; Tataskweyak Cree Nation at Split Lake; Bunibonibee Cree Nation at Oxford House; St. Theresa Point First Nation; Cross Lake First Nation; Norway House Cree Nation; Mathias Colomb First Nation, Pukatawagan. And there's also facilities in Swan River, Flin Flon and Churchill and, again, two main campuses in Thompson, The Pas, and I note in Flin Flon is the—also the mining academy which is part of UCN.

Mr. Helwer: Well, we've done a good deal of discussion on educational campuses. Are there—we mentioned ACC and Red River and UCN. Collège Saint-Boniface, is that one as well, or are there other community colleges that are responsibility of this department?

Mr. Ashton: It's—of course, it's now the university of St. Boniface, and it's under a different—it's under the actual post-secondary funding, and it's really the evolution—it's now evolved into a full university. But, again, that, you know, the whole post-secondary capital, that's not part of those three core colleges is through the department of education.

Mr. Helwer: Was there a transition from this department to the college, or was it always a stand-alone campus?

Mr. Ashton: Yes, it's evolutionary—it's a college that evolved out of the university system, and it reflects the unique nature, stark nature, you know, being a francophone post-secondary institution. And really what's happened there is they've evolved from a college in the sense of—you take, you know, St. Paul's, St. John, you know, University College, they've evolved into, you know, their own institution and then, now they're a full university in terms of recognition.

So the term college can be a bit misleading. You know, the college in the—you know, I used to go to St. John's College at the University of Manitoba, but, you know, it's a college within the university system. We're talking here about the community colleges, the three, and even though there's now university programs through University College of the North, it still comes under the auspices of this department.

So it's the three community colleges that we're directly responsible for.

Mr. Helwer: So the technical college at St. Boniface is held by the university here, the post-secondary, not by MIT?

Mr. Ashton: That's correct.

Mr. Helwer: The RHAs are, of course, separate. We did visit, last year, the Selkirk mental health facility, and they told us they were a separate entity from the RHAs. Are they part of your department, or which department would they fall under?

Mr. Ashton: We do have, yes, we do have some responsibility in that, you know, in that field. I mean, the core hospitals are separate, but there are other facilities that this department has responsibility for. And I can get a—probably the best way, by the way, is to get—I can get a full list of that, and we can probably do that by the sitting of Estimates tomorrow. It might be helpful.

Mr. Helwer: So I would imagine the forensic section of that hospital, because it's related to the

justice system, would be part of this area, this government's—or this department's responsibility. And we did travel through it, and it's an interesting area to visit, not one I'd want to obviously visit accidentally, but I'd imagine that would be a component of that area that would be—fall under your responsibility.

Mr. Ashton: Actually, we have responsibility for that facility—

An Honourable Member: Oh, the whole?

Mr. Ashton: Yes, and again, I can identify some of the areas. You know, I want to stress, in a lot of cases, you know, the core hospitals, that's for the RHAs, but when you have other facilities that are essentially provincial facilities, again, we do have some responsibility there, and I can get a full list of what we're responsible for, including, by the way, I'm more than happy to provide a list of all the government buildings that we're responsible for. We have that readily available. We can get it for Estimates tomorrow.

Mr. Helwer: Well, the government, I know, does own a lot of real estate through a variety of departments, and Crowns, obviously, Hydro has their own, MPI has their own, and those, I imagine, would be their own responsibilities.

The minister mentioned Dauphin, and there was an announcement last year in terms of a new corrections facility there. I did ask some questions of the Minister of Justice (Mr. Swan) at that time of what that would entail. His—it was a little fuzzy on what it would all entail at that point, and I imagine it still is. But my understand is that the City has set the land aside and there is an agreement that is being hammered out almost as we speak in terms of how that particular land would work with the Province. But, in terms of planning and design, we're not quite at that phase yet. Would that be correct?

* (16:40)

Mr. Ashton: We're actually into preliminary design work.

I can indicate that the member's quite correct in terms of the land issue, and the local community is very co-operatively supportive. I mean, everyone recognizes it's an old facility and it needs to be replaced. It was a commitment we made and we're following through on that. And the initial phase will provide additional capacity as well.

And the other element that we're also working on in the design stage is to ensure that we've got some degree of enhanceability to get into training, you know, and other elements in the corrections system. And I do want to note that, you know, certainly, that that's a key element as well. It's not just a matter of incarceration; it's about ensuring that we can get people back into society with an improved ability to, you know, to not only avoid going back to the criminal justice system but to be productive members of society, and that's something you can't do with existing jail. It's—I'd say it's medieval. You know, it is a facility that had a purpose at one point in time, and we've had to clear the—recognize the fact we have to replace it.

And, you know, this could be a significant investment in the local area. We're also going to be working on, you know, ensure we work with the local contractors and others to ensure, you know, significant local participation. Again, the labour force is going to be an issue as well, but, again, you know, there already is a facility and this is a matter of expanding it.

And it is going to be a major new facility that will add to some of the work we've already done. And the member knows from his previous critic area—he probably knows more than I do in terms of some of that. So, rather than continue that, I'll, you know, certainly invite any comments he may have on it, but I'm sure that he would agree that the movement on the Dauphin correction facility is badly needed.

Mr. Helwer: So I guess, from them—from that I've been given to understand that we are now in the design process, and is that something that will happen this year or next year or we're just starting to look at what will be necessary in this particular facility?

Mr. Ashton: The key element I want to stress is we're basically in the scoping area on the design; you know, we're not at architectural drawings yet. The reason for that is—the department advises me that we're into very advanced discussions with Justice on what would actually be the programming model. We know some of the pressures in terms of inmates, so we'll have more capacity. But what we're working on now is the programs that, once we've been able to determine what the specific programming needs are, at that point we would—we'd move to the point of bringing the architectural team in and doing the actual drawings itself.

But we've made the commitment. We're now into the scoping stage, so we start preliminary design, land, you know, numbers identify that. You know, we don't see that as being problematic. And we will be rolling out further details as we complete the next stage, let's say, scoping. This is similar to any other major project. You know, early on, you start with a recognition you need to do something, and whether it's a highway or corrections facility, or a campus, you then go through figuring out what that actually would work out to in conceptual sense. So you scope it out. You then get some general idea of the cost. And we've got some cost estimates early on from our previous experience, and correction facilities are not cheap. But, you know, again, you're talking about facilities where we have to protect the community generally; it has to be safe for the inmates; it has to be safe for the staff. There's a lot of complicating factors. And it's also not cheap to do the, you know, the rehab's end of it, you know, the retraining end. And—but, you know, increasingly we're finding that dollars spent on retraining and rehabilitation, you know, are dollars that are saved on the other end. You know. So there will be some significant progresses on this over the upcoming year, and once we're done this planning stage right now, we'll go to direct architectural drawings, then the final stage versus construction.

Mrs. Leanne Rowat (Riding Mountain): Just a couple questions. I have more, but they're downstairs, but I'll just ask the two that I can recall from memory.

Highway 83—can you give me an update on Highway 83, in around the Asessippi area, the status of the construction there? I know the minister is quite familiar with that.

Mr. Ashton: [*inaudible*] because we've been doing this for all afternoon is—rather than have dead time. I'm just getting, you know, the update. Once I get it, I'll read it on the record, so I would like to proceed to the next question. We're gathering that information as we proceed.

Mrs. Rowat: Mr. Chairperson, this is also a status request. Highway 16 between Solsgirth and Shoal Lake, there's an—a woman that has contacted me, and I've written to the minister, I believe, two times; first with the information, then a follow up asking for the status. The woman's name is Mary Storimans, S-t-o-r-i-m-a-n-s. The concern she has is, on Highway 16, her residence is actually—her entrance to her residence is—it's a blind curve in around that

area, and she's very concerned that there will not be either a passing lane or a solid line presented when they do the upgrades on Highway 16 in that area.

I do know that she went to court, she—and won against MPI with regard to her obligation. And so, based on that, I would think that this is something that the highway department would be interested addressing to ensure that no further accidents occur to her or to her family on Highway 16.

Mr. Ashton: What I can do, in terms of 16, generally, I can advise the member there's some very significant work taking place over the next period of time. For example, we're looking at some significant work, west junction at PR 264 and 42, significant work structure on the Assiniboine River. We're looking at significant work in terms of north of 478 to 1.2 kilometres south of—east of PR 359. So from a—surfacing some work on structures in that area, and certainly I'm more than pleased to provide more details, because we've done a lot work on 16 over the last several years. It's continuing over the next period of time.

What I'll undertake in this specific situation is I can ask the department to pull up—I know the member's already flagged the specific issue, and I'll make sure that they're aware that, you know, through staff, that this was raised in Estimates

Mrs. Rowat: Thank you, Minister, for that information. I am familiar with the road upgrades on Highway 16. I live 11 kilometers north of—or off Highway 16, so I'm quite familiar with they work and the activity that is going on there. But I think this is a specific request for personal safety, and I do know that this is something that the minister and the department has indicated in the past that they strive in addressing. So, this woman is very concerned. It's starting to melt out there and she's concerned that her concern is not going to be met. So I appreciate if the minister would seek the department's response on Highway 16 and Mrs. Storimans's concern.

Mr. Ashton: Yes, I'll—we'll make sure the department follows up.

* (16:50)

Mrs. Rowat: I was just wondering if you have something on Highway 83.

Mr. Ashton: Yes, we will be putting the surface back on that this year.

Mrs. Rowat: With regard to park roads, is that something that is a responsibility of yourself? I know

that the quality of the roads going into the park at Asessippi are extremely poor. They've actually been detoured onto municipal roads. Anybody that's wanting to access the park with fifth wheels or our bigger automobiles—so I'm just wanting to know if the minister can provide me with an update and whether that's going to be addressed. Asessippi's a pretty busy spot, and some larger boats and larger campers, et cetera, travel on that so.

Mr. Ashton: Yes, offhand, I don't think that we have responsibility for those roads, but we'll follow up to make sure. Park roads generally are provincial park or, you know, Conservation, with some exceptions. But generally speaking that's not within MIT's budget.

Mrs. Rowat: I'd appreciate you following up on that as well, if you could, because there doesn't seem to be a lot of communication coming from the department, whether it's Conservation or whether it's MIT. People are wanting to know with this going to be considered in this year's budget. Thank you.

Mr. Helwer: I do have a constituent concern, as well, that I'll bring up. I don't know that there's anything that can—much can be done, but it had to do with Richmond Avenue where it attached to 17th Street East. And, if the minister is familiar with that area, he'd know that there is a trucking company on the corner, Paul's Hauling, and then some smaller facilities just a little bit to the west of that. And they were concerned about the truck traffic, not only how much truck traffic there would be turning in and out, but also the limitations in terms of when you could turn from the eastbound lane. There's double line there now, so you can't turn across it. Is there a, you know, perhaps the department could just look at that? They don't have to answer it now, and we can kind of talk about it another time. Is there a limitation on how far away from a corner that you can have turning lanes into facilities and that type of thing? So I don't need that answer now, but that was one of those things that I did have a couple constituents that were quite animated and a lot of truck traffic at the time when it was being done. Of course, it's mostly done now, so that was one area.

But we do, I think, need to talk a little bit about snow removal and sanding and that type of thing. Over the winter, obviously, we do have a lot of winter in Manitoba, and we have had a lot this year, and still do. You probably hear more news on it when Winnipeg is affected, as it was on the weekend, but certainly those of us that travel outside

of the city are affected quite often by the winter conditions. And we did see some highway closures this year. We did see a number of vehicles in ditches and such.

But there was a proposal and some guidelines from the Province well over a year ago that snow removal would not occur after hours or on weekends, and is that still the policy that the department carried over this past winter on provincial highways?

Mr. Ashton: Well, not only is that not the guidelines we—when we have a situation as we did this past weekend, we dispatch crews. If we need to get people out on overtime, we do it. We—as we did to get the Perimeter highway cleared, once it's safe enough to send them out we send them out. We had crews out this past Monday morning. We had a crew, I think around St. Mary's around 1:30 in the morning. We had crews out working solidly 4 o'clock on.

We do make allowances, you know, during rush hour. Obviously, there's enough of an impact on traffic that if—you know, if we have cleared the area sufficiently, we're able to allow, you know, a bit of a window in—during the rush hour. And I think there was some misperceptions, certainly in the media, but what also happens is when you're dealing with, you know, the blowing snow, you plow it out and it can often fill in fairly quickly afterwards. What you do is you just keep working on it, and that's what we did.

And I can't say enough about our staff, you know, what they deal with, some of the difficult situations. We certainly advise people to drive with caution. I mean, I look around this table and there are a lot of people spend a lot of time on roads and I've learned a lesson over years, which is, No. 1, slow down and, No. 2, get off the highways sometimes when it's, you know, storming significantly. And, believe you me, I know every motel on Highway 6 because I've stayed in all of them and so I know personal experience. And I also know what it's like to arrive in at 3, 4 in the morning on the Perimeter, the north Perimeter, of course. So this is something that's important to me personally as minister, and I look around the table and I know it's important to a lot of other MLAs.

And I want to stress that, you know, different roads have different traffic counts. We do have—we have—it's been the case for as long as we've had a highways department, you know, you obviously have to figure out where you send the crews and in what order. It's different than in any city. And I want to

recognize that there are going to be times when the conditions are challenging.

The simple fact is, too, we have to be careful for our own crews; we don't send them out unless it's safe. And that is one of the reasons why there's a bit of a misperception. You know, in the middle of a blinding snow storm with no visibility, we're not going to send our crews out and put them at risk. The general protocol—and I mention this weekend because I know there was some, you know, some speculation in the media—but the crews were dispatched when it was safe to do so and they were dispatched in a, you know, pretty significant deployment.

So I could also stress, by the way, you know, in terms of our challenges this year, it's been a challenging year, cold weather, that all—you know, that also impacts on your ability to use calcium to get the roads cleared. I do have some sympathy, by the way, for some of our municipalities. I look at the city of Winnipeg, for example. The street conditions here I'm used to. Thompson looks like this—because, you know, when you're getting Thompson weather in Winnipeg, that's what happens. The snow gets packed, it's virtually impossible for city crews to get it out and, you know, that's been a double challenge. Now, I'm not responsible for that.

I am responsible for the highway system; and we take very seriously the need to maintain the highways. We've, by the way, significantly enhanced the fleet that we have available now, in terms of equipment. Over the last number of years, we had made a major investment, actually, in terms of that. But if there's a major snow storm as we did—and I mentioned the Perimeter—we call people in, we'll call them in at four in the morning, we'll call them in on weekends.

Again, we will make sure the money's there. We're actually up this year in anticipating on maintenance overall, not just including this but more broadly. So we will do whatever it takes to get the job done.

Mr. Helwer: So, just then to clarify, there is no policy to not plow in evenings and weekends, as was publicized last year. It is depending on conditions and safety and that type of thing.

Mr. Ashton: Well, I think one of the, yes, the misperceptions is, you know, we have—it varies by highway, right. And we've got the National Highway System, we've got, you know, major routes—they're

the priority for obvious reasons initially because that's where the traffic is, and there are major trade routes, a lot of other factors. Other roads, it may take longer to clear; it's no different than municipal roads. And what I want to stress, though, is the department has the complete, you know, flexibility as we demonstrated this this weekend.

What we don't do is we don't have crews sitting around waiting. You know, we found that—we've tried various systems and we've gone back to a system that's basically an on-call system. You know, again, it varies. You know, low traffic roads are completed—

Mr. Chairperson: Order. The hour being 5 p.m., committee rise.

FINANCE

* (15:30)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Finance.

Does the honourable minister have an opening statement?

Hon. Jennifer Howard (Minister of Finance): Yes.

Mr. Chairperson: Please proceed.

Ms. Howard: I want to welcome everyone to the Finance Estimates, my first time as Finance Minister. I want to welcome my critic. It's his first time going through Finance Estimates. I'm looking forward to the few hours that we'll spend together. I'm sure it'll be a time we'll both learn some new information. I look forward to a constructive discussion with him.

The Department of Finance, as I've found since becoming minister, encompasses many aspects of government. Certainly, part of what we do through the fiscal analysis and policy division is to look at the Manitoba economy, to note trends and to look at measures that can help assist that economy to grow. I would say when you look at the trends over the last few years, Manitoba's growth has been good compared to other provinces. But the reality is that we are still experiencing the effects of the global recession which started in 2009, and Manitoba is not immune to those effects. When our major trading partners continue to experience softness in their economy and their demand, that affects us here in Manitoba. But, when you look at us compared to other provinces, employment has remained strong,

growth has remained relatively strong, but strong these days is at around 2 per cent. We're a little bit less, and so we continue to look for ways with other departments to strengthen the economy. And some of those ways that we've talked about over the last few days are how we can invest in infrastructure, how we can invest in skills and training to make sure people are trained to get those jobs, and we believe that is the best path forward for the economy.

Other parts of the department, of course, have to do with taxation, and I know the tax man is maybe not ever the most popular person in the room, but our Taxation Division works very hard to ensure fairness to taxpayers. That's a critical part, I think, of the system. And they do a good job of that. They provide good information and advice not only to me, but to businesses. I think that they have worked hard to streamline those processes for businesses who pay tax, have to remit PST.

* (15:30)

We also have, as part of the department, people who work with the securities regulator. That has continued to be a topic of discussion nationally. Manitoba continues to work with other provinces on securities regulation that can be consistent across the country but also remain with provinces. We believe that's important because there are unique challenges in Manitoba, unique aspects to the Manitoba economy, and so we continue to do that. And we have our folks who work with the security's regulator, the Manitoba Securities Commission, who help with that.

We also have the Treasury Division. They are the ones who do an excellent job of representing Manitoba, really, to global investors who do invest in our province. They are the ones who help to make sure that we can finance all of the things that are important, not only to us, but I think to Manitobans, be that the building of hospitals and schools, and so that's also another part of the department.

I was pleased, when I moved over to Finance, that I was able also to bring the Disabilities Issues Office. And they, of course, function as sort of an overarching policy co-ordinator across government on issues related to people with disabilities. Their main piece of work at the moment will be to get ready to bring in the first regulations under the new Accessibility for Manitobans Act. They continue to work both on public awareness, but across government, really, and they have been able to train across government access co-ordinators and

departments who are now doing that work of helping to ensure that government services are accessible to all Manitobans.

So we've had a lot of discussion on the budget so far. I'm going to look forward to some more discussion. I will say another part of being Finance Minister is as a trustee of the Canada Pension Plan, where I've been pleased to carry on the work of the former minister, and former ministers before him, of seeking to strengthen the pension system for Canadians and for Manitobans. We remain convinced that the Canada Pension Plan is the best vehicle for Manitobans saving for retirement—not the only vehicle, there are others that Manitobans and Canadians also use. But, for many, many Canadians, that is their retirement savings. It remains the pension plan with some of the lowest overhead costs of any pension plan. It is portable across the county. It is sound and stable. And we continue to advocate and work with other provinces on ways that we can expand that plan so that Manitobans can be assured a decent retirement.

And we also, as we do that, we've been very aware of the fact that we want to ensure any expansion has a manageable and modest impact on businesses. And we've had those discussions with businesses. And many of the options that we've looked at do allow for things like kicking in at a higher income level, so that people who primarily work part-time or lower income will not be assessed higher premiums, and that those employers wouldn't be assessed those higher premiums. But that debate will continue.

It has been a pleasure to work with all of the staff in the department. They are well informed; they are dedicated to public service; and they are always eager to solve problems and give good advice. And I'm going to look forward to talking to them a lot over the next couple of days as we seek to answer the questions of the critics.

And, with that, I'll conclude my statement.

Mr. Chairperson: We thank the minister for those opening remarks.

Does the official opposition critic have some comments to put on the record?

Mr. Cameron Friesen (Morden-Winkler): I do, Mr. Chair.

Mr. Chairperson: Please proceed.

Mr. Friesen: It's good to be here in the Finance Estimates. As the minister did indicate, I am new at this table, as she herself is new at this table. And, in a matter of moments, we'll welcome the deputy minister into the fray, and, of course, the deputy minister is new to his role also. And I want to start out with my remarks by just acknowledging the enormous work that I can only imagine goes into the preparation of the documents and into this exercise. If the evidence of the enormous volumes of binders and information that arrived at my office in the past week is any indication, then I can confirm that there are people behind the scenes across the hall from me who are working very hard in the lead up to the budget and in the lead up to these proceedings in departmental Estimates. And I do thank the departmental staff for their hard work, for their expertise, and for their diligence and for their attention to these matters.

And so, just before we begin with the Estimates process, I will make these preliminary remarks. I would say that the challenges that are facing the Province of Manitoba financially are not insignificant at this time. I know that, in the weeks that have already passed and in the weeks that will follow, we will continue to flag certain issues to the attention of this Finance Minister and to this government. We have concerns, and I know that Manitobans share our concerns about things like the deficit and the debt.

And today, just moments ago, with the release of the Auditor General's annual report, it would seem that the Auditor General shares the concerns of the opposition party and of Manitobans. Indeed, one of the chapters in her annual report is dedicated to government debt and deficit, and the Auditor General makes the point of saying that governments must find a way to set targets and then to measure performance against those targets. And that was actually some of the substance of my remarks in budgetary debate yesterday.

It was only 23 months ago when the Finance minister stood in the House and said, don't underestimate our desire to balance the budget in 2014. I believe the exact words he had used were, we are reaffirming our commitment to balance the budget in 2014. And so here we are in 2014, but Manitoba is not looking at a surplus this year. Instead, we're looking at a large deficit again.

The Auditor General talked about removing—well, I guess she didn't overtly talk about removing

the politicization from financial reporting, but she, indeed, suggested it. She talked about moving towards a more transparent model of reporting, and that's important.

This is a year in which the third-quarter results came out and the Finance Minister attempted to give a message to Manitobans that the third-quarter results were showing the extent to which the government was getting on track and making forward movement, but at the same time, what the minister didn't disclose to the media or to Manitobans is that at the time she was reporting that the document clearly showed that core government spending was over budget by \$31-million projection for that year.

So those are concerns, of course. We are a province that now has an accumulated debt of—that surpasses \$30 billion, and we know that \$10 billion of that debt has accrued to government in just the last five years or so. So, Mr. Chair, I would just continue and say that these are concerns for Manitobans, and I would offer the additional evidence that this has been done at a time of tremendous opportunity.

Now, I know that yesterday in the House the Finance Minister referred to the period of time just passed as the great recession, and we take exception to that. Times are tough all over, but the minister needs to acknowledge that this is a time in which interest rates—lending rates are low, lending rates are incredibly low compared to past times. At the same time, federal transfer payments have been steady and they have risen over time significantly. At the same time, revenues coming to government have continued to rise as well.

Now, I've asked questions in the House—I know we'll have an opportunity here in the Estimates process to ask again—questions pertaining to what would happen if interest rates rose. And I found it interesting that these were exact questions that the Auditor General concerned herself with and her staff concerned themselves with, actually indicating in her report released today the government should also be indicating risk exposure to interest rate changes and potential impacts on borrowing costs and—of interest rate changes.

So I look forward to those discussions, and I know some of that can be—it can be complicated territory, but I do look forward to our discussions, because I think it is important that, as the Auditor General has said, that Manitoba's financial reporting is important in order to evaluate the government's

financial affairs. So the way that we measure and the way we report has a huge significance for our province.

So what I would add to that is that this is a province with tremendous potential, but this is an incredibly important time for Manitobans. It's a time in which things have—becoming less and less affordable, and we see that all across. We see that with rising hydro rates. We see that with rising fuel rates. We see that with rising MPI rates, and we see that with the government's increase, the expansion of the RST in 2012. And, of course, we see that with the increase to the PST to 8 per cent just last year even after a time when the government said that it was not their plan, that they said it was nonsense to think that they would raise the PST.

* (15:40)

All these things are troubling to Manitobans, because I think, using the minister's own words from yesterday in debate, this is about families, and I think on that much we do agree. We know that it is hard-working families. It is young people. It is students. It is retired people who are on fixed income. It's business. It's workers. All these Manitobans together who must reconcile themselves to paying more unless we have a strong commitment to continuing to articulate a vision to reduce debt, to get back on track and eliminate deficits, to match revenues to expenditures, and that is for the good of all Manitobans.

So, Mr. Chair, I look forward to our discussions both today and in the days ahead, and I'm sure we'll have a chance to digest more of the AG's comments, and I look forward to our discussions.

Mr. Chairperson: We thank the official opposition critic for those opening remarks.

Under Manitoba practice, debate on the minister's salary is the last item considered for a department in a Committee of Supply. Accordingly, we shall now defer consideration of line item 7.1.(a) contained in resolution 7.1.

With that said, we now invite the minister's staff to come join us at the front table, and perhaps after they get settled, Minister, if you'd be kind enough to introduce them to members of the committee.

Ms. Howard: Okay, I shall introduce my staff. I've—joined by Jim Hrichishen, the Deputy Minister of Finance; Barb Dryden, who's the Secretary to Treasury Board; Lynn Zapshala-Kelln, who's the

assistant deputy, Fiscal Management and Capital Planning for Treasury Board; Ilana Dadds, who's the assistant deputy minister of Corporate Services Division; and sitting in the cheap seats, we've got Richard Groen, the acting assistant deputy minister, Taxation, Economic and Intergovernmental Fiscal Research Division.

Mr. Chairperson: Thank you very much for that.

Now, how do we want to work today? Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

Mr. Friesen: Mr. Chair, I would suggest that we have global discussion.

Mr. Chairperson: Global discussion has been suggested. Thank you for that. Honourable minister, is that acceptable?

Ms. Howard: Yes, that's acceptable. And we don't have to do this today, but I just wonder if the critic—if tomorrow you have some sense of where you want to go, it might be—I might then be able to let some of these folks go and do other things than sit here with us, but I leave that to you. I'm happy to have them all here, but if you know very particular areas, then I can kind of adjust the staff accordingly.

Mr. Friesen: I would suggest that perhaps the minister and I could have a brief conversation following the proceedings this afternoon. We can probably make some determinations to make sure that we're working smarter and not harder.

An Honourable Member: Agreed.

Mr. Chairperson: And we all agree with that.

All right, very good. So just to be clear, for posterity's sake, it is agreed that questioning for this department will proceed in a global manner and all the resolutions will be passed once the questioning has concluded.

And wouldn't you know it, the floor is now open for questions.

Mr. Friesen: Well, we have to start somewhere, so perhaps we could start. My question to the minister is could she just list all the ministers who are currently a part of the Treasury Board?

Ms. Howard: Yes. I'm there, Minister Struthers is there, Minister Oswald, Minister Swan, Minister Bjornson, Minister Kostyshyn, Minister Mackintosh and Minister Irvin-Ross.

Mr. Friesen: And just because I'm the new guy, I get it—to get away with asking some new-guy questions. So what I would like to know from the minister is is the Treasury Board usually comprised of that number of individuals, or does the number of individuals—ministers who are on Treasury Board, does that number tend to change from time to time?

Ms. Howard: I think that membership can change from time to time, but I think the number that are on there now has been fairly consistent maybe between one or two over the last number of years.

Mr. Friesen: I wonder if the minister could indicate who was the most recent minister appointed to Treasury Board.

Ms. Howard: That would be me, Minister Oswald and Minister Kostyshyn.

Mr. Friesen: Yes, and I assumed that the minister would be, of course, in her new role as Finance, appointed then, but my question is about the Minister of Agriculture. So the Minister of Agriculture has been in his portfolio for some time. Why would he have only recently come onto Treasury Board?

Ms. Howard: I think there was some movement as a result of the last Cabinet shuffle. Generally speaking, you have people who are taking on different responsibilities may move off, and so there was an opening and Minister Kostyshyn was asked to fill that opening.

Mr. Friesen: So drawing our attention to page 6 of the Estimates, I'm looking at the organizational chart for Manitoba Finance. And in an endeavour to match faces to names, but to also understand the operations of the office, I would invite the minister at this time to perhaps—perhaps we could start by just going through—I know she's already provided some brief introductions of the people at the table, and I appreciate that. But if she could perhaps indicate how the office functions in terms of assigning a name to some of these positions, letting us know who's in that position on the flow chart that's provided and perhaps indicate briefly what their function is in that role.

Ms. Howard: The one I have does have some names attached to it, so I'm not sure—do you want me to just read them aloud, or is there—are there some names missing, do you think? Or if you could give me—just point me in a specific direction I could be more precise with you.

Mr. Friesen: Well, I'm just inviting the minister to not only indicate who is in that position, but to also just indicate very briefly what their role is, what their function is in that position that they occupy according to the list that's provided there.

Ms. Howard: Okay, well, there's me, and I'm the minister, and I will let my staff tell you what role I occupy. But then, if you go to the Deputy Minister, Jim Hrichishen, who's joining us, and he functions as a deputy minister really responsible for many of the departmental functions of the Finance Department, so the policy setting, Taxation Division, those kinds of things. And then next to him on the chart you see Treasury Board Secretariat, that's Barb Dryden, and that, of course, is the secretariat that analyzes submissions that come from departments, helps to—helps with the preparation of the budget and the different quarterly reports. And then we have the Francophone Affairs Secretariat. The executive director there—I'm not sure of the first name—[*interjection*—Mélanie Cwikla. And the Francophone Affairs Secretariat, of course, co-ordinates our efforts at providing bilingual services and French language services to Manitobans. And above that line you've got the policies and planning committee of Cabinet secretariat, and the secretary there is Anna Rothney. This is a central body in government that is a committee of Cabinet that helps to work on priority policy issues. And then we have the Premier's Economic Advisory Council. The executive co-ordinator there is Pat Britton, and that's been a long-standing body since we became government, is really a partnership between business leaders and labour leaders who work together on issues of strengthening the economy in Manitoba. They've done things recently like the Skills Summit and they continue to work on some of those issues.

* (15:50)

And we go down to the next level, the Disabilities Issues Office. I talked about their role. The acting executive director there is Yutta Fricke. Corporate Services Division, we have the ADM, Ilana Dadds, and she's here and this is many of the things that help the department to function, in terms of IT and finance and administration and corporate policy. She is also one of the links to the securities regulator.

We've got the Treasury Division; the ADM there is Gary Gibson. They are the ones that do the banking for the province, talk to investors, talk to

banks and ensure that those relationships are sound, work to make sure that we have the capital required to invest in building projects and serving Manitobans.

The Comptroller's division, the ADM there is Betty-Anne Pratt and they are another division that sort of goes across government to ensure that government departments are accounting for their expenditures, have the right processes in place to ensure that those expenditures are accurate and fair and well-documented.

Taxation Division, ADM, Barry Draward. They're the ones responsible for both research on the taxation side, administering taxation, auditing businesses and individuals, taxpayers. They're also responsible for ensuring that tobacco taxes are collected, that they deal with some of the contraband issues that happen in the tobacco trade.

Then we've got Richard Groen, who's the acting ADM for Taxation, Economic and Intergovernmental Fiscal Research division. And this is, by and large, one of the main policy arms of the department, and so they've got federal-provincial relations, inter-governmental finance, economic and fiscal analysis, taxation analysis. This is where the man who used to be known as the chief economist of the province, that's where he works and so they prepare for us economic forecasts; they prepare information on other budgets in the country; they do the work in helping inform federal-provincial relations.

And you've got Insurance and Risk Management, the director there is John Rislahti. And they are helping us to identify where—and prioritize risks, make sure there's appropriate risk-control measures, ministers' insurance-related claims, reviews contracts, requests for proposals, legislation for insurance, bonding and indemnification and contributes to government policy generally on risk management.

And we've got, under the Treasury Board Secretariat, we have the Labour Relations division. The ADM there is Rick Stevenson and his role really is—of course, government has collective agreements with, gosh, I shudder to think, thousands and thousands of people, and so he helps to manage the negotiating process, the grievance process that happens from time to time, prepare for bargaining,

Then we've got ADM Chris Roed with Treasury Board, Analysis and Strategic Management. He is in

charge of the analysts who prepare their documents for the different things that Treasury Board is asked to review, expenditures and departments.

And we've got Lynn Zapshala-Kelln, who's Fiscal Management and Capital Planning, and she is the ADM very much in charge of helping us finance the capital program in Manitoba.

Mr. Friesen: Thank you, Mr. Chair, and I thank the minister for walking us through that chart.

And it sounds to me like the chart is up to date, then. I noticed it, from time to time, because positions change and people come and go and sometimes there are updates and things. Am I to understand that this completely up to date and there are no amendments to this particular flow chart that are needed for the purposes of these Estimates?

Ms. Howard: I am told that that is correct and I think—I think from all the people I know, they're all in the right places on the chart.

Mr. Friesen: And could the minister also indicate the total number of staff currently deployed—employed in the department?

Ms. Howard: Four hundred and eighty FTEs.

Mr. Friesen: Just so that I understand, then, when the minister says it's 480 FTEs, so that could mean that you could have one or more persons comprising a single 1.0 FTE. Does she mean it's 480 equivalent?

Ms. Howard: Yes, it's 480 full-time equivalents. So, if you had part-time staff, you would take it and you would take the number of people until you got to 1 and they would count as 1. So, if you had someone who is working at 0.8 and somebody who's working a 0.2, there'd be two people, but you'd have one FTE. And you may also have some situations where people will go on a leave, and that position will be backfilled. And so that's possible that you'll have one FTE, but you'll actually have two people occupying that FTE.

Mr. Friesen: So this next question, then, may be redundant. But then could I also ask the minister, so then how many individuals, if I asked it differently, would actually be on payroll if it was 480 equivalent? Like, there's an FTE position, would there be a number she could provide that would indicate how many on payroll?

Ms. Howard: We're going to try to get you the most precise number. The total employees right now are 391. There's some vacancies, but we're going to get

you a more precise number on payroll. I think that's the question you asked.

Mr. Friesen: And, just at the outset of the Estimates, I do want to also ask the minister: On what schedule does the minister, then, provide information to me if it can't be provided in the context of Estimates? Do we agree at a later date to provide that, or how is that done?

Ms. Howard: Well, my normal practice has been to kind of collect all of the requests that come through Estimates, and then the department will provide it in writing to the member. And, normally, that shouldn't take that long, depends on the requests. So that's normally how I would do it. If that's acceptable, that's how I would suggest we do it.

Mr. Friesen: And, if I could make a suggestion. I understand that all staff are working very hard, and it's a very busy time. And I understand we'll all be facing each other again this evening at the Public Accounts Committee, but, wherever possible, if there's a small thing that can be provided within the context of Estimates as we come back day to day, then, of course, for posterity those answers can be included in the official record of the Estimates. And, although we know that perhaps not all 1.3 million citizens who live in our fine province will be clamouring to read the Estimates, there are indeed those individuals who do, and so the answers could be provided, understanding, of course, that everyone is busy at this time.

I did want to ask the minister of the individuals then who are employed through Finance. How many staff would have been hired in the fiscal year just completed, so for 2013-14?

* (16:00)

Ms. Howard: There was 71 hires over the past year to fill vacant positions.

Mr. Friesen: Could I also ask the minister, so of those 71 new hires, are those hires done through appointment, or are they done through a competitive process, or is it a mix of both?

Ms. Howard: The vast majority of those positions are done through competition, about 63 of the 71, and eight that were direct appointments.

Some of those direct appointments are people who are—have been in acting status in that position moving to a regular status; some of those are temporary appointments usually to fill a leave, sometimes it can be a very short temporary

appointment; and some of those are order-in-council appointments.

Mr. Friesen: I'm not sure if they use this terminology within the departments of government, but I think the minister alluded to it when she talked about acting. So there are staff that are under the category of term and staff that are under the category of permanent contracts. Could she comment on that?

Ms. Howard: I'm not sure that would be the most accurate way to describe it in all cases. There's some situations where someone will leave a job, and they'll be somebody who is a second in command, so to speak and that, and so they will be appointed on an acting basis. And then there are occasions sometimes that will then go to competition. And sometimes there are cases where you'll just directly appoint the person who's been in the acting status to a regular status, usually because they've been in the acting position for a significant period of time.

Mr. Friesen: Could the minister indicate what the current vacancy rate is in the department?

Ms. Howard: The current vacancy is 17 per cent.

Mr. Friesen: I will just ask the minister, how does that vacancy rate compare with, let's say, the last number of years is that—is the vacancy rate consistently in around the 17 per cent mark, or does that indicate a net increase or decrease?

Ms. Howard: Yes, we'll get to that information for you. I don't think we have a trend here at the table, so we'll get that information.

I do have some—I do already have the answer to another question that you asked earlier. So I think I said—I don't even remember what it was in reference to now—391 people. So, as of January 31st, 2014, there were 395 people.

Mr. Friesen: This next question may also fall into the category of things we don't have readily at the table, but I wonder if the minister could also provide a list of all vacant positions within the department.

Ms. Howard: Okay. Here we go. So the executive support—I'm going to read out the positions and the vacancy value, and if you want a listing, we can also provide that.

So executive support: There's administrative secretary in my office that's vacant. There's an executive assistant that's also vacant.

Corporate services: director, comptrollership and accountability; a business support analyst; a program

co-ordinator; a—two finance policy analysts; a business architect; and a admin support officer, banking authority.

The Disabilities Issues Office: There's a vacancy listed as executive director, but there is somebody acting in that role.

Comptroller office: a financial officer; a manager, policy, communication and training; finance configuration analyst; senior audit partner, operations; financial analyst, revenue; asset management accountant; supervisor, comptrollership; audit partner; internal auditor; project leader; audit partner; supervisor, bank reconciliation; accounts payable analysts, two of those.

In Taxation, there's a tax roll maintenance services administrator, cash control administrator, tax processing clerk, two collections officers, a refund administrator, audit review officer, tax audit supervisor, a workload development co-ordinator, a senior tax auditor, another tax auditor, a field tax auditor, another senior tax auditor, manager of other taxes, two other tax auditors, an audit accountant, director and a manager of compliance services. Now, some of these positions may have acting staff in them.

Taxation continued: There are some tax information officers, two of them, First Nation program co-ordinator, a financial analyst, a senior research 'analyst,' and then there looks to be six staff in tax compliance.

In Taxation, Economic and Intergovernmental Fiscal Research, there's an ADM—but, again, there's a acting person in there—economic research analyst, policy and legislative analyst, supervisor, director of strategic initiatives and a senior policy analyst.

Treasury Board Secretariat: a compensation services officer, a compensation services assistant, two labour relations officers, a special consultant, a Treasury Board analyst, a labour relations officer, associate secretary for Treasury Board, a couple of managers, another Treasury Board analyst and an administrative officer and another analyst position.

And Francophone Affairs Secretariat: bilingual implementation facilitator, a couple of co-ordinators.

And in the Priorities and Planning Committee, there is a special consultant position and a project manager that are vacant, for a total of 79 vacancies.

Mr. Friesen: I would just make this one comment, and I thank the minister for providing the information.

I was just wondering, as a result of the open positions that the minister provided and just read out, when it comes to Taxation Division, did the number of open auditor positions—is that unusual to have that many auditor positions vacant?

I guess the question I might ask first would be: What would be the normal complement size of auditors that work within Taxation Division?

*(16:10)

Ms. Howard: Yes, I'm told the vacancy rate in that area has been pretty consistent over the last three years. It's—seems like there are a number of people who've been in that division who are coming upon retirement who are retiring. And so I think recruitment efforts are ongoing.

Mr. Friesen: Thank the minister for that response. I wonder if she could indicate, you know, is there a—is there an effect on the operation of that office, like the Taxation Division? Maybe we're disclosing too much information to Manitobans that we don't want them to know about, but when it comes to auditors, I'm wondering this. I mean, obviously we understand that there's positions that are open that does, of course, create more work for everyone else, but is—as a result, is there a concern about the impact of those vacancies on the function of that particular office?

Ms. Howard: I think that, you know, that office's managing, of course, is a concern, as the, you know, workforce ages and retires, that we're able to replace those people. I know there's a lot of competition for auditors, we face a lot of competition. We tend to train them very, very well, and then they find other opportunities.

So it is an area that we're focused on making sure that we can recruit good people, but I do believe that that office is able to manage the workload, is able to provide good service to the government and to Manitobans.

Mr. Friesen: I'd like to turn our attention to the list of other staff that the minister has working with her. I wonder if the minister would please indicate in—when it comes to political staff, the political staff including the name, the position and the FTE, whether they're full-time or not—indicate the people with whom she works.

Ms. Howard: Yes, I have Jeannine Kebernik, who's my special assistant. I have Courtney Maddock; doesn't work with me in the department but works with me in the constituency. And then I also have Jean-Guy Bourgeois, who is a special adviser to both me and the Minister of Jobs and the Economy (Ms. Oswald).

Mr. Friesen: I would have thought that list would have been longer in terms of other staff who work with you. Perhaps I could also ask the question, just say is in addition to that, the minister would have office staff that—with whom she works—you know, that probably falls into a different category, but perhaps she could also indicate the other people in her office, because I'm sure from time to time I'll have an opportunity to visit her there and I wonder who the people are who work in the minister's office in Finance.

Ms. Howard: In my office I have two staff who do the administrative work: Kathy Dobriansky, who is the administrative secretary to the minister, does the scheduling; and Anoosh Shinnan, who also works in the office. And there's one vacancy in the office that we've been keeping vacant.

Mr. Friesen: And coming back to the list of political staff, and the minister listed three there, could she also indicate then, in addition to those who perhaps work full time with her, are there other staff who might be seconded to other ministers or other tasks or operations who might be itinerant and be sometimes working with the minister?

Ms. Howard: I never thought of them as itinerant before, but I, of course, have a press secretary through Cabinet communications, that's Sally Houser, so she handles the media requests for me and a number of other ministers.

Mr. Friesen: I know that the minister indicated early on that she is new to her role; she was quick to remind the House at one point that I was new to my role, and I know she had a little fun with that. But I know that—I was thinking recently about the preparatory work that the minister undertakes to come up to speed on her new role.

I wonder if the minister could just indicate what sort of briefings took place, what was the—what were the pre-activities that were in place to get her up to speed, and who have conducted those briefings and what would the focus of those meetings would have been?

Ms. Howard: Well, thank you very much. So the way that I kind of approach new roles and tend to learn—first of all, I did, I have had the advantage, I guess, of being in and around government for several years, interacting with the Treasury Board, interacting with the Finance minister, so have some understanding. And, then, of course, we had kind of introductory briefings with the different divisions.

But, really, I've sort of always approached a new role as learning through experience, learning as we go, so, when an issue comes up, I get all the information on that issue and all the background. And I find that, certainly, in the first six months or year that takes a lot longer because you don't have all of the background.

But, rather than try to learn everything a Finance minister could ever possibly need to know in the first few months, the way that I've approached it is really to learn issue-by-issue. I think that and the fact that after I was appointed, we were immediately into the budget process. That really was the focus for the first few months, preparing for all the departmental Estimates, doing the budget consultation work. So I'm still learning every day, and those briefings are still frequent.

Mr. Friesen: I thank the minister for that response, and wonder if she could indicate, is there someone who is tasked with doing that initial kind of instruction or orientation with the minister? And, if there are those kind of meetings that take place, what would be the amount of hours that were spent on those kind of hours, or is it just kind of, you just transition to your new role and they give your new key and in you go.

Ms. Howard: I think, you know, trying to teach me what I need to know is far, far more than one person could possibly be expected to handle.

Really, it is a process that is ongoing, so, you know, the senior management in the department, the deputy, the Secretary to Treasury Board, the assistant deputy ministers, we have frequent contact and they provide good information, and sometimes I have questions and I'm always able to get a hold of them. So there's not really any one person that is responsible for that. The staff in the office helped co-ordinate the times for that, but it has been a very much ongoing process every time we need to sit down and talk about something, often they have to take me back and give me all the background and explain to me a lot of the terms, and we're—I'm sort of learning as I go along.

Mr. Friesen: I wonder if I—the minister could also comment, are there specific briefings that she would have then received in terms of, you know, being on Treasury Board and things like that? Would there have been a separate orientation session or briefing that was conducted? Maybe—I know that she comes with experience in the Disabilities Issues Office, I think this has been, now become adjunct to the work in the Finance office. So there—I know the minister would have been completely up to speed, but with respect to other areas her—of her new assigned responsibilities, when it comes to things like the Treasury Board, would there have been a specific briefing that would have taken place prior to her coming on to that group?

Ms. Howard: Well, I chair Treasury Board, and so we have discussions before every meeting about the agenda. I was pretty well acquainted with how Treasury Board worked having been a member of Cabinet for a few years, and having a period before Treasury Board. And, again, it's really been a kind of ongoing process of learning and asking questions, and that's what I have found works best for me.

Mr. Friesen: I thank the minister for those questions. I can't—I may have neglected to ask earlier in our discussions when I was looking at the organizational chart on page 6, and I'll just revisit that. The minister will get used to my style in Estimates that I—sometimes the light bulb goes on and I come back to something at a time a little later on.

I don't believe I asked her whether the individuals in their roles as reported on page 6, if any of those individuals are new, let's say with less than a year's experience in that role. Who would be the new people in those ADM, and acting ADM and director roles that are indicated on that page, or others?

* (16:20)

Ms. Howard: So I think in the last year was the time frame. The executive director of the Francophone Affairs Secretariat, Mélanie Cwikla, is new to that role. She came from within government. I think she was in the Department of Culture before. The Deputy Minister, Jim Hrichishen, is new in that role, but has served—been part of the public service for 22 years and was an ADM previously. And the acting ADM in Taxation, Economic and Intergovernmental Fiscal Research, Richard Groen, is new in that role, but, again, he also has been in the public service for many, many years and was in that department before filling that role.

Mr. Friesen: I know it's only probably been since late last year that the minister assumed her duties as Finance Minister. I wonder if the minister would comment on—is there typically any travel, regular travel that the minister undertakes in her role and—or is expected to undertake in the—yes—in the performance of her duties as Finance Minister and, if so, what would be the destination? What would be the particular details of those travel events and whether she would be accompanied by other members of staff or department to—on those travel events?

Ms. Howard: You know, so far what I've experienced is travel to Toronto to meet with other provincial Finance ministers, and I think I had the deputy minister with me and the federal-provincial relations person with me and we travelled to Ottawa. And there's a annual meeting in December with the federal Finance Minister and the other provincial Finance ministers. And, again, I had the deputy with me and also had the acting assistant deputy minister, the federal-provincial person, as well, and also had the press secretary with me for that meeting. So that's the travel so far. I expect most of the travel to be in the federal-provincial realm.

There occasionally is also travel to meet with some of the people that are investors in Manitoba that want to meet with the Finance Minister, but I expect that's likely going to be the extent of it.

Mr. Friesen: I thank the minister for that question.

I know she just referenced the federal Finance Minister. I know we were all very surprised to hear the news yesterday that the federal Finance Minister is hanging up his skates and going on to other things. I know I've had the chance to meet the federal Finance Minister myself. I was impressed with him, and a very funny story that I'll tell to the minister someday about her and my current leader and a funny kind of a public event that the three of us attended together. So that'll be what—something I look forward to sharing with her at some point in time.

Mr. Frank Whitehead, Acting Chairperson, in the Chair

Want to turn our attention at this point in time to another area. I know that we list—currently, I think, legislation requires us to disclose financial staff with salaries that are greater than \$50,000. Is that currently the case, and where do I find that information?

Ms. Howard: Oh, hello.

The Acting Chairperson (Frank Whitehead): Honourable minister.

Ms. Howard: I didn't even know that you had changed. [*interjection*] I know, stealthy.

So, yes, I believe the law requires disclosure of compensation over \$50,000, and I think you can find that in volume 2 of the Public Accounts.

Mr. Friesen: I'm sure the minister would probably be in agreement with me if I said that at some point in time we've got to really seriously look at adjusting for inflation some of these thresholds that we currently have in place for reporting. And perhaps at the same time we could have a discussion about adjusting upward things like income tax brackets and basic personal exemptions and things, but that might be another part of our conversation in the days that follow.

I just want to take us back a little bit to what we were talking about in terms of the minister's transition into her new role, and I wanted to ask the minister, given the Province's current, you know, deficit situation and—in a situation where we have not made the target that the minister's predecessor had set out and as a government they had set out, what does that mean for the minister initially as she assumes this role and she prioritizes spending and moves forward with this new budget? What has taking on this responsibility with acknowledging Manitoba's debt situation—or deficit situation caused her to prioritize in her approach to this role?

Ms. Howard: Well, I think the priorities are probably well laid out in the budget. Certainly, the priorities for us in terms of the budgeting process is to invest in those things we believe are going to help create jobs and help ensure that there are people to fill those jobs because they have the training and skills available.

I think the other priorities that we have outlined is the protection of core services that families count on, and that's why I think, when you look at the budget, you'll see where there is increased budgets they tend to be in departments like Health, Family Services, Justice, Education. Those have been the priorities, I think, for some time for the government; they continue to be the priorities. At the same time, we're also interested in finding more efficient ways to deliver those services, ways that we can streamline administration so that we can put more of the investment into front-line care and front-line

services. That's also a priority for the budget process in moving forward on the budget.

Mr. Friesen: I appreciate that response from the minister. I know we'll have a chance, as the days go on, to discuss that more in depth.

I notice the minister did make reference to the government's efforts to streamline operations and I know that, reading the budget, there's, of course, the reference to the government's plan to reduce the civil service size by 600 positions, and I know I've heard the minister say that they are on track, or at least I've heard colleagues of hers say that they are on track to do this. And I was just wondering, revisiting our discussion just earlier about positions within the department, on what basis are those decisions made within departments, and does any of that initiative to reduce the size of the civil service enter into the Department of Finance and, if so, how greatly does that initiative impact on human resources and current employee levels?

Ms. Howard: Well, certainly, when you chair Treasury Board, you feel a certain responsibility to model the expectations for other ministers. So, really, staffing decisions and how that gets allocated are mainly left to the deputy minister and assistant deputy ministers; they are the line managers for those positions. But what we have tried to do is focus our resources and our attention on front-line services, services that go directly to needs of families, safety and security needs, and then other positions.

We are in a process throughout government of vacancy management and also assessing where we can change the way that we work, where we can reprioritize the work that we're doing so that we may have positions that we can then allocate to other front-line services. And that's also the way that we look at things in Finance. Is this a position that there's another way to do this work? Is this a position which, if not filled, is going to create of—lack of services for Manitobans that can't be filled in another way? So that's the way we look at it in the department. I think that's probably the way it's looked at government-wide.

Mr. Chairperson in the Chair

But, really, ministers, by and large, are going to take the advice of their deputy ministers, their assistant deputy ministers who know those parts of the department well and are able to manage the workload and will be able to give good advice about

which positions maybe can go unfilled and which positions need to be filled more quickly.

Mr. Friesen: I thank the minister for that response. And, of course, I understand that, you know, there is management of human resources that enters into this, but the government's commitment is to reduce by 600 total positions, so that's not just vacancy management. And so, coming back to our earlier discussion about currently we have 395 people employed by Finance. Some of those positions are vacant; 17 per cent of those positions are vacant.

* (16:30)

Is there a target that the minister or the deputy minister are articulating to achieve with respect to the initiative set out by government? Is there a desire to reduce to 375, or is that percentage of total complement of staff, and are those targets throughout other departments?

Ms. Howard: The target is really a global target, and that target is 600, and we're a little better than halfway there. And we continue to work towards meeting that target, but it is a target that's managed across government.

Mr. Friesen: I want to turn our attention to the order-in-council reports that we receive in our office and we've been endeavouring to read and to digest the materials and, of course, on an ongoing basis we don't have an opportunity, you know, to discuss some of those things. And some of this is just learning how some of these appointments and loan authorizations are conducted and reported.

I by no means, want to take us through every order-in-council notice given, but I wanted to just perhaps highlight a few, to create a better understanding of what these notifications signify and indicate. So, for instance, if I go, you know, to July of 2013 and just pick off the first one that I see there. We see always, on a regular basis, loans being authorized and the minister's authorizing loans to different areas of government expenditure.

So I see a loan here for the Manitoba Housing and Renewal Corporation of \$50 million. The terminology employed is loan. Is this just a disbursement to—as part of the core government allocation to these areas of operation? I know this is not core government. I see Manitoba Lotteries at the top but because you are funding, is this, indeed, a loan or is it another type of disbursement, and the word loan is just employed?

Ms. Howard: So, for housing, for example, what this is is government borrowing money on behalf of the Manitoba Housing and Renewal Corporation, so that they can invest in housing, build housing, and we do that because government, of course, can get a better interest rate than most of these organizations. Then an organization like Housing repays that loan because they also have a revenue stream coming in through rents and, well, I guess primarily through rents—occasionally through land sales, but primarily through rents.

Mr. Friesen: Okay, so then every time there's one of these payments made, then there's a notification provided in the order-in-council. So that's a lot of cheque signing for the minister on an ongoing basis. Do they all appear in the orders-in-council?

Ms. Howard: So in the—I guess these are the budget papers. In the budget papers on B6, you'll see tabled there loan requirements. And, at some point in time, we'll table The Loan Act, 2014, which will also list this. And you see there a listing of a number of organizations and the loan act authority for 2014.

Mr. Friesen: Okay, so then these are the government agencies that receive these types of loans, and these would be the ones that would be reported in orders-in-council. Is that the case?

Ms. Howard: Yes, that would be correct. So The Loan Act gives the authority to do this, and then the orders-in-council are the method to actually draw down the money.

Mr. Friesen: So the reason I ask is because, of course, the loan implies that there will be a fee that is attached; there'll be a borrowing rate that is set. So, in all of these cases, as the government loans on behalf of the agencies and then disburses money to these agencies and then recoups money at the end, are there—is there an interest or a borrowing amount that is paid to the government by these outside groups—agencies?

Ms. Howard: So there will be an amount charged to the organization to help cover the administrative costs of borrowing the money. I think it probably depends on the organization, the timing that you're borrowing the money and the interest rate, what it is. But that's the intention. I think it is generally quite minimal. It is still always a preferential rate for us to borrow the money as opposed to that agency going to a bank to borrow the money.

Mr. Friesen: And the minister refers to an administrative fee. It is just the administrative fee;

there's not a separate interest that is calculated on the basis of the amount of the loan and the duration of the loaned amount?

Ms. Howard: So we're going to recoup whatever interest we're paying, for sure. And then we are going to charge—in addition to that, there—it will be a slightly higher interest rate than we would pay to pay for the administrative costs of loaning the money, but also to cover any potential risk of loaning the money.

* (16:40)

Mr. Friesen: So, turning back to that same scenario where I'm seeing, in the July order-in-council papers, there's a loan there, for instance, of \$50 million to Manitoba Housing and Renewal Corporation. Does the \$50 million that I see reported here include the interest and the administration fees and whatever other amounts are assessed against Manitoba Housing and Renewal Corporation, or is that somewhere else reported in the budget papers?

Ms. Howard: So in the example that the member is talking about, so the \$50 million would be cash to the—they're not like dollar-bills cash, but electronic cash—to the Manitoba housing renewal corporation. And then if you want to find the cost of the money to them that they borrow—that they return to the government, if you look on page 77 of the Estimates—not your green Estimates, but the—this Estimates book—if you look in page 77, there's part 7 there on public debt. There's a list under (b) of different organizations, and you'll see the amount there, the estimates of expenditure. And that, I believe, would include the interest rates and carrying charges that they would be paying. And then so—sorry, oh, go ahead.

An Honourable Member: No, no, go ahead.

Ms. Howard: So not everything is listed there. The larger ones are listed there, and then the rest you would find under other government agencies—well, 5, 6 and 7 would carry the rest.

Mr. Friesen: I thank the minister for pointing me to that. She anticipated my next question, which was going to be where would those other government agencies be reported. So—and I notice there that, of course, it's not an insignificant expense. It's \$25 million are the fees and the interest rates and the carrying rates that are assessed against these government agencies, and that's up from, you know, about 21 or 22 million the year prior.

I wonder, is there a place in the budget papers where there would be a breakdown? So, then, if I would compare this line item, this S7.(b)(5) Other Government Agencies, could I receive a breakdown that would show lining up with B6 of the budget papers, where actually all of these government agencies are listed, could I see what charges are pertaining to each one of those agencies?

Ms. Howard: Yes, we can endeavour to put that together. That might—I might not have that in the next 15 minutes, but we'll endeavour to put that information together for the member.

Mr. Friesen: I know that the staff over there have a lot of paper, but that time I think that we might have stumped them. But, no, I appreciate that, whenever it's possible to get that. I understand that's—it's not a small amount. But it is a very specific request.

What I wanted to understand better, and I know we can have more conversations about this, but is this the same principle that applies when it pertains to Manitoba Hydro? Because I know that the Auditor General has given a conversation to discussing the payments that Manitoba Hydro makes to government as a result of the fact that the government lends money, that it can get a better deal to the corporation. This is the same principle whether we're talking about other government agencies or large GBEs like Manitoba Hydro?

Ms. Howard: So I think, you know, Manitoba Hydro, like other agencies and organizations, the arrangement with government is because government can borrow money at a preferential rate, far preferential rate than they could get out on the capital market on their own. If that wasn't the case, they wouldn't borrow the money from us. They would borrow it from where they would get the best rate. That's how I would expect them to operate.

With Manitoba Hydro there is a guarantee with them that I think amounts to 1 per cent of their debt as of the end of the fiscal year. But that is still much less than what they would pay if they borrowed the money elsewhere. But we would expect Hydro to make decisions on borrowing where they could get the best rate, and if that wasn't us, I would expect them not to borrow the money from us.

Mr. Friesen: So still on page 77, then, of the budgetary Estimates. And I'm familiar with that number as well, and that's what I've heard as well, that it's a 1 per cent charge based on total debt carried by the corporation, but that is not the same

principle as applied to other government agencies. That I would just want to be clear about the arrangement between government and government business enterprise like Manitoba Hydro, that is a specific arrangement based on the 1 per cent, that is not the same schedule that pertains to when the government lends money to other government agencies. Am I correct in assuming that?

Ms. Howard: Well, I think what is different about Hydro, Hydro certainly, I think, makes up largest portion of the borrowings that we do on behalf of other organizations, and so there is a higher cost to when you go out to do the work to borrow that volume of money, I think. But it's also recognition that because they are the highest percentage of the borrowings, that you have that guarantee to also cover any potential risk of that money to the government. I think that's how that decision is made.

Mr. Friesen: So, based on that response provided by the minister, I would invite the minister to respond and indicate—we know that at this particular time that Manitoba Hydro is endeavouring to embark on a very, very aggressive capital expansion project or initiative that would see the construction of two dams, a transmission line, a conversion station. There is now evidence of a line being built into the US, a capital expansion plan that could exceed \$25 billion by some calculations and could exceed \$30 billion by other expert calculations.

I guess my first question to the minister would be, based on these plans that are unfolding at this time, and we understand that the PUB hearings are just, you know, concluded, and does the minister understand that Manitoba Hydro, however great the debt of the corporation becomes, will continue on the same schedule to pay that same 1 per cent of sustained debt to core government as a result of these—this additional debt incurred by the corporation?

* (16:50)

Ms. Howard: Well, my understanding is this arrangement, in terms of 1 per cent of the debt, is an arrangement that's been around since—for at least 20 years—it's been around since the late '80s. It's been the way that government has interacted with Hydro in terms of borrowing through successful administrations—through successive administrations. I know this is the—there's been some level of guarantee, certainly, in that time, and I think that has been in recognition that Hydro, because of their building projects, they are the largest borrower, or

the largest entity, that government borrows on behalf of, and, so, that guarantee has been around for many, many, many years in some form or another.

I suppose there's also always opportunities to discuss that with Hydro. But I do think that, you know, we're going to have a philosophical difference, I suppose, that I believe it is in the interest of Manitoba, for Hydro to build its capacity to export power because we have contracts for sales, that that is good for the economy, it's good to create jobs. I think it's better to do that than to create jobs elsewhere through a reliance on natural gas. I know that's a difference of opinion between us.

And I know the latest conspiracy theory of the opposition is that building Hydro is only about interest payments. But I assure you, building Hydro is really about the future prospects for Manitobans; the future economic strength for our own economy, which relies on inexpensive power and energy. But also being able to ensure that that power is available for Manitoba families and we don't become a net importer of power.

But I am told that this arrangement of some form of guarantee for Hydro borrowings has been in place for at least the last 20 years.

Mr. Friesen: You know, I know that the minister says that, you know, it is, of course, there is a philosophical difference of opinion here, but beyond that, she says that the deal and Hydro's expansion is good for Manitobans. I think what would be a more accurate statement is it's certainly good for the prospects of government. Right now the estimates clearly indicate that even at current debt levels, it's \$682 million that is being paid to government as a result of Hydro debt.

Now, I know that the document is just out but I'm reading in the AG's report that was just released earlier today, on page 101 of the Auditor General report, there's a chart that shows Manitoba Hydro plans for future borrowings due to anticipated capital expenditures. And the comment in the Auditor's report is that the plans for future borrowings are significant. And there's a chart there that shows that if the current level of indebtedness is, I guess, we're looking at billions of dollars here, so, is—well, I can tell you this, without having to add too many zeroes, that even in the next five years, the debt incurred by Hydro would more than double.

I guess my question to the minister is: Is she calculating as a result—is she running figures to

calculate what the increased revenue to government would be of a Hydro expansion plan that would more than double their debt in the next five years? Has she run the numbers?

Ms. Howard: No, we haven't run those numbers.

I do think that hydro development is good for Manitobans, and not just the government of Manitoba, although it is good for the government of Manitoba when people have reliable power, that is a good thing. It's good for the government of Manitoba when we create jobs in Manitoba, that is a good thing. It's good for the government of Manitoba when businesses come and locate here because they have access to reliable, affordable energy, that is also a good thing.

So I would concur with the member opposite that it is a good thing for Manitoba that Hydro is building, is using its capacity. And I do think that for Hydro, Hydro will make its decisions to borrow money wherever it is in the best interest of Hydro to borrow that money.

And the historical practice has been, through successive governments, for the government of Manitoba to do that borrowing on behalf of Hydro, because Hydro gets a better rate, and that is in the best interest of the people who own Hydro, who are Manitobans. I don't know that it would be in the better interest of Manitobans, who own the company, for the company to go and borrow at a higher rate and pay interest to the banks, when it can borrow it at a cheaper rate, through borrowing through the government. But, if Hydro thought that that was a better deal and that they could get a better return for the people of Manitoba, I'm sure they would make that decision.

Mr. Friesen: Well, first, I think I should correct the minister. I think she heard me clearly say that, while I didn't agree it was a good deal for Manitoba, I thought that from her personal perspective as a Minister of Finance, if all she was interested in is the bottom line, she would certainly see that as a good deal for her department, because, clearly, these charts that are demonstrated in the Auditor General's reports show that the—that debt sustained by the corporation would more than double in just the next five years. As a matter of fact, the charts extrapolate out to 2022 and they show debt levels that are, again, doubling. Now, that would create a windfall.

Did I hear the minister correctly when she said that they have done no extrapolation as a result,

they've done no modelling financially, they've run no numbers, they've developed no contingency plans to consider what the impact would be on revenues to government as a result?

Because, I mean, without having a calculator on hand, I can tell you that we're looking at almost 700 of—a million dollars right now of payments accruing to government on an annual basis. If the debt was doubled and no other factors changed—but, of course, factors always change when it comes to interest rates and borrowing money—we're talking about \$1.4 billion accruing to government.

Now, I know that the current federal transfer payment accounts for approximately 34 per cent, maybe 35 per cent, maybe somewhere around there—we'll get into that discussion later—of the government's revenues. But right now, wouldn't this almost indicate like another transfer payment to government?

So can the minister again just indicate, did she say that the Finance Department has done no modelling and have developed no contingency plans to consider what the net effect would be of a hydro development plan to the bottom line for Manitoba?

Ms. Howard: So I just want to know—I want the member to know for his benefit the number that he's quoting includes the interest fee that government pays on the money that we borrow on Hydro's behalf. So if now the recommendation is that we take a loss on that money, that we borrow money, that we pay the interest and we give an interest-free loan to Hydro, that's a interesting business practice. I'm not sure it fits in with the overall philosophy of the members opposite, but I'll take that.

But, you know, we can continue to have a debate about Hydro. I think there's been a debate about Hydro at every juncture in its development, and, you know, the positions are clear.

I do believe it's in the best interests of Manitobans for Hydro to build its capacity, but there are other bodies that will also make those assessments. I do believe it's in the best interests of Hydro to ensure that there are jobs that are developed here in Manitoba.

I do think, as the Minister of Finance, who, you know, has a concern to ensure that the economy can continue to grow, we know when we talk to many, many businesses that the provision of stable and affordable electricity is a big reason why they locate here and why they stay here. And I know when I talk

to Manitoba families that having affordable and stable energy is also important to them.

So, yes, I am always going to believe that it is in the public interest to own and benefit from Manitoba Hydro. I know that's a philosophical difference we have, and it'd be entertaining to continue to discuss it, which I'm happy to do, but if the member's advice now is that either Hydro should go and borrow money at a higher interest rate, which isn't going to be in the interests of people who own the company, who are Manitobans, or that the Manitoba government give an interest-free loan to Manitoba Hydro while it pays interest on that money, I would reject both of those pieces of advice.

Mr. Friesen: The minister clearly heard that I was making no recommendations to her, but I was asking very specific questions to her about the extent to which her department was preparing for what is clearly not in dispute among us, which is the fact that this would be the biggest capital expansion in the history of Manitoba Hydro, in the history of that government business enterprise. I don't think the minister would dispute that expenditures that—exceeding \$25 billion is anything insignificant.

And she must understand, then, also that the effect—

Mr. Chairperson: Regrettably, the hour being 5 p.m., committee rise.

EXECUTIVE COUNCIL

*(15:20)

Mr. Chairperson (Tom Nevakshonoff): Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of Executive Council.

Does the honourable First Minister have an opening statement?

Hon. Greg Selinger (Premier): Yes, thank you. Do you want first—are we doing opening statements before we bring in staff? Okay.

Well, first of all, I'd like to welcome Doyle Piwniuk here, the new member for Arthur-Virden. I haven't had a chance to congratulate him and I see him in the Chamber, so I want to welcome him to the process and welcome him to the Legislature.

In terms of my opening comments, Mr. Chairperson, the Estimates of Executive Council are similar to last year. Staffing levels are comparable to

last year with the same number of staff positions in Executive Council.

Four years ago, we decreased the budget for Executive Council salaries and operating. We have remained at that level since and are projecting a reduction for 2014-15; total spending will be about \$2.6 million.

Funding for the Manitoba Council for International Cooperation is from Enabling Appropriations, but is administered by Executive Council. The amount has increased twice in the past seven years, from 500 to 750 thousand dollars in 2006 and then to \$1 million in 2009. We are maintaining the core MCIC grant at that level this year.

From time to time, we have also provided funding to MCIC to distribute to member agencies dealing with disasters or charitable works overseas. This past year, for example, we made special contributions of \$300,000 for disaster relief in the Philippines. Additionally, a recent contribution of \$25,000 was made for immediate humanitarian assistance in the Ukraine to be used for urgently needed first aid and medical supplies. This funding flowed through the Ukrainian Canadian Congress Manitoba provincial council.

Coinciding with the Cabinet shuffle last year, there was a major shuffle of deputy minister assignments this year. This year the initial flood outlook has been provided to Manitobans, and it indicates that the risk of spring flooding is below or near normal in most areas. However, it is too soon to be certain whether that will be the case. The risk of flood continues to be monitored to ensure that we are ready to address any flooding that may happen. I thank the highly qualified and dedicated civil servants who work throughout the year to continue to improve our flood protections and who are responsible for developing our forecasts. Many of us can and often are asked to step in to help when a flood does occur. Together with hundreds of volunteers, their work is something we can all be proud of, and I want to thank them for that.

Recently, a new chief flood forecaster for the province was hired. Fisaha Unduche began in February, and he brings with him considerable experience with flooding in Europe and North America. He is a professional engineer, and for the last five years he has worked as the senior water control systems planning engineer for the Manitoba government, conducting hydro meteorological

analysis, hydrologic modelling and watershed studies to assess and mitigate flooding. He leads a team of 12 specialized full-time staff members who work at the forecast centre year round, including three senior forecasters, and two new engineers have been recently hired.

The focus of Budget 2014 is steady economic growth and good jobs. Our five-year, \$5.5 billion plan invests in core infrastructure to create good jobs so young Manitobans can stay and raise their families here. It continues to grow our economy and it protects the services Manitoba families count on, like health care and education.

As confirmed by the Conference Board of Canada, our plan will create 58,900 jobs. Our plan includes investments in education and training, including increases in funding for schools, universities and colleges, and an enhanced tax credit for employers who hire apprentices. There is a growing demand for skilled trades, which is why we are making it easier for students to move from school to a skilled trades program and then into the workforce.

To remain on track to return to balance by 2016-17, Budget 2014 built on our efforts to deliver services more efficiently by freezing or reducing the budgets of nine departments, extending corporate spending caps to all RHAs, capping administrative spending by school divisions, and limiting core government growth by 2 per cent.

The measures contained in Budget 2014 are supported by the business community, labour, municipal governments and Manitoba families. They share our priorities of continuing to grow the economy and ensure young people have the opportunity to work and live in Manitoba while still protecting key services families rely on.

Thank you. That's my opening statement.

Mr. Chairperson: Thank the First Minister for those comments.

Does the Leader of the Official Opposition (Mr. Pallister) have any opening remarks? *[interjection]* You do not? We thank the Leader of the Official Opposition for that.

Under Manitoba practice, debate on the minister's salary is the last item to be considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 2.1.(a). At this time we invite the First Minister's staff and opposition staff to enter the

Chamber, and we ask that they each introduce their staff in attendance.

The honourable First Minister, to introduce his staff.

Mr. Selinger: Introduce Milton Sussman, Clerk of the Executive Council and Cabinet secretary, and Ann Leibfried, acting executive financial officer, Finance and Administration, Shared Services Branch, Department of Finance.

Mr. Chairperson: The honourable Leader of the Official Opposition, to introduce his staff.

* (15:30)

Mr. Brian Pallister (Leader of the Official Opposition): This is Rob Pankhurst, and I'm sorry I missed the name of the female member of the Premier's staff, if I could just have that repeated, please.

Mr. Selinger: Ann Leibfried, acting executive financial officer, Finance and Administration, Shared Services Branch, Department of Finance.

Mr. Chairperson: The honourable first—the floor is now open for questions.

Mr. Pallister: How often do—does the Premier meet with Mr. Sussman?

Mr. Selinger: We have conversations every single day, usually.

Mr. Pallister: In reference to the—we might as well just go straight to the Auditor General's report since it's timely. It just came out a minute ago, so do we need to table a copy of the news release?

I'll refer to the news release—do you have that? I need a copy of the new release. Yes.

Does the Premier need one tabled or does he have a copy of the news release? I'm sorry I didn't hear that.

Mr. Selinger: Appreciate it if he's referring to a news release if it would be tabled.

Mr. Pallister: While we're waiting for that document to come in, I'll just move on then.

There was an expert's—questions in respect of Hydro—before I do that I wanted to mention that I'm still waiting for information that the Premier undertook from our last discussions, last year, to get me on about 50 different topics so, I'm just wondering if that's been prepared, if I could receive

that information that was promised to me about 11 months ago. I'd like to see it.

Mr. Selinger: I'll get that information for the Leader of the Opposition.

Mr. Pallister: I appreciate that, but I'm wondering, I guess after waiting close to a year, I'm wondering if we could put a time frame on that, just so that I have a chance to look at that information and review it in a reasonable period of time. I'm just wondering if the Premier could assure me that I get it and, you know, in something other than just due course, or the fullness of time.

Mr. Selinger: Yes, I did review of the questions were asked last year and many of them were answered as we went along, but there were some outstanding questions that I wanted to provide information to the leader on and I'm going to provide it to him as soon as I get it, which could be as early as today.

Mr. Pallister: I'll look forward to that.

In respect of the PUB hearings that are currently under way, or the NFAT part of the PUB process. There's been some expert witness presentation. Rob, do you have copies of the La Capra report?

Okay, so we'll table a copy of the document which is the initial export analysis report that was prepared for the needs for and alternatives to review of Manitoba Hydro's proposal for the Keeyask-Conawapa generating stations. It's a big document, so I'm sure that'll take a second, but we'll table that so the Premier can refer to that as we go through it.

I'm sorry, Mr. Chairman?

Mr. Chairperson: I didn't hear a question there. Would you like the Premier to respond?

Mr. Pallister: No, well, unless he wants to, there was no reason to respond. I was just tabling a document, but I'm assuming there's a time requirement for preparing the document for the Premier, so I could proceed to ask some other questions not related to that document, if that would be all right?

Mr. Chairperson: Absolutely. The honourable Leader of the Official Opposition has the floor.

Mr. Pallister: Thank you, Sir. Well, I had asked some questions last year about the people, the folks that are doing this and I wondered if there had been any changes in that, members of the NFAT

committee. The Premier had been kind enough to outline the names of those folks to me last year, but I wondered if there had been changes in the makeup of that group since that time and if he would just share those with me, I'd appreciate that.

Mr. Selinger: Yes, I will get him the names of the people on the committee that are currently serving on the NFAT committee.

Mr. Pallister: That would be as soon as today, as well?

Mr. Selinger: It could be, subject to staff being able to get their hands on it, but I'll get it to him certainly during the course of this present review.

Mr. Pallister: Well, that'd be helpful. This is a pretty big proposal, isn't it?

Can the Premier outline the magnitude of the proposal that is before the PUB and via the NFAT committee at this point in time?

Mr. Selinger: Could—just repeat that question, please? I've got a document I want to give to the member and I was just reviewing it before I gave it to him, but if he would just repeat that question I'd appreciate it.

Mr. Pallister: Mr. Chairman, just wanting the Premier to outline the nature of the project proposal that the proponent has advanced to the NFAT committee for consideration. I understand, and the Premier can correct me if I'm wrong, that this is the largest capital proposal that the Province has ever considered in any respect, and I wonder if the Premier would outline the nature of the proposal that is before the PUB-NFAT process as we speak.

Mr. Selinger: The proposal is being put forward by Manitoba Hydro as a Crown corporation, and it relates to their preferred option. They've looked at many scenarios, I believe up to 15, and they've identified the one that they believe will be the best value for Manitobans, in terms of keeping the rates low over the long term, as well as providing the most benefits to Manitoba in terms of employment, in terms of environmental benefit, et cetera. So it's a proposal that addresses those issues as they go forward, and it's in large measure based on demand for the energy, both within our jurisdiction where there is a forecast that in, say, 10 to 12 years from now that we will have need for the power, and also interest in purchasing that power before we need it by export customers.

Mr. Pallister: So the PUB, as the Premier's outlined, is, through its NFAT committee, is looking at what I believe to be the largest capital investment proposal in the history not only Manitoba Hydro but in the history of the province.

Can the Premier outline what the time frame is for those discussions and when that report may be available to the public?

Mr. Selinger: Again, the NFAT report is under the jurisdiction of the Public Utilities Board, but I understand they're hoping to get a conclusion of that late spring, and be able to report on it, say, by the end of June. But they are in charge and in control of the final date when they issue their report.

Mr. Chairperson: Just for the information of the honourable Leader of the Official Opposition, we now have copies of the news release on the Auditor General's report. So he is free to table them at this point in time.

Mr. Pallister: Do you require verbal assurance from me that I wish to table? [*interjection*] Table, please.

Mr. Chairperson: Thank you for that. You retain the floor, sir.

Mr. Pallister: My concerns—I think many Manitobans' concerns on this process are that it is—it appears on the surface of it that it's certainly to be somewhat politicized and somewhat rushed, and so—and that concern, I think, is justifiable, given the politicization of the previous decision, a smaller one, granted, but a decision to move the—to locate the Bipole III transition line on the west side of the province, not on the east side, has—as had been the decision of Manitoba Hydro. So I would ask the Premier to put on the record that there is absolutely no politicization whatsoever involved in this process or in the decision that the PUB might make and that the government has in no way, shape or form tried to politicize the Hydro proposal that is now before the PUB.

Mr. Selinger: The Leader of the Opposition has already made an allegation that the previous decision was politically biased with respect to the location of the bipole, and I believe I put on the record last year some of the important process steps that were followed along the way towards the Hydro board making a decision where they located the bipole.

* (15:40)

One of the things that they did was they commissioned a report on the broader implications of

where the bipole should be located, whether it's on the east side of Lake Winnipeg or on the west side of Lake Winnipeg, and that report became known as the Farlinger report.

One of the conclusions in the Farlinger report was that there were some major public policy issues here with respect to the potential reputational risks that Hydro might incur by building a bipole down the east side where there was a proposal to have a UNESCO World Heritage Site, a project known as Pimachiowin Aki, the land that gives life. And the Farlinger report recommended that Manitoba Hydro consult with the shareholder, the government of Manitoba, about their views on that, and those views were put on the record by the minister of the time, which was myself, about what the concerns might be and some of the reputational risks that might occur for Manitoba Hydro.

Subsequent to that, the Hydro board of the day made a decision to advance the bipole down the west side of the province and have proceeded to follow up on that, so.

Mr. Pallister: Well, that doesn't change the fact that the government tried to direct, in fact, did direct Manitoba Hydro to consider the west side as the preferred route and did overrule a previous decision made by Manitoba Hydro itself, so I think describing the decision as politicized would be quite accurate.

In fact, the minister—the Premier knows that, as minister, he directed Mr. Vic Schroeder, the chairman of the Manitoba Hydro-Electric Board, to consider other alternatives besides the east-side bipole route, so that is a pretty clear politicization of a decision that Hydro might have made in respect of an east-side location of the line.

And I wouldn't want the Premier to continue to persist in maintaining it wasn't a politicized decision when, in fact, it clearly was.

Mr. Selinger: Yes, I've tried to outline for the member the process that was followed by the Manitoba Hydro corporation, its senior management and board of directors in arriving at their decision about where the bipole should go, and the member seems to stubbornly refuse to accept those facts.

But the reality was they followed a proper process. They did their own study on the broader implications of location of the bipole. And they followed the recommendations of what was called the Farlinger report and they sought an opinion from the shareholder, represented by the government of

Manitoba. And it is best practice for a shareholder to put their views on the record for consideration by a board of directors of a major corporation like that, and they were duly considered, and the board of directors made their decision.

And so for the member to characterize that as directing them to do something, I think, overstates the case, and I don't think it properly reflects the process that would follow.

Mr. Pallister: Well, the Premier is describing himself at the time that he was the minister in charge of Manitoba Hydro as a shareholder or stakeholder in Manitoba Hydro, but he knows full well that he was in a position of considerable influence—some would argue undue influence—and he also knows that in his correspondence with Mr. Schroeder, he made it perfectly clear that it was not acceptable to the government of Manitoba to locate the line on the east side. Therefore, he prescribed the outcome. He can refer to the process all he wants, but the reality is that he and his colleagues politicized the decision and directed that the line be located other than on the east side.

Most certainly, by clearly instructing Manitoba Hydro, via correspondence with the chair of Manitoba Hydro, to look at alternatives elsewhere, the Premier entered into a responsibility which far exceeds that of a standard stakeholder but rather put his position as minister in charge of Manitoba Hydro to play on the influence of the decision. That is—it's fine to defend the rights and I do defend the rights of every Manitoban as a stakeholder in Manitoba Hydro to express their views, but when someone in elected public office expresses their views, it takes on a different dimension. I think the Premier would acknowledge that.

Mr. Selinger: Again, when the member was in government, the government was identified as the voice of the stakeholder, of the shareholder, and that's why there's a minister appointed responsible for Manitoba Hydro. It's—the practice has not changed from governments in recent memory. They've all played a similar role. They've always had a minister responsible for Hydro, and I don't believe the member opposite was the minister during that time, but another one of his colleagues in Cabinet was, and they represent the views of the stakeholder, which is common practice across the country.

So for the member to describe that as somehow undue influence or politicization really is mischaracterizing what is the appropriate

relationship between the government as the shareholder, representing the shareholder, the citizens of Manitoba, and the Crown corporation which operates under a legislative mandate to provide power to Manitobans economically and reliably and securely over the—for the needs of the Manitoba citizens and for the Manitoba economy.

So I'm taking issue with the member trying to mischaracterize the relationship as something out of the ordinary, when in fact it was following what might be considered best practice. When the corporation asked for the views of the shareholder through the minister, the minister provided those. And that is an appropriate relationship.

Mr. Pallister: I don't dispute the minister's characterization of the relationship, I dispute the role that the minister played, and his colleagues, in forcing the outcome in a manner that coincided with other political goals and objectives.

With respect to the Farlinger report, as the Premier well knows, it outlined pros and cons of various routes; however, the minister's correspondence with Mr. Schroeder simply outlines the negatives of the Bipole III on the east side and the positives of locating it elsewhere. This is not an attempt, in any way, to be objective or to accurately reflect what the report that Mr. Farlinger compiled stated. And, in fact, Mr. Farlinger's report clearly stated that there were negatives to the west-side route as well. Yet the Premier did not do that in his role for Manitoba Hydro as a so-called stakeholder. He simply cherry-picked the negatives of the east side, outlined them to Manitoba Hydro's chairman, and then instructed him to look for alternatives besides the east side. This is not an objective approach. This was not an approach based on data, facts, research, or an honest approach, quite frankly, to dealing with an issue of importance.

The reality is that the decision had been previously made, and the minister in charge knows that. And the selection of the east-side route was clear. The reality is that the government intervened and politically used its influence to try to sway the decision elsewhere. And that's clear in not only this correspondence, but in much other correspondence, so the Premier's continued denials in the face of the facts don't work.

Ms. Deanne Crothers, Acting Chairperson, in the Chair

Mr. Selinger: And, again, the Leader of the Opposition, I think, is once again overly mischaracterizing the relationship. Under any government, there's a minister responsible for the Crown corporations that report to the people of Manitoba. One of the important accountability mechanisms is through the minister. When the Crown corporation asks for the views of the minister who represents the shareholder, the people of Manitoba, the minister responded to that and provided those views. And that is completely appropriate. The member's trying to suggest that there was a direction for them to take a certain decision without being able to consider all the facts. They had done their own report, they made their own decision at their own meeting of the board of directors, having received the views of the minister, which they asked for. That is an appropriate relationship. And in other jurisdictions it's very common practice for ministers to put their views on the record with respect to the future policy directions of a Crown corporation when the Crown corporation asks for it, or even when they don't ask for it, they put their views on the record. And so this is often considered a best practice.

It hasn't often in the past been followed in Manitoba. There is very few instances where you can find an example of written communication between a minister and a Crown corporation. But it had become best practice during our term in office. And when the Crown corporation asked for those views, based on a recommendation through what was called the Farlinger report, those views were provided.

And so I want to again state that I think the Leader of the Opposition is overly characterizing the decision as somehow out of the ordinary and inappropriate. I would like to suggest to him that it followed best practices in other jurisdictions on the relationship between a minister and the Crown corporation, in this case between the Minister responsible for Manitoba Hydro and the Manitoba Hydro corporation.

Earlier the member asked me for who the members of the board of the Public Utilities Board are, and I can put those on the record now. I think I put these on the record as well last year, but I'm going to put them on the record. The board members for the Public Utilities Board are Régis Gosselin, Karen Botting, Richard Bel, Neil Duboff, Hugh Grant, Marilyn Kapitany, Al Morin, the Honourable Anita Neville, Susan Proven and Larry Soldier.

* (15:50)

And the members of the Public Utilities Board which sit on the need-for-alternatives review committee are Régis Gosselin, Marilyn Kapitany, Hugh Grant, Larry Soldier and Richard Bel.

And those are available at a website, and I—okay. So I have a letter to—would like to table as well, based on some of the outstanding information that the Leader of the Opposition had asked for, and I wish to table that now.

While I'm at it, I would also table another letter responding to a question from the Honourable Jon Gerrard.

I'm assuming that the Leader of the Opposition wants to continue to ask questions about Manitoba Hydro.

An Honourable Member: Yes, that and the Auditor General's report. Those would be the two main topics today.

An Honourable Member: So if—

The Acting Chairperson (Deanne Crothers): First Minister.

Mr. Selinger: I'm sorry, Madam Chairman. I apologize. I didn't mean to direct my comments without going through you. I apologize.

So I'm going to just put some information on the record about Manitoba Hydro to create context for our discussion.

Manitoba Hydro is our largest Crown corporation and among the largest energy utilities in Canada. It provides power to 548,700 electric customers throughout Manitoba and 269,700 natural gas customers in southern Manitoba.

Hydro has 6,400 employees, most of whom are represented by an—the union called the International Brotherhood of Electrical Workers, as well as Unifor, CUPE and the association of Manitoba Hydro staff and supervisor employees.

The company has been continually recognized as an excellent employer. In 2013, it gained recognition as one of Canada's top 100 employers, one of Canada's best diversity employers, one of Canada's best employers for new Canadians and for workers over 40. Since 2000, the number of Aboriginal employees in Manitoba Hydro's workforce has grown from 300 to 1,400 employees, representing 20 per cent of total employees.

Manitoba Hydro generates nearly all its electricity from renewable water power, using 15 hydroelectric generating stations, primarily on the Winnipeg, Saskatchewan and Nelson rivers. Those generating stations and our distribution and transmission systems, which were largely built after the Second World War, have provided Manitoba families with a clean, reliable and affordable supply of power for decades. Today, as a result of those investments made by men and women who knew they were planning not just for today but for our future, Manitoba Hydro has the lowest average electricity rates in all of North America. Our government is committed to keeping those rates affordable.

Our population is growing in Manitoba, and our economy is growing. As a result, we are going to run out of power. Our need is quickly catching up with our capacity to produce power, and the time has come to invest in new generation. Doing nothing is not an option. That's why our government asked Hydro to put together a plan that could be presented to the need for all—for-and-alternatives-to panel of the Public Utilities Board to review and make recommendations on how they can best meet our coming needs. They went to work and came up with 15 different options, including systems based entirely on natural gas or hydroelectricity or mixed systems that include other renewable sources such as wind or that combine natural gas and hydroelectricity.

The system that they are calling their Preferred Development Plan is one based on building Keeyask and Conawapa generating stations, a new interconnection transmission line with the United States and additional investments in energy efficiency. The plan has flexibility built in to ensure that Hydro can respond if conditions change. Hydro's case for building the two dams as their Preferred Development Plan because it ensures the best rate for Manitobans over the longer term, creates jobs and training opportunities, guarantees the best system reliability and provides the best protection for the environment.

We know hydroelectric generation has served Manitoba well in the past and we believe, together with Hydro, that those are the most important criteria for making decisions for the future.

Exporting clean, renewable energy will help cover the cost of dams and transmission lines. Manitoba has the lowest average retail price for electricity in North America. Energy bills in

Wisconsin and Minnesota are double what they are here. Manitoba families pay among the lowest energy bills in the country. Families in Toronto and Saskatoon pay roughly more than \$625 a year on their bills. Today Manitobans pay \$132 less every year on their electricity bills than they did in 1994 when the Leader of the Opposition was a member of Gary Filmon's government. Those savings are largely due to the \$6 billion in export sales generated from Limestone, a project that the Progressive Conservatives opposed.

Going forward, jurisdictions all across Canada will see rate increases as they upgrade aging infrastructure and build for future growth. The Conference Board of Canada is estimating that \$350-billion investments are required to meet these needs Canada-wide. In fact, it has been reported that families in Ontario will see a 42 per cent jump in bills by 2018 and BC is going to see a 15 per cent rate increase over two years.

Our approach is different than the approach of the opposition members. We're committed to keeping rates low, and that's why in 2001 we passed legislation to ensure that Manitobans were benefiting from those low rates by standardizing rates across the province. Standardized electricity rates are estimated to subsidize all customer costs outside the city of Winnipeg by approximately \$22 million per year. In the absence of uniform rates, a rural residential customer today may be expected to pay approximately \$160 more per year than a Winnipeg customer.

The opposition doesn't support our plan and wants to cancel hydro development, which is a serious risk to Manitoba's economy and for Manitoba families. Their long history of support for privatization, including actually privatizing the Manitoba Telephone System, saying in the last election they wanted to privatize the Manitoba Public Insurance Corporation and their leader's support for privatized, two-tier health care, has Manitoba families concerned that they want to privatize hydro as well. That would send the rates Manitoba families pay to go through the roof.

That's why our approach is different. It's why we will continue to build our most valuable asset. We will keep rates low and we will ensure that the power is there when we need it.

Mr. Pallister: I thank the Premier for the recitation and remind him that putting false information on the record repeatedly hardly makes it any more truthful.

Now, in respect of the proposals by the government in respect of Keeyask, Conawapa and bipole, I'm curious as to how it would possibly be that best practices would be followed by asking the NFAT panel to exclude key elements from their discussions, such as the bipole project. Seem to me that the bipole project would be part and parcel of transmitting the power created by those two hydroelectric dams if they were constructed. Would seem to many Manitobans that there is an attempt here to remove from discussion something that should be considered as a significant aspect of the proposal.

Now, how can it possibly be an example of best practices to exclude from this important consideration something so essential as the construction of the bipole route? Why did the government choose to ask the NFAT committee to consider part of the proposal and not the whole proposal?

Mr. Selinger: I would advise the Leader of the Opposition to listen to his own advice and not put misleading information on the record, which is something he does on a regular basis both inside and outside of this Chamber and which is why we find it necessary to correct the record on many, many occasions, and that includes the 5,900 jobs created by our infrastructure program.

Now, with respect to his question about the ambit of authority for the NFAT review, the Clean Environment Commission has already reviewed the need for additional transmission in Manitoba, and the primary purpose for that additional transmission was to provide increased reliability for supply of electricity in the domestic marketplace to the citizens of Manitoba. And that need arose in 1997 when the two existing transmission lines were put out of service due to adverse weather events, and ever since that date, Manitoba Hydro has been recommending additional transmission to protect our domestic economy and to protect the people that use Manitoba Hydro within the province of Manitoba. And it has taken a long time, but the need for that additional transmission has become more apparent and was reviewed by the Clean Environment Commission and recommended that it proceed.

* (16:00)

In addition to that we have seen the need for additional power in Manitoba with our growing economy. The economy is now well over \$60 billion, in the order of 62 to 63 billion dollars. It was about

\$34 billion in 1999. And Manitoba Hydro, on its own projections, believes they will need additional transmit-additional generating capacity within the province within the next 10 to 12 years.

And, when they put forward that need for additional generating capacity, they were asked to consider other alternatives, whether there was another way to provide that additional electrical capacity within Manitoba through other approaches. Fifteen different approaches were looked at by Manitoba Hydro and they put forward those approaches for review by the need for alternatives committee of the Public Utilities Board, and that is what currently is being reviewed by them is whether or not there's another alternative to the need for additional dams to provide electricity to Manitoba. And that is what is being reviewed right now.

So, as I said earlier, bipole was required for reliability purposes, there was no alternative to that. Generation is being recommended by Manitoba Hydro. Their preferred development option is additional dam construction. But there are other alternatives out there such as natural gas, such as wind, such as solar, such as demand management. And all of those alternatives are being reviewed by 15 different scenarios, which goes from one 'extreme' of all gas, to another extreme of all electricity, and various combinations within that. And that's what's presently being reviewed by the panel.

Mr. Chairperson in the Chair

Mr. Pallister: So the Premier admits then that the Bipole III line has been excluded from consideration by this process and that it is not being looked at by the NFAT panel then; we're clear on that.

What we should also be clear on is that the members of the NFAT panel are political appointees appointed by this government, that several of them, of course, as is their right, have a history of long support for the governing party and that they are donors to the governing party. And we are also clear that this monumental decision has been given a time frame.

Would the Premier like to elaborate on the time frame that has been put on this 20-plus-billion dollar proposal as far as the deliberations of the NFAT panel are concerned?

Mr. Selinger: Again, with respect to the bipole, I believe I said 1997. I have a note here that says it was 1996 when the major outage occurred, so we'll correct the record on that regard.

And, since that date, government—their government knew that additional reliability transmission capacity was required and we knew it was required and Manitoba Hydro brought forward proposals to do that and they asked for the opinion of the shareholder with respect to where that should be sited. And we went through that process as I've elaborated on earlier here.

The idea that nothing should have been done on that would have put Manitoba Hydro—the Manitoba economy at risk. And with a \$62 billion-plus economy one only has to imagine if the existing transmission lines, which are very close to each other through the Interlake, if they would go down for whatever reason, adverse weather effects or other reasons, that would put the economy at risk of over a billion dollars a week. So it wouldn't take very long for the lack of foresight to show up very dramatically in terms of the Manitoba economy. So proceeding with additional transmission for the purposes of increasing reliability in Manitoba does seem like a wise thing to do and that's why it's being proceeded with.

The member also likes to suggest that everybody that sits on the Public Utilities Board is somehow not suitable for being there. I think that's very inappropriate, a sign of disrespect for the citizens of Manitoba who have stepped forward to offer themselves as members of this Public Utilities Board and to offer public service to Manitobans. And I really wish he would apologize for that because he's slugging people that have excellent qualifications.

And I'm going to read into the record the qualifications of some of these people. Régis Gosselin: he has a bachelor of arts degree, he has a master's of business administration degree, he's a certified general accountant, he's got experience as a director of corporate services for the Canada Grain Commission, and he has involved himself in his professional career in review of business plans for organizations at that level.

Another member of the committee is Richard Bel. He has a bachelor of arts degree, a master of arts degree and a master's of science degree, and he runs a very successful business in Manitoba here, and he's been involved in community service through The Forks North Portage Partnership agreement and has experience as an assistant professor of economics, both at universities inside Manitoba and outside of Manitoba.

Another member is—has a bachelor of arts degree and a law degree, and is a managing partner of a law firm in Winnipeg, a member of the bar since 1985, and has acted for many, many clients inside Manitoba, always with a high degree of respect for the services he's offered. And he's been involved in a variety of boards in the community, and has a good reputation as well.

Another member of the panel is a former senior federal government executive responsible for the western economic diversification of Canada, a former regional director of Indian and Northern Affairs, as well as director of industry services at the Canadian Grain Commission, and has a master's degree in science, presumably in economics, and has been a past chair of the national board of the YM-YWCA and an international representative of that organization, and has served in many other capacities in the community as well, so.

And I can go on. I could list other members of this committee, I—we'll just give some examples.

So for the member to slag these people every time he talks about the work that they're doing and degrade them for offering themselves to public service, I think does a disservice to all Manitobans that are willing to take their time and serve the public interest by sitting on these panels. And I would ask that he apologize to them, right now, right here.

Mr. Pallister: I would ask the Premier to apologize to me for the false accusation that I have slagged a single member of that panel. I have not. I have certainly referenced the fact that they have donated to the party, but I did say in my comments that that is their right as a citizen of this province. And so for the Premier to continue to make these desperate, false accusations in respect of my conduct or my words and misrepresent them on the record of this Chamber is deplorable, and he is the one who should most certainly apologize for his conduct in every respect.

I've never made a reference to the privatization of Manitoba Hydro. I'm not for it and I've never been for it, and that's not going to change. I simply continue to be subjected to false accusations and maligning by a man who should know better. And it's unfortunate that in his desperation he resorts to these kinds of tactics.

I would ask him to answer the question, which is relatively straightforward, I think, and he hasn't done that in his diatribe.

Mr. Chairperson: Okay, before we proceed, before I recognize the honourable First Minister, just—I want to give a general caution to all members, to all people who are interchanging, to choose their language carefully and respectfully so that we can maintain decorum in this Chamber. We're just beginning this process today and we will be here for a long time to come, and it would be my preference as Chair that we try and be respectful to the utmost degree as we proceed. So, that's a general caution to all individuals partaking in this process.

Mr. Selinger: Yes, the Leader of the Opposition is on the public record as saying these people are politically partisan appointments and that there are biased in the review of this matter. That's the approach he's been taking, and it does not serve the public interest for him to do that when these people are well-qualified individuals with a great record of community service and professional service in our community, and I think he should apologize for running them down for offering themselves for public service. That's the point I've made.

And clearly he's not prepared to do that, and that's not a surprise given his performance on other matters when he has misled the public and made negative comments with respect to the public, other members of the public.

I do say this, however, though, I appreciate the fact that he has retracted some of that comments indirectly with the last statement that he made, and that we recognize that when people who are citizens of this province with good, strong professional records and good records of community service, when they step up to offer themselves for public service, to review something in the public interest, that they be given the chance to do their job properly.

* (16:10)

Mr. Pallister: I accept the Premier's retraction, and I would also say that if respect is the order of the day and he has respect for these folks he's appointed, then it seems strange that he would not allow them to do their job. It seems strange that he would restrict the areas of study and research that they could undertake. This is the largest capital-intensive proposal in the history of our province, and yet he has clearly instructed them not to deal with the broad essence of the fact.

And, in fact, the Manitoba Metis Federation, for example, commissioned a study which wasn't even allowed to be tabled in full because of the restrictions

that the Premier has decided to impose. That isn't showing respect for the NFAT members, I would submit to you, Mr. Chairman, not at all.

In fact, by imposing a short timeline and by limiting the data that can be examined by the members of the panel, there's a real danger here that people will be making decisions in the dark, and that's pretty ironic, given it's a hydro decision, I think.

I understand that some people who were on the NFAT have withdrawn. Can the Premier outline if that's the case, and can he outline their reasons for withdrawing their involvement from the NFAT panel and the reappointments of others or the subsequent appointments of others that that necessitated? Could he outline why those people have resigned from the NFAT as it was stated to be earlier by the Premier?

Mr. Selinger: Again, the only one that backed off his scurrilous allegations was the Leader of the Opposition. And it's unfortunate he continues to make negative comments about people that are offering themselves for public service.

When people decide that they can no longer continue in a process, that's—they make their own decisions on that and they have their own reasons for that, and I would not purport to speak for them on why they decided to do what they've done.

But I do say this. It makes it hard for anybody to serve on these panels when they see the kind of comments made by the Leader of the Opposition in the media. It just puts them in a very difficult position, and the Leader of the Opposition would serve the public interest better by not always trying to put them in a negative light.

Mr. Pallister: Again, Mr. Chair, it appears your admonition went unheeded by the Premier. We continue here to listen to his reports of criticisms of people who he himself has disrespected by restricting the parameters of their ability to examine the most important capital investment project or projects in the history of the province. And if he has some evidence of his allegations, let him table it. Otherwise, let him cease and desist in his false allegations. On that matter, I hope the Premier will not consider the continuation of his personal embarrassment at repeating the comments to be necessary to put on the record here today.

Now, in respect of the La Capra report, which I have now tabled and which is in front of the Premier, if he turns to the page numbered—it's covered up with

a sticky note here, but I think it's page 1 or page i or lower-case i, just at the start, in the Executive Summary of that report.

We should be clear here that La Capra was not asked to do this report by the government or by me but rather was asked to do this report by the NFAT panel itself, and so the title of the report, needs-for-and-alternatives-to, NFAT in brackets, review of Manitoba Hydro's proposal for Keeyask, Conawapa generating stations, is being done and prepared for the Public Utilities Board and its agencies by a noted international expert in this field, and that is why the appointees that the Premier proudly made are—have asked for this information to be put together.

So my questions are on this information, which was put forward a while ago. I understand there are subsequent reports, appendixes and so on to be prepared as well, which I don't have access to at this point and I hope to get access to, but this report itself was filed as an initial expert analysis report by La Capra and associates January 24th of this year. And it goes into some technical aspects which I will—because I don't understand them fully, I will not get into them, but I will get into some of the thrust of what the La Capra report says here and ask the Premier for his comments.

Of course, the comments are in respect of the NFAT application as the Premier's described it quite accurately in his earlier comments, one of his few cogent points of accuracy, I might add. But in this case, on three paragraph, MH's proposal, et cetera, et cetera, asks the Public Utilities Board to take a very long-term view basing all its economic analysis and so on. The Premier can read that.

What La Capra says in the fourth line is that, using that same analysis, we find that the economic advantage is very limited over the alternatives considered, and that the internal rate of return, 6.15 per cent over 78 years, and the payback period, break-even year of 2054, indicate a plan that is very dependent on estimated benefits that only accrue in years 2055 and beyond. Further, using the IRR metric, the PDP—referring to the Preferred Development Plan—the PDP does not perform as well as plans that exclude Conawapa.

Would the Premier like to comment on those expert remarks in the Executive Summary of the La Capra report?

Mr. Selinger: Yes, again, I would say this, the member has already said a couple of things. He's made very negative comments about the credibility of the people appointed to this NFAT panel. And he sort of—he suggested—he's done that in such a way that he can reject whatever recommendations they've made if he doesn't like them.

He's already said that he doesn't believe Hydro should be building for export purposes, which preconceives the outcome of this review, which is not particularly helpful.

And I say to him again, if he wants to respect the PUB process—and, by the way, the PUB was created by the Progressive Conservative government; they put that mechanism in place—he should not be running down the people that have served—are trying to serve on this panel with distinction, in the public interest.

Now, with respect to his comments here, I think this report actually is an indication that the NFAT panel is doing the very best job it can to get a wide range of views on whether the Preferred Development Plan put forward by Manitoba Hydro is the best choice for the future of the province, and the future development of our hydro—of our energy resources in this province.

And this is one view that's been put forward by an organization called the La Capra Associates. And they make their comments in this Executive Summary, as pointed out to me, in the third paragraph under the Executive Summary, and they suggest that there are some limited benefits to their preferred development over the alternatives, and that the payback period indicate a plan that is dependent on estimated benefits only accrued to the Preferred Development Plan in years 2055 and beyond.

And so those are comments that are put on record. I think that's important information for the NFAT panel to consider in their deliberations, and I'm sure they will take it into account.

Mr. Pallister: Well, again, the manipulation of the process by the government is very clear; the dropping right down to the Premier announcing supposed contracts, which are actually not contracts—not hard contracts for purchase—within hours of the beginning of the panel, as an attempt to sway the panel and to influence the panel. So the Premier has very clearly acted in an effort to politicize the exercise.

He's also acted, with respect to the people involved in the process, with disrespect, as I have outlined, and it's that criticism I direct at him and his colleagues, hardly at the panel members, because I've been very clear in saying, we need to get this right, and we need to use a process which allows us to get this right, and that means we need to take the time necessary to get this right. That needs to be repeated and I've repeated it.

But the Premier didn't address the concerns that La Capra raised. And I don't want him to minimize the importance of the work of this firm. This is an internationally recognized firm that was hired by his own appointees at PUB as the main researcher and reporter and advisor to the PUB. This is not a secondary report. This is not a proponent's report. This is the actual analysis done by the researchers hired by the PUB. So they're not trying to sell anybody anything here. What they're doing is trying to outline concerns. And they have said, clearly, on page 1, the economic advantage is very limited over alternatives considered. And they have said that the plan, as proposed—and the one, clearly, that the Premier and his colleagues repeatedly put on record as the one they're pushing, the preferred—so-called preferred plan—that that PDP does not perform as well as plans that exclude Conawapa. That's in their Executive Summary.

* (16:20)

So, again, I just invite the Premier, who has frequently admonished me and others in my caucus, that we don't want to build. This is a recommendation which is quite wrong. We're the ones who completed the projects that he likes to take credit for when he failed to. The reality here is, of course, that the PDP, and this is a direct quote from page 1 of La Capra's report, says the PDP does not perform as well. The Preferred Development Plan that the government has been trying to sell does not perform as well as plans that exclude Conawapa.

I wonder if the Premier would acknowledge that there is reason for some concern relative to the position he and his colleagues have clearly taken in favour of the Preferred Development Plan and none other.

Mr. Selinger: It's the Leader of the Opposition that says he does not want to build hydro for export, period. Before he even saw this report, he jumped out in the public and pronounced himself as an expert and knew what the best solution was for Manitoba without having seen any analysis

whatsoever. Brilliant, I would call that. And I have to say, he continues to disparage the panel in public comments. I hope he refrains from that in the future.

The reality is that the NFAT review panel, a subcommittee, a panel struck from members of the Public Utilities Board, asked for this analysis from a firm called La Capra Associates, and they gave him—they have provided an Executive Summary, which the member of the opposition has quoted, and they raise some questions and some concerns, and that's completely legitimate for them to do that. That's why this is in front of the NFAT review. That's why you do the NFAT is to get a wide range of views on the Preferred Development Plan. The Preferred Development Plan is put forward by Hydro because they believe that you're building hydro for the long term and they want the long term to be considered in the decision and this analysis raises some questions with respect to that. That's completely appropriate and I know it'll be carefully considered by the NFAT panel.

Mr. Pallister: And, of course, the reality is quite different from what the Premier describes, but such is the daily event around here.

The La Capra document represents the work of a firm which is internationally respected. The president of La Capra—I'll put on record is an—Daniel Peaco is the president of the organization and he is a planning specialist with more than 30 years of experience in power markets, marketing, strategic planning, pricing, price forecasting, power procurement in contracts and power system planning. These are the kinds of people that we need to listen to when they make recommendations. These are the experts.

The Premier has, and his colleagues have taken the side of one of the various options. There are between 15 and 20 options that have been in consideration for a while. They have chosen one. They continue to be harsh in their criticism of those who might support others. Our position has been clear. We believe that the process needs to be respectful and that the time needs to be taken to make the decision correctly. Though the Premier puts it on record, I have no concerns about exporting power, but I think the principal concerns of Manitoba Hydro should be around Manitobans' best interests. I'm not interested in privatization.

The Premier seems intent on insolvency. The goals that he has chosen to advocate for here he has predisposed himself to recommending one solution, and we can get into that if he wants me to prove my

thesis, but the fact of the matter is he has advocated for, as have a number of his colleagues, for the Preferred Development Plan. That La Capra does not support, and it is clear, and we will go through their report in detail as we discuss this, but the reality is there must be other options that need to be considered. This will take time and we need to take the time necessary.

Daniel Peaco has significant experience as an advisor to senior utility managers, public policy officials. He's been engaged relating to integrated resource planning, competitive electric markets, industry restructuring. His word, his work and his association with this company lend what he says, and the concerns that are raised in this report, some weight to anyone who wants to be informed on these issues. This capra—in addition to LA Capra and Associates, Mr. Peaco has held management and planning positions in power supply planning at Central Maine Power, Cmp International Consultants, Pacific Gas and Electric and the Massachusetts Energy Facilities Siting Council. This is an expert. This is someone whose opinion I am sure the PUB sought because they were interested in hearing from experts, and so I am ever mindful that the information contained in their report needs to carry considerable weight.

Now, they go on to say in terms of the Preferred Development Plan on page ii that the assessment of the year of need is very conservative. Now, I know that it was not the Premier, to be fair, but it was his minister in charge of Manitoba Hydro who claimed that we would run out of power in Manitoba before the end of the decade. Now, that would mean within five years and a bit. Now, that is not what this international expert says, and that is not what any other witness who has testified before the PUB has said in their research either.

So I want the Premier to comment on that because, in making the case as I am trying to do, that we need to take time to get this right, because this is about not just us, this is about who comes after us, too. Let's get it right. The response has been—and again, not from the Premier, but from the Hydro Minister, the Minister in charge of Manitoba Hydro, that essentially we'll freeze in the dark if we don't make this decision right away, that there's a big, big rush. That's not what the La Capra report says. It says we have time to get this right.

So I want to ask the Premier to comment on that and ask him if he agrees that the assessment, as it

says here on page 2, the assessment of the year of need is very conservative. Does he agree that that is a view worth listening to, or will he persist in saying that we're going to freeze in the dark and echo the comments of the Hydro minister?

Mr. Selinger: Again, I think the member—I believe the member has again put false information on the record. He said that firm contracts have not been signed with Wisconsin power service, and my understanding is they have signed a firm contract for 400 megawatts of power. So I hope he would be careful in trying to disparage a firm contract sale, which he has done in this House here and in public as well, something I'm not surprised about.

Now, I have to say this: This very process of La Capra Associates putting this information in front of the NFAT panel is exactly why the NFAT panel has some credibility because they are considering these other points of view, and that is important.

With respect to when the power runs out, we have consistently said that the power will run out somewhere 10 to 12 years out from now, given the growth in the Manitoba economy and the growth in the population and the growing consumption patterns related to that. Now, all of those have certain assumptions built into them. How much will Manitobans pick up—demand management efficiency measures in the consumption of power? How rapidly will the economy grow? How rapidly will the population grow? All of those are based on future assumptions about population growth, economic growth, the adoption of new technology by Manitobans in how they consume power, whether they'll use further technology in their home and consume even more power.

So these are all assumptions that need to be tested and reviewed by all the experts involved, and that's why the NFAT panel has asked for these experts to be engaged. And that's why their opinions should be given serious consideration, and I expect the NFAT panel to do that.

We've, as a government, supported Manitoba Hydro on their preferred development option because they made it clear to us that they need to proceed in a reasonable fashion to launch these projects in order to have the power of available when we need it and to build it in such a way that it can be available for export before we need it, which will pay down the cost of the capital costs incurred in building those dams, and that will allow the cost to

Manitobans to remain among the lowest in North America.

So that's the objective here, and it has to be done in a thorough way, and that's why the NFAT panel has been struck to do that.

Mr. Pallister: And the Premier puts misinformation on the record, perhaps unknowingly, but no, those are not firm sales, and I expect he knows that. There is no regulatory approval for those sales. There is a process; it has to be followed. The process has not been followed, so it's an announcement of a myth. Until those sales go through the process that they must go through, he knows that there are no sales.

* (16:30)

Regulatory approval similar to our NFAT process has to be entered into by Minnesota Power and Wisconsin power, as well as ourselves. And so to suggest that he's, you know, officially carried out a sale when, in fact, no such approval's been given by the regulatory agency shows yet again his willingness to leap before he looks as he's doing with Keeyask by investing hundreds of millions of dollars without regulatory approval. In that project he's shown that he doesn't truly have the respect he claims to have for the people charged with approval process.

So, again, on page 5, the document's pretty clear: resource needs analysis, our review of the data shows that the conclusion regarding the year of energy need, 2022-23, capacity, '25-26 are very conservative. There is low probability that the year of need for Manitoba load is earlier than those dates, and there is material probability that the year of need material probability, that the year of need is several years later and there are near-term options that could mitigate that need for several years.

Our findings include the following, considering only the impact of Manitoba Hydro's lower 2013 load forecast and its load forecast sensitivity assessment, the year of need ranges from as early as 2020-21 to 2032-33. So what La Capra is saying is that this freeze-in-the-dark argument the government has been making, and again, it's the Hydro Minister more than it is the Premier, but the Hydro Minister's been making, is false and that there is material probability is wrong.

So, again, I ask the Premier to comment on that because, you know, history will show that this decision was made within a certain time frame and it will either be harshly critical of it because it was

restricted in terms of its time frame or, perhaps, more gentle and more considerate of the process if we give it the time it deserves.

This is the biggest decision in the history of our province. It will have ramifications for generations to come, and we're simply—I'm simply asking the Premier to respond to the allegation which we know to be false now based on expert testimony that we're going to freeze in the dark in five years if we don't jump ahead and do this right now. That's what I'm asking the Premier to respond to and if he can do that without a personal attack, I'd appreciate that because I think it would help the discussion as we go forward.

Mr. Selinger: *[inaudible]* the point we've been making is a point of information provided to us by Manitoba Hydro, that there's going to be a need for additional power, electrical power, in Manitoba in the next 10 to 12 years. And so I think the member, again, is misleading when he talks about five years. We've consistently put on the record information that has been provided by Manitoba Hydro. They will need power in 10 to 12 years.

And I'm reading what he says in here, and this is exactly why the La Capra report was brought forward. And La Capra report was brought forward to give the NFAT panel as much information and perspective on the assumptions that Manitoba Hydro used in projecting their Preferred Development Plan. And all of these assumptions are open to discussion and debate, and that's the very purpose of having up to eight different consultants provide their views on this.

I do note that La Capra identifies in their analysis, in their Executive Summary, that the—on the last page of the Executive Summary, ii, they say in their last paragraph, LCA is continuing to—its review of Manitoba—of the Manitoba Hydro analysis and of the alternative development cases with data recently received from Manitoba Hydro and will supplement this assessment when the review is complete. So they provided their information, and Manitoba Hydro is giving them further information to clarify their views and they are taking that into account.

So we have a process here where everybody is trying to clarify assumption, make clear that they understand what rationale that the development proponent, in this case, Manitoba Hydro, is putting forward and having a clear understanding of what's going on there. But the one thing they have told us is that in 10 to 12 years there's a great likelihood that

we will need additional power. They've also said, if we build that additional power capacity before we need it and we have customers that will buy it, export customers that will buy it, that that will lower the cost of the generating capacity when we need it in Manitoba.

So the argument would be this—and this was the—they—and let's not kid ourselves, the Conservatives opposed Limestone on exactly the same basis. The comments they made then are the same comments they're making now. They said it's going to not be cost effective. You're going to be paying for it forever. It shouldn't be done. Slow it down. Stop it. Don't build it. That's the same rationale they're using now; there's nothing new about this positioning that the Leader of the Opposition's taking.

The history has shown that when the Limestone project was built for \$1.6 billion, that it paid itself off within about 10 years and has generated about \$6 billion of addition revenue, which has allowed our rates to be lower now than they would have been if Limestone would not have been built—which was the preferred option of the opposition.

These decisions are important decisions, which is why we need to have as much good thinking brought to them as possible, including by organizations like La Capra Associates. And that's why the panel was chosen to have good qualified people on it that could review this information.

And I say to the leader again, he likes to attack everybody and attack their reputation and attack their credibility. And, if he doesn't like any personal criticism coming back his way, maybe he would treat others with the same respect that he would like to be treated himself.

I just asked him to practise what he preaches, instead of having a double standard where he imposes himself on others in a very harsh and critical way all the time when he doesn't even know these individuals, when he has no clue of what their qualifications are. And then when somebody makes a comment about his own behaviour, he goes into abject denial every single time.

Mr. Pallister: You didn't want to go with an admonition at this point, Mr. Chairman? I'm just asking. No? Okay. Fine. That's fine. That's fine.

I think the Premier does a better job of attacking himself than I could ever possibly do, and, in fact, I think we'll just leave it at that.

Now, in respect of the Premier putting on record that La Capra has said that we should export power to the United States, he has put a total falsehood on the record and totally misrepresented the content of this report in a self-serving way. I would quote page ii of the Executive Summary, which says the proponent has not established the need—not established the need for expanded transmission to the United States, particularly in cases without Conawapa. That's what La Capra says.

The experts say—they do not say that Manitobans should accept a political initiative to change the nature of Manitoba Hydro to an exporter of power to the United States first and a producer of power for Manitobans second. That's not what they say.

What they say is that the proposal the government is trying to sell Manitobans is not clearly establishing a need for expanded transmission to the US. And, in fact, they go further than that and they say on page 27, if the Premier would like to refer to that, that a slightly lower view of export market prices substantially erodes the expected economic benefits. A slightly lower view, I repeat, in—on page 27, this is what La Capra, the experts say, a slightly lower view of export market prices substantially erodes the Manitoba Hydro expected economic benefits of the PDP.

In other words, in sum, those two comments do not say what the Premier's out on the record; they say exactly the opposite. They do not say that we should change Manitoba Hydro to a producer of export power; they say the opposite. Would the Premier like to comment on that?

Mr. Chairperson: Before I recognize the honourable First Minister, I would like to again give a general caution to all members in this Chamber to try and use to their utmost ability parliamentary language. My role here is to maintain decorum and parliamentary language is a part of that.

Now I just want to clarify for both members—and I've been keeping a running list here of some of the language that's been used and, at times, it can be deemed parliamentary or unparliamentary. Language such as scurrilous, such as false allegations, such as false information, such as misinformation, such as misleading, such as a total falsehood—all of this language is questionable. And the rule, as I understand it, is if a member suggests that another member is deliberately attempting to mislead the House, that is out of order.

* (16:40)

So I want to just advise all people, all members to be careful with their language and try and take the high road and use parliamentary language to the best of their ability.

So, again, for the second time this afternoon, a general caution to all members.

Mr. Selinger: Yes, and again the report put forward by La Capra Associates provides their perspective on the assumptions that Manitoba Hydro used in putting forward their preferred development alternative, and I think that is useful information, and I think it will be given full and due consideration by the NFAT review panel.

They've received other reports as well. They've received reports from other experts who also have a good reputation for what they do. And, for example, the Elenchus organization is another consulting company, and they look at a review of Manitoba Hydro's load—load forecast, and in their Executive Summary they say that Elenchus is of the opinion that the 2012 and 2013 electric load forecast, prepared by Manitoba Hydro, are reasonable projections of future domestic electricity demand. Assuming there are no significant structural changes to the demand drivers, they underpin the forecasting methodology. And the point they make is that there is an element in all of these forecasts of uncertainty, and that that has to be something that is understood, and that what's being put forward are scenarios of what could happen based on past experience, but also based on the best projections of future demand.

But things can possibly change, which is why Hydro put forward 15 different alternatives on how the future might unfold and what the mix of alternatives in providing electricity in Manitoba could be. And there are a lot of future scenarios for how electricity could be provided in Manitoba, and Manitoba Hydro has tried to take those into account in putting forward its best alternative.

And so I think this is an important part of the process, and I think that all the testimony and all the expert research that's been done and opinions that have been provided in the form of reports need to be considered. La Capra's one of them; Elenchus is another. And I understand there are other experts' reports that have been commissioned as well, and I think they need to consider all of them when they're taking a look at the need for alternatives review, and I would think that would make for a healthier process

with more information upon which they can make their recommendations and do their deliberations.

Mr. Pallister: Mr. Chairman, when the Premier speaks of a healthy process, I understand the Manitoba Metis Federation went to great lengths to prepare a report that they wished to submit and were not able to. Can the Premier explain how that helps the process be healthier?

Mr. Selinger: Again, the Public Utilities Board panel on need for alternatives is in command of its own mandate and has the ability to consider whether a submission is within the terms of its mandate or not. And I understand resources were made available to organizations that were playing—acting as interveners, and they were provided resources to address the subject at hand, and the panel decided whether or not the submissions were within the terms of reference and whether to accept them or not.

Mr. Pallister: Maybe the Premier could explain how the terms of reference were determined in the first place. Who did that?

Mr. Selinger: The standard procedure is when you're—when Manitoba Hydro is proposing new development of hydro generation resources—in this case, dams—they are requested and required to provide a variety of alternatives in front of a PUB panel, called the need for alternatives review—NFAT is the panel, we call it—the acronym—and their job is to provide the various different alternatives that could be considered as alternatives to their preferred development approach. And the approach that's being looked at here is additional dam construction in northern Manitoba along the Nelson River, and they're looking at other ways that that electricity could be provided in various permutations and combinations, whether it's all gas, all electricity, some combination of gas, electricity, whether other sources of energy could be considered as well, whether demand management could be considered, and the various combinations that come along with that.

And they've tried to provide their alternatives based on the fact that they are proposing further hydro generation capacity to be developed within Manitoba. And they are trying to make the case that, over the long term, that that is the best alternative. As a matter of fact, they suggest that the do-nothing-all-gas scenario would result in rates 70 per cent hydro—70 per cent higher than Hydro's plan. So, I mean, all of these things have to be looked at over the time horizon.

And we know that Manitoba Hydro is built for a long time. It can last 70, 80, 90, up to a hundred years. Some of the generation capacity that we have in the province was built 80, 90, a hundred years ago. And some of it needs refurbishment and 'refreshing', but the reality is a lot of that infrastructure that was built many decades ago is still serving Manitobans well. But we're at a stage where it needs to be refurbished and needs to be upgraded to serve the future growth requirements that are projected within Manitoba. So Hydro's job is to do that and to think ahead on that and to have a plan to make sure that we can provide reliable electricity to the citizens of Manitoba and the businesses of Manitoba.

Mr. Pallister: Well, that's nice, but that didn't answer the question. Who decided to limit the parameters so that the NFAT couldn't look at the Bipole III line?

Mr. Selinger: Parameters were set to look at alternatives to generation. The transmission was a necessity for reliability purposes that grew out of the experience in 1996, as it turns out, where the two existing bipoles were put out of service for a period of time. And there was a recognition that building two bipoles that close to each other, and when 70 per cent of your energy is being provided through those two bipoles, that you're putting your economy at risk by not having additional transmission that was more separated from the existing two transmission lines. So the transmission, what's now called Bipole III, was considered a necessity, that there were not alternatives to that. The generation of further electricity through dams—there are other technologies that could be made available to provide electricity in Manitoba and they are being considered by the NFAT panel.

Mr. Pallister: Well, again, the Premier didn't answer my question, and I'm not sure why. I'm just asking why the parameters were limited so that they exclude the Bipole III from scrutiny. Secondly, he alludes to alternative ways of providing energy, several of which, before the NFAT, don't require the bipole line at all yet they're required to include in their costing the price of the bipole line, meaning that this would favour the alternative which the government is advancing. This seems to me to sway the process in favour of what the government wants.

And, also, I could table a press release; I'll read from it first, and then—the Premier's familiar with it anyway, which—in which he is quoted advancing the case for the Preferred Development Plan. So I would

not want the record to show that the Premier is actually open-minded on this issue, because such is not the case. And we could produce numerous other examples. He and his Hydro minister talking about this historic deal to build these new generation stations, transmission lines, supporting the conclusion the plan that we're advancing will offer the greatest benefits to Manitobans—doesn't sound like an open-mindedness at all. It sounds like a preconceived notion.

And so I ask the Premier again: Who made the decision to exclude from consideration the Bipole III line? It seems to me it's essential for what the Province has been advancing—this government's been advancing—to have the bipole line in place. It's essential for that alternative they're advancing, but isn't essential for numerous other alternatives being discussed by the NFAT panel. Yet the NFAT panel's been told they have to add the cost of the bipole line into everything they're considering without being able to ask any questions about it. This doesn't seem to me to be a healthy process that allows informed people to become more informed.

And I ask again: Who limited the purview of the panel in this way? Who instructed that that take place?

* (16:50)

Mr. Selinger: Yes, as I said earlier in my comments, and perhaps the member didn't hear them, the bipole was recommended by Manitoba Hydro for reliability purposes right now, that the existing two bipoles that go through the Interlake carry about 70 per cent of the energy produced by Manitoba Hydro and that in 1996 we almost lost those two transmission—we did lose those transmission lines for a brief period of time which put the entire Manitoba economy at risk.

So the additional transmission capacity is to provide increased reliability even for the level of generation capacity that we have in Manitoba at the moment. So that was the main purpose for building additional transmission capacity, reliability purposes. It is also true that additional capacity is needed is if you're going to build more electric generation capacity through northern dams.

So, in the first instance, completely separate from whether or not you need additional dams, which is what is under review here by the need-for-alternatives committee, you need reliable—additional reliability, period. There is no alternative to additional reliability for those northern dams

which exist already to be able to have a greater assurance that they are able to provide that energy to the Manitoba economy and to Manitoba citizens. Seventy per cent of the energy comes out of the existing dams in the north of Manitoba, and they need additional reliability through additional transmission capacity.

So that is something that Manitoba Hydro has made the case for for an awfully long time, and it's a separate decision from the decision whether or not we need additional generation capacity. We need the additional reliability for the generation capacity that is currently functioning within Manitoba. As we build additional capacity, we will also serve that purpose as well.

Mr. Pallister: Well, again, the Premier's in the selling mode because he puts on the record the additional capacity need which is far earlier, and transmission as well, far earlier than what is indicated in the expert reports that I've been able to peruse so far, which is quite a few of them. And so I again ask him, who made the decision to lessen the parameters of the scope, to limit the ability of this NFAT panel to actually do its work? Who is responsible for making sure that only part of the project was looked at and not the whole? Who made that decision?

Mr. Selinger: As I pointed out to the member that the decision for additional transmission was to assure that the existing generating capacity could be reliably provided to the Manitoba customers, and that is a separate decision from whether or not we need additional generating capacity. The existing dam system provides 70 per cent of the power that Manitoba needs through two existing transmission lines that go through the Interlake and are very close together. One could question why they were built that way. Perhaps for convenience, but that was a decision that was made many decades ago.

The experience of 1996 indicated that that transmission capacity was at risk and could actually stop the transmission of 70 per cent of the power used inside of Manitoba for a period of time depending on how long those lines went out, which would put the Manitoba economy at risk at over a billion dollars a week. So additional transmission capacity is to, first and foremost, provide additional reliability within Manitoba.

The decision to review additional generation capacity is provided through a Manitoba order-in-council by the minister responsible for the

Public Utilities Board, which is a separate decision, so that that can be properly reviewed to see if additional generation capacity is needed.

Mr. Pallister: So, just to be clear, this is an Executive Council decision to narrow the scope of the hearings that are before—currently before the NFAT panel, and their relevance to the Public Utilities Board has been limited by that Executive Council decision?

Mr. Selinger: As I said, there was an order-in-council that provided the mandate for the review of the additional generating capacity, and that was separate from the decision to provide additional reliability through additional transmission capacity through the bipole.

The additional transmission capacity was put in place to serve the needs of Manitobans to have a greater degree of reliability for the electrical generation that is currently being provided from the North, which is about 70 per cent of the electricity in Manitoba, and that electrical generation capacity was put at risk in 1996 through an adverse weather effect. The government of the day, of which the member was a—the Leader of the Opposition was a part of, chose not to act to do anything about that, to increase that reliability. But it became increasingly clear, as the economy continued to grow and the demand for greater reliability at—with a growing economy became more and more evident, that that additional transmission capacity was required, which was why the bipole decision was made to provide that additional transmission capacity.

Mr. Pallister: So perhaps the Premier can explain, therefore, if the Bipole line is not worthy of consideration in the context of these alternatives that the NFAT panel is looking at, why is it the case, then, that the costs of the bipole line itself have to be included in all alternatives even those alternatives which are not needing the bipole line? Why is it that we're doing—having NFAT do work to analyze various options not on a level playing field? Why are we requiring alternative proposals to provide hydro to Manitoba for our future needs that do not require the additional transmission capacity of the bipole line to include the cost of said bipole line in their estimates for the purposes of comparing options? It seems a contradiction.

Mr. Selinger: Yes, I've put on the record the explanation for that, but I will put it on the record again for greater clarity. The additional transmission capacity is required for greater reliability for the

generation of electricity in the North that—which is presently occurring. Additional reliability is needed under all scenarios—under all scenarios—including the do-nothing scenario, if we decided not to build any additional generation capacity in the North. Right now, 70 per cent of that generation comes from northern Manitoba, and it is the view of Manitoba Hydro, based on the experience of 1996 where the existing bipoles, which provided 70 per cent of the power to the Manitoba consumers, went out of service for a brief period of time. And they, out of that experience, which I would call for them traumatic, recognized that they needed additional transmission capacity. So, regardless of whether you do nothing, whether you build hydro, whether you build any other alternative, additional transmission capacity is needed; that is called is bipole. That has been approved, and the Manitoba Hydro's proceeding to provide that additional transmission capacity for the greater reliability and the greater security of electricity provision to the Manitoba citizens and the Manitoba economy. That's why it's considered to be part of the base case for every other alternative. It's needed regardless.

Mr. Pallister: The Premier says it's needed regardless, but the fact of the matter is that the proponent—the case that the government's trying to sell Manitobans on is based on the foundation of export whereas other options are not; they are based on the provision of power for Manitobans' needs. And so the bipole line being necessary for export, I accept that thesis, but as far as the bipole line being necessarily included in all other options, which are not based or predicated on the assumption that we should produce excess power for export, I don't understand the logic of that. Again, the Premier is saying that each of these options has to include the same costing—each of these—I'm sorry if the Premier had—has another discussion that he's undertaking, I'm sorry—

An Honourable Member: Not at all.

Mr. Pallister: No, okay, fine. I'd like him to explain why it is that the other options before the NFAT must include the bipole line cost when, in fact, many of these options do—are not predicated on the assumption that there are advantages inherent in exporting additional power, surplus power, in the volumes that the government proposal does. In other words, the government's proposal is predicated on the assumption of export, and the Preferred Development Strategy is based on that assumption. Now, various expert analysis, which we'll get into in

our discussions here, including La Capra, which is considered to be the lead investigator on behalf of the PUB, is saying that's a faulty premise. If it's a faulty premise, why are we basing the comparison on a faulty premise? Maybe the Premier can explain that.

Mr. Selinger: Regardless of which scenario's pursued, the case for additional transmission capacity is based on increased reliability for the current generation, which is already coming from the North. Seventy per cent of the electricity coming from the North is going through two existing transmission lines, through the Interlake, which are very close

together, both of which were at risk. They need it for reliability—period.

Mr. Chairperson: Order, please.

The hour being 5 p.m., committee rise.

Call in the Speaker.

IN SESSION

Mr. Speaker: Order, please.

The hour being past 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, March 19, 2014

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