



Second Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

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WOWCHUK, Rosann	Swan River	ND

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 3, 1991

The House met at 8 p.m.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY—HOUSING

**Mr. Deputy Chairman (Marcel Laurendeau):** Will the Committee of Supply please come to order. This evening this section of the Committee of Supply, meeting in Room 255, will be considering the Estimates of the Department of Housing. Does the honourable Minister of Housing have any opening statements?

**Hon. Jim Ernst (Minister of Housing):** Mr. Deputy Chairman, the '91-92 Estimates of the Manitoba Department of Housing show a decrease of just under 1 percent over the '90-91 print.

The department's core programming, that is, programming targeted for our neediest citizens, has had its funding either maintained or substantially increased. Funding for rental subsidies for both the maintenance of our existing subsidized low income housing stock of some 20,000 units and for new units coming on stream has been increased by over 9 percent, well beyond the rate of inflation.

We have also made provision in our Capital Estimates to continue to take full advantage of available federal cost-shared allocations under the public, private and Urban Native Non-Profit Housing programs and under the Rural and Northern Housing program. Also, Capital Expenditures related to the modernization and improvement of our existing units are being increased by some 35 percent, demonstrating our commitment to their proper maintenance.

While the budgetary requests for our Shelter Allowance program is somewhat less than in '90-91, it should be stressed that the figure represents an increase over the actual funds expended in '90-91. Also, funding under the Emergency Housing Repair Program is being maintained at existing levels.

The departmental staffing levels show a net decrease of 38.5 staff from '90-91 level. This represents 40 positions that were abolished plus an increase of 1.5 positions providing for the new chief commissioner and deputy commissioner of

functions created under The Residential Tenancies Act passed last session. Of the positions abolished, 13 were vacant, most for long periods of time and effectively no longer required for the department's operations. The balance of 27 positions was associated with eliminated or substantially reduced programs and with organizational streamlining where duplication of function existed.

The bulk of the staffing reductions associated with the Rural Residential Rehabilitation Assistance Program, some 17 positions, which was previously delivered by Manitoba Housing under a federal-provincial agreement with 75-25 provincial-federal cost-sharing. This program will still be available to eligible Manitobans through CMHC at 75 percent of previous budget level. Both the Co-op Home Start and the Infill Housing Programs have also been eliminated. Neither of these programs was able to meet the test of full targeting to those with lowest incomes. However, co-op housing funding continues to be available for income-qualified clients under our Nonprofit Housing program.

Funding for the Seniors Rental Start program has also been eliminated, SAFER funds associated with projects approved prior to March 31 which were not required to flow until the current fiscal year.

Major priority areas for the Housing department in the new fiscal year include completion of the transition to the Manitoba Housing Authority for management of our public housing stock and implementation of the new Residential Tenancies Act. Upon full implementation, the new Manitoba Housing Authority will result in a more efficient administration of the public housing stock, improved accessibility to clients in need, more consistent and equitable application of policies, and more rational investment in the growing modernization and improvement requirements of this aging stock. Savings attained are to be driven back into maintaining the stock which now represents a substantial part of the public infrastructure in the province. It will also enable us to deal in a more direct and consistent way with problems such as the increasing obsolescence of the bachelor or elderly persons housing stock.

\* (2005)

At the same time, community involvement will continue to be encouraged through the provision made for local social housing advisory groups. The new structure will also create increased opportunities for tenant involvement in ongoing management beyond the token representation afforded under the previous system.

We recognize that so long as the objectives of efficient, economical and professional quality property management of the stock are adhered to, tenant input can be of great value. The Residential Tenancies Act passed in the last session was recognized by all parties as a major step in the improvement of landlord-tenant law in Manitoba. However, much work remains to be done prior to its implementation. Draft regulations are currently being revised prior to distribution for consultation with all affected interests. Substantial funding has been included in the current Estimates both for the implementation of the new legislation and public awareness of its provisions upon proclamation.

Our current recession has damaged the housing sector as much or more than most other sectors of the economy. While some signs of revival are starting to appear as a consequence of falling interest rates, the housing sector is still weak.

As a former Minister of Industry I am very aware of the importance of the housing sector to our economy. It will be a priority of mine in the current year to consult closely with the industry on ways in which government can facilitate a stronger recovery and establish effective mechanisms for co-operation in the longer term. Thank you very much, Mr. Deputy Chairman.

**Mr. Deputy Chairman:** We thank the honourable Minister of Housing for those comments. Does the critic from the official opposition party, the honourable member for Burrows (Mr. Martindale), have any opening comments?

**Mr. Doug Martindale (Burrows):** Mr. Deputy Chairperson, in my introductory statement I plan to discuss several parts of these Estimates about which I am particularly concerned. They include replacing 98 local housing authorities with the Manitoba Housing Authority; the review of the Co-op HomeStart Program; the conversion of public housing to co-ops; the Core Area Initiative Grant for Home Ownership; the Core Area Home Repair Program; the relationship between CMHC and

Manitoba Housing; the Seniors RentalStart program; and lastly, staff reductions within Manitoba Housing.

As the minister knows, the New Democratic Party and I were disappointed by the decision to abolish 98 local housing authorities and replace them with one provincial housing authority. We are disappointed because we believe that local control which, in many cases, included tenants on boards of directors, was far more democratic than one board for the whole province. We do not believe that the government will save \$1.5 million a year since staff time and costs will increase. They will increase because small rural centres will be served from regional offices.

Last weekend I met a former board member from one of these small communities. In her community there was considerable volunteer labour on the part of board members that not only assisted the tenants, but saved money as well.

For example, I was told that a nurse locked up the building every night and checked on the residents as she did so. The janitor lived nearby and was a handy person when it came to minor repairs, which saved the board and the government money in the long run. Board members volunteered in the summer to do maintenance tasks such as pruning trees.

When people who live in the same community as the housing authority see themselves as part of the housing authority, they are willing to volunteer. I predict that sense of community spirit and co-operation, which was referred to by the Premier in the Speech from the Throne last fall, will no longer be there when maintenance and repairs and decisions are delivered from regional centres and all major policy decisions are made by the board in Winnipeg.

Abolition of local housing authorities is particularly disappointing to tenants and community people recently elected or appointed to the board of Winnipeg Housing Authority. They finally got to the place where they could help write policy, where a tenants group could be recognized by the board, and then their board was abolished. In fact, they attended three board meetings before they and the board were abolished.

We agree with the government's desire to save money, but when people do not feel in control of their surroundings or do not have meaningful and direct

input into decisions which directly affect their day-to-day living, they feel less responsible for their accommodation, then maintenance and repair costs go up.

\* (2010)

We can see that it will be more expensive to pay someone a travel allowance to go from a regional centre to a small town to do repairs. Less and less preventive maintenance will be done. Probably no volunteer work will be done by local residents. We therefore condemn this government for getting rid of local control, local decision making and volunteerism, and we predict that some costs will go up. The only saving will be in eliminating jobs, most of which will be in rural Manitoba.

I am concerned about the outcome of the current review of the Co-op HomeStart Program. I am not concerned about the review itself. I think the results of the interviews with co-op members living in Co-op HomeStart co-ops will be, on the whole, positive. The New Democratic Party is very committed to social housing, including co-op, nonprofit and public housing.

Co-ops, though, have a number of advantages. First, they are more affordable than the private sector. Co-op units usually come onto the market at market rent or low end of market rents, but over time they tend to be cheaper than the private rental market. Second, co-op members have an incentive to reduce their operating costs, because through volunteer work and democratic control they can keep their costs down and determine their own monthly housing charges. Third, co-ops contribute a permanent stock of affordable housing since they are never resold. Thus co-op members never pay for refinancing their units.

There are other advantages as well. A survey by the Co-operative Housing Federation of Canada showed that 15 special needs groups from mobility to mentally impaired, to single parents, battered women, Native people and refugee groups are housed in co-ops. In Canada, fully 23 percent of all housing projects developed under co-op housing programs serve special needs households.

One of these co-ops, called Prairie Housing Co-op is in Winnipeg. It is committed to integrating units for people with developmental handicaps into a normal community. Most of its members with mental disabilities are active in routine maintenance and take part effectively in decision making. A

significant benefit to governments and taxpayers is that for the most part co-ops are unregulated. In Manitoba housing co-ops are exempt from The Landlord and Tenant Act and The Residential Rent Regulation Act. Because disputes are mediated within co-ops and monthly housing charges are not appealed, the expensive machinery of government is never used.

There are many benefits in terms of a sense of community and family stability as well. Co-ops contribute to community revitalization. This was particularly true of Co-op HomeStart which converted existing buildings, many of them in the core area.

If the government terminates the Co-op HomeStart program we will certainly want to know why. If they do, it will signal that they are not committed to the renewal of the inner city of Winnipeg and that they are not committed to co-op housing. Many people on waiting lists for existing co-ops will be disappointed as well, since they may have chosen to live in Co-op HomeStart co-ops.

I am always willing to commend this minister when on occasion he does something right. In Committee of Supply I asked the minister if he supported the idea of converting some of the larger public housing developments into co-op housing. I believe he said he was open to the idea and I commend him for this.

The member for Osborne (Mr. Alcock) had a bill in the last session proposing exactly this idea, a bill which was supported by the NDP. There is a serious problem—or perhaps there are many serious problems with the older, large scale public housing developments. One of these is that some people perceive them to be slums. Perhaps we should view them instead as stable, low-rent areas. This sounds like a euphemism, but it is less pejorative and does not stigmatize the inhabitants nearly so much.

I think the government has a choice. They can sit back and do nothing and wait for a group of tenants to incorporate and approach MHRC, requesting that a number of units be converted from public housing to a co-op or Manitoba Housing and Co-op Development can be proactive and initiate the process.

I would encourage the minister and his department to work with the staff in Co-op Development to become proactive in converting

public housing to co-ops. This would vastly improve tenant participation, pride, a sense of ownership and I believe reduce maintenance and repair costs.

\* (2015)

The previous Minister of Housing believed that the Core Area Initiative grant for home ownership was a great success since it was oversubscribed. We agree with the government that assisting, especially low-income people in the Core Area, with a down payment to purchase a house is a good idea. However, there were a number of problems with the program.

First, the average price of a home in Winnipeg is about \$80,000, yet the maximum grant was \$10,000. Since there are few \$80,000 homes in the Core Area, the government was helping people not only with the down payment, but with the principle as well. Would it not have made more sense to have limited the grant to \$5,000 and helped twice as many people?

Also, I am informed by real estate agents that there were problems with property appraisals. Apparently, some properties were overappraised. This could only assist vendors and real estate agents, but not buyers, and did not help stretch the grants to help the maximum number of people to acquire a home.

The core area home renovation program is designed to assist home owners in the core area of Winnipeg to make key repairs and to upgrade their property. This has been a good program. However, right now there is considerable frustration on the part of people whose applications were approved, but who have now been told there is no government grant or loan available. Some people are particularly angry, because they spent money of their own, in some cases, money they could not afford.

We were told that by the last week of April, Manitoba Housing had no funding for CAHRP. The news to city home renovation staff did not come in writing. No one seems to know where the funding went, and no one would take responsibility. There are \$200,000 in applications waiting. There are at least half a dozen applications which have received CMHC approval but have not been handed over to Manitoba Housing. As many as 40 applications may be backed up at Manitoba Housing.

I will be wanting to know exactly how large the backup is. What are the prospects of home owners

who have been approved of being funded? Is the program out of money? If so, why did someone not tell the inspectors and the delivery staff?

On the Seniors RentalStart program we will have numerous and detailed questions, especially on the approval process for Rotary Pines. We believe that the manner in which it was approved reflects on the honesty and integrity of this minister and this government.

We are troubled by the reduction in staff by approximately 40. Why is this government reducing staff? Is it primarily to save money and to, thereby, reduce the deficit? Is it the result of a change in housing philosophy? Is it because this minister and this government believe that the best government is the least government? Does this mean there is a change in commitment to the role and mission statement of Manitoba Housing, or does it mean that there is a change in emphasis from the first two goals to the third goal?

The department's mandate is (1) to assist low-income persons who are otherwise unable to obtain adequate affordable shelter in the marketplace; (2) to provide a mechanism for the equitable resolution of disputes between landlords and tenants; and (3) to recognize and facilitate the private housing industry as the major provider of housing and to otherwise intervene in the market only where it is considered essential to the public interest.

I suggest that when the government drops programs, especially in the area of social housing, or when they narrowly define public interest, that their priorities are changing. The effect of laying off staff has been twofold. One, some good programs have been destroyed and, two, staff morale is very low. This concludes my opening statement.

**Mr. Deputy Chairman:** We thank the honourable member for Burrows for those comments.

Does the critic for the second opposition party, the honourable member for Inkster, have any opening comments?

**Mr. Kevin Lamoureux (Inkster):** Mr. Deputy Chairperson, on behalf of our critic who is unable to be here for it, I had agreed that I would go through, in part, the Housing and actually put some opening remarks on the record.

Mr. Deputy Chairperson, the government, in the past, and no doubt in the future by the direction that we see them thus far going, is really at odds with the

Liberal Party in particular. We have raised different issues over the past number of years regarding housing and nonprofit housing versus private housing. We believe that we have reason to be concerned about the government's commitment to nonprofit housing. We could go back to the Ladco MHRC deal, which we will no doubt go into at some length, to try and find out where the government is at this stage in the development of that particular piece of property and to get some updates in terms of forecasts that they are expecting to make the monies that they had projected to make a couple of years ago. To find out if, in fact, there is anything that has been done to reaffirm or to ensure that there is low-cost housing made available, whether it is nonprofit or in the form of co-ops.

\* (2020)

We also felt that the government fell somewhat short in terms of investing capital. The minister, in his opening remarks, made comments regarding the 20,000-plus nonprofit housing units that are out there that the government ultimately is responsible for. We are concerned, Mr. Deputy Chairperson, with what the government is doing in terms of injecting capital, the capital that is needed. I had heard one figure from Winnipeg Regional Housing that we are looking in and around \$20 million worth of capital repair that is necessary in order to bring their housing stock and given that the largest housing authority—I think what it does is it really highlights the need for that capital expenditure into the nonprofit housing units.

As the New Democratic Party we feel very strong with the direction the government is taking in terms of the housing authorities. It was not that long ago when we had an ordeal that in part was in my riding regarding Gilbert Park. There was a lot of concern in terms of the residents not being able to get the type of input that they would like to have, that they felt that they were entitled to. Their concerns were not necessarily being addressed. Mr. Deputy Chairperson, by reducing the number of authorities the minister is going, once again, to be limiting that local input, those local boards that are a bit more sensitive to what the issues are, especially with the more smaller nonprofit housing authorities.

So it will be interesting to see what the minister has to say to ensure that these residents' associations have some type of legitimacy within and how the government envisions these residents' associations or potential tenants that live in

nonprofit housing can get their message across to the government, whether it be on a board or a strong residents' association. So we are interested in finding out what remarks the minister has specifically on that.

The co-op housing start program is an issue that I have brought up on numerous occasions as the former housing critic for the Liberal Party. The former Minister of Housing and I had many discussions regarding it. We feel that it was a mistake in changing the policy from a grant, if you will, to a loan, that, in fact, there was a high number of independents or individuals who were looking at forming co-ops that showed, in terms of the number of applications that the government was receiving, people who were interested in starting up co-ops.

For whatever reasons, that particular program was changed and, I believe, that is to the detriment of the co-ops even though they did replace it with another program. I would argue that particular program would have been better had they enhanced from housing co-op start program in the sense that it not be alone, that it continue being the grant so that their operational costs in the long run can be somewhat controlled.

We see housing co-ops as an alternative to nonprofit housing, with the idea that housing co-ops allow individuals to become partners, if you will, in ownership of the homes that they live in. The whole concept of, as a community they organize and do manage as they see fit. Mr. Deputy Chairperson, I have the privilege of actually representing an area in which we have what I believe is the first housing co-op in terms of Willow Park, and we have seen how successful Willow Park has been.

We will wait to see what the government's, once again, opinion is in regard to housing co-ops, and if they feel, as the Liberal Party feels, that this is an alternative to nonprofit housing and something that should not be easily put to the side, that it is, in fact, something that is very worth its while to pursue.

The shelter allowance programs, there are the two of them, of course, Mr. Deputy Chairperson, for the seniors and our low income families. These particular programs have served literally thousands of Manitobans, both young and old over the past number of years, and we in the Liberal Party have been arguing for indexing of the two SAFER and SAFFR programs, because we feel that indexing would go a long way in ensuring that these

individuals who are receiving the program will have a better enhanced lifestyle, if you will.

\* (2025)

The government has said that the reason why we see a reduction in that particular line is as a direct result of demand. Mr. Deputy Chairperson, I can recall the Institute of Urban Studies at the University of Winnipeg had a survey done and found that many seniors were not even aware of the program, and the low income families, so it was applicable to both. Part of the job is to ensure that people are aware of the programs, and once we recognize that then it is really up to the government to make a commitment in terms of, do they want to index or do they not. Do they want to have it done on an ad hoc basis, where we saw the former minister increase the thresholds and so forth to those who were receiving SAFER and SAFFR, but that was only after what I would suggest is a considerable amount of pressure from the opposition, in particular the Liberal Party.

Mr. Deputy Chairperson, the Seniors RentalStart program has been quite the controversy since we have been back in session. There have been a number of allegations that have been brought forward. One would expect that the government will be able to expand on what has actually taken place, to say, in terms of why it is one developer, it appears on the surface, has been able to go ahead and others who were wanting to have RentalStart programs, for whatever reasons, would have been denied. Those are the types of issues we will attempt to deal with through the Estimates, and on that point that is all we have to say.

**Mr. Deputy Chairman:** We thank the honourable member for Inkster (Mr. Lamoureux) for those opening comments. As is normal practice, the Minister's Salary will be left as the last item to be considered, so we will move on to (b). At this time I would like the minister to invite his staff forward and introduce that staff.

**Mr. Ernst:** Mr. Deputy Chairman, I will introduce the staff. Firstly, the Deputy Minister of the department, Mr. Saul Schubert; to my left Mr. Gary Julius, the Executive Director of Support Services; Mr. Ken Cassin, Director of Planning; Mr. Henry Bos, the Director of Financial Services; Heather Glowa, the Manager of Budget and Mortgage Administration; Bill Shklnka, the Manager of Mortgage Services; and Roger LaFleche, Personnel Director at the end there.

**Mr. Deputy Chairman:** Item 1.(b) Executive Support: (1) Salaries \$288,500, shall the item pass?

**Mr. Martindale:** Mr. Deputy Chairperson, since I am still relatively new at this, two sort of procedural questions. One is, it is my understanding that we can ask any questions under Executive Support, is that true or not?

**Mr. Deputy Chairman:** Any questions pertaining to Executive Support, yes.

**Mr. Martindale:** Okay. Secondly, some of my colleagues plan to be here tonight. Would you be willing to accommodate them as they come, or are you going to require us to go line by line?

**Mr. Deputy Chairman:** What is the will of the committee as far as that goes?

**Mr. Ernst:** Mr. Deputy Chairman, while we would like to be able to deal with the concerns of members who have limited availability, at the same time we cannot be all over the map all the time. So my suggestion would be that we deal with issues as they arise on the agenda and try and respond to as many questions as we can in that area as we go along, and then approve them as we will.

\* (2030)

**Mr. Deputy Chairman:** It has been normal practice that we deal line by line, so I will recommend that we go line by line. So we will be dealing with (b) Executive Support: (1) Salaries \$288,500.

**Mr. Martindale:** I have no questions on this section.

**Mr. Lamoureux:** Mr. Deputy Chairperson, I have a couple of questions regarding policy. Before us now, we have some government legislation in regard to Centra Gas and in the cutting off, or the terminating, of gas services. I am wondering if the minister can just clarify what effect that will have on the residential tenancy bill, in particular, for the landlords. Have they looked at that at all?

**Mr. Ernst:** Mr. Deputy Chairman, again, I would ask, you know, we are dealing with Executive Support. This question would logically come up under Landlord and Tenant Affairs. To answer the question and not to prolong the question with regard to what we are actually dealing with under this section, yes, we have looked at it. It is being considered under the regulatory process that, at the moment, is going on. There were preparations and regulations and so on. The protection of tenants is of concern to us, and we will make the appropriate

changes in order to make sure that they are protected in the event that there is a problem.

**Mr. Lamoureux:** Mr. Deputy Chairperson, I will wait until we get to Landlord and Tenant Affairs, and then we will pursue it at that point then. That is fine.

**Mr. Deputy Chairman:** Item 1.(b) Executive Support: (1) Salaries \$288,500—pass; 1.(b)(2) Other Expenditures \$45,000—pass.

Item 1.(c) Planning and Information Systems: (1) Salaries \$796,400.

**Mr. Martindale:** Mr. Deputy Chairperson, I notice that Community Planning comes under this section and Community Planning is responsible for preparation of an annual three-year social housing plan. I would like to ask if such a plan exists and, if so, if the minister could table it.

**Mr. Ernst:** Sorry to take so long, Mr. Deputy Chairman. I am relatively new in the department as well, so I am not familiar with all of the things that are happening as of yet.

We are in the process of negotiating a new three-year plan with CMHC at the present time, so I have not tabled it just yet, until we have that completed. We do not anticipate it taking a great deal of time longer. However, it is a protected CMHC document and we are prepared to discuss with CMHC the possibility of providing that information to the member for Burrows. However, it will require their approval once the document has been finalized. We are very close to the end of that process at the moment. While I will not be able to provide it today or perhaps this week or next week even, we will be discussing the matter with CMHC and will request that the document be released.

**Mr. Martindale:** Mr. Deputy Chairperson, I hope that the request is successful.

Under Land Acquisition and Development Options, could the minister tell us if MHRC is acquiring land for future purposes or are they still in the process of selling off land bank land?

**Mr. Ernst:** Mr. Deputy Chairman, from time to time we do acquire land, but it is project specific. In other words, if a project comes along that requires a parcel of land and there is none available, then we will in fact seek out appropriate land. We are not in the process of purchasing land other than that, although the question of some of the land bank that has been accumulated over the years is retained because that was deemed to have possible uses for the purposes that it was intended in the not too

distant future and other lands are declared surplus and we attempt to sell them, although without a great deal of success of recent time.

**Mr. Martindale:** The province still owns a considerable amount of land bank land. Is that correct?

**Mr. Ernst:** Yes, Mr. Deputy Chairman, we do.

**Mr. Martindale:** What plans are there, if any, to sell it off, or any parts of it? Are there any negotiations or discussions going on currently regarding selling any parcels of MHRC land?

**Mr. Ernst:** Mr. Deputy Chairman, we from time to time put parcels of land that have been declared surplus up for public tender. On occasion there is a bid, on occasion there is not. We have had just recently two, I think, in the last two months that received no bids even though we put the matter up for public tender. On land that has been declared surplus, we are attempting to sell it.

Mr. Deputy Chairman, I can also point to two other parcels of land. One is on Youville Street in St. Boniface, where we have entered into a—that was put up for tender. The best price came in from the people, St. Boniface Development Corporation, I believe, is the name, and an agreement was entered into.

That agreement was to expire at the end of this year, and it appeared to them and to us that they were going to be unable to meet the appropriate conditions of the agreement, so we have negotiated an extension of the agreement for a year on certain other conditions that were attached. Hopefully, a community development corporation such as that will be able to put together an appropriate project for that site. That was the purpose for which it was intended originally, and we are confident that the community development group can in fact pull it off and see some much needed housing take place in the community.

The other parcel of land is a parcel in Brandon which we are presently negotiating with the City of Brandon to acquire.

**Mr. Martindale:** Would the minister be willing to table a list of MHRC vacant properties or land bank land and their current market value?

\* (2040)

**Mr. Ernst:** Mr. Deputy Chairman, I do not have any problem in providing a list of the properties presently held by MHRC. What I am a little reluctant to do, because of commercial terms obviously, is to

provide our estimates of their market value. If we are going to be declaring some of these lands surplus or we have people come in to offer to purchase them, we prefer not to have our estimates of value floating about in a public document. There are some, however limited, advantages to MHRC holding its cards tight to its vest when it starts to negotiate on commercial terms for lands that it presently owns.

I will take that question under advisement and we will seek some further information before making a commitment.

**Mr. Martindale:** I am interested in knowing who tendered on the south St. Vital property that was eventually purchased by Ladco. Could the minister tell us which companies bid on it?

**Mr. Ernst:** I seek some clarification. Are you referring now to lands held by Leaf Rapids corporation, the joint venture with Ladco that the province has?

**Mr. Martindale:** I am referring to the joint venture between the province and Ladco.

**Mr. Ernst:** Mr. Deputy Chairman, this matter is a couple of years old, I am advised by staff, and most of that information had been provided in previous Housing Estimates discussions. We do not have the detail, of course, for that information here. I think that it was two or three or four, but the exact numbers we do not have. If the member wishes, we can find the appropriate sections of Hansard and provide it to him.

**Mr. Martindale:** I will follow up on that suggestion and review Hansard.

Under studies and policy papers, are there studies and policy papers prepared within the last year and, if so, would the minister be willing to table them? On the same page, undertake studies, prepare policy papers regarding departmental activities and accomplishments.

**Mr. Ernst:** Mr. Deputy Chairman, the department provides a number of documents to government over the course of a year. A number of them are policy related. Some are related to individual commercial projects. Some relate to other matters within the department. Some would be available for public distribution. Some would not. What I will do is, I will undertake to review the lists of those policy papers and to free up those that are available, and the rest will have to remain in the hands of the government.

**Mr. Martindale:** Under regular analysis and recommendations with regard to the acquisition, utilization and disposition of land by the corporation. Is any of that analysis available to be shared with this committee?

**Mr. Ernst:** Mr. Deputy Chairman, again, that falls within the purview of the evaluation of the property by and large, I would assume. We look at land on a regular basis to determine if it still meets the needs of the corporation, if there is a future need for the corporation; and then, ultimately, if there is not, then we will look to declaring the property surplus and then disposing of it. I am quite prepared to provide the list to the member of the property that has been acquired over the years by MHRC; but to provide some of this documentation, I think, would be difficult at this time.

**Mr. Martindale:** Some more specific questions, Mr. Deputy Chairperson. Under Managerial and Professional/Technical, could the minister tell us what those positions were that were eliminated, what functions they performed and why they were found to be redundant or unnecessary?

**Mr. Ernst:** Mr. Deputy Chairman, there were two positions in this division that were reduced. One was the manager of Information Systems. That position was rolled into other managerial responsibilities within the department, assumed by the other manager there. The second position was a research analyst and related primarily to programs that were no longer being carried out and the reduced level of programming that we have been receiving from CMHC over the past two or three years.

The analysis that was being done, for instance, related to the RRAP program which we are no longer delivering in MHRC, and is now being delivered by CMHC, so we have reduced programming, reduced analysis requirements.

**Mr. Martindale:** This Information Systems person, that is not the same as the communication staff? That is a different person?

**Mr. Ernst:** Mr. Deputy Chairman, it is the manager of the computer department, if you like, as a more definitive description.

**Mr. Martindale:** They are all the questions I have until we get to Other Expenditures.

**Mr. Lamoureux:** Mr. Deputy Chairperson, I would like to pick up on the Ladco MHRC deal. I know, at the time when it was announced, that we were

looking at an estimated \$9.5 million in terms of revenue for the province as a direct result of this particular deal. I ask the minister in terms of how much of that \$9.5 million do we have?

**Mr. Ernst:** Mr. Deputy Chairman, I have not had the opportunity since becoming the minister to go into any great detail in terms of reviewing this particular agreement, but I am advised that the land is in the process of being rezoned, and the subdivision application before the City of Winnipeg is presently in progress. It has been adjourned several occasions for a variety of reasons by the city, and as far as I am aware it is back on again some time in July.

Obviously because the land has not been rezoned, has not been subdivided, no lots have been sold, no revenues have been generated to date.

**Mr. Lamoureux:** Mr. Deputy Chairperson, can the minister tell me when the government had anticipated starting the project? Is the project two years behind, is it a year behind? When did the government initially expect to see revenues coming in?

**Mr. Ernst:** Mr. Deputy Chairman, I am advised that the initial indications were that revenue anticipation was starting to flow about now, the spring of '91, and the program presently is running about a year behind. Given the current state of the market, how realistic that would have been under today's conditions is pretty obvious, I would think.

\* (2050)

**Mr. Lamoureux:** Mr. Deputy Chairperson, there are two reasons that the minister has given: one is the city and the whole question of the variances that were needed; and the other one being the market condition.

In terms of the first one, was the minister not aware—or when did we apply for these variances? I cannot see the city holding up the province for this development. So I ask the minister when we actually applied for these variances.

**Mr. Ernst:** Mr. Deputy Chairman, I am advised that divisional applications were submitted approximately a year ago.

I should point out to the member for Inkster that it is not a question of a couple of variances to allow this matter to proceed. There is considerable land associated with it. There is a rezoning of the land from present agriculture, or whatever the zoning is,

to residential. There is the question of subdivision agreements, development agreements which traditionally take as long as a year or more to negotiate with the city in terms of servicing standards, oversized services for future developments in and around that area. There is a whole host of matters that go on with respect to development agreements that take place, so it is not unusual in some senses to have the matter take quite a bit of time. Some projects have taken a year and a half, two and three years even to get finalized.

However, in recent time, just matters that have been apprised to me in the short time that I have been in the department, the city has delayed the process at least twice because members of council were not available or somebody was not going to be able to be at the meeting or there was some additional information that was required and so on. So it is a bit of a drawn-out affair, but not quite as simple as a couple of variances.

**Mr. Lamoureux:** Mr. Deputy Chairperson, I guess what I am trying to point out is that maybe it was not as high a priority to the government given the market condition. That in fact, I do not think it was necessarily the city, or at least I choose not to believe that it was not necessarily the city, that was stalling the government's plans on this particular issue.

My question, then, is in terms of the market. Many individuals were in fact forecasting the market or at least expressing their concerns about the market and the demand for housing back when the deal was originally signed. Myself and others that I know of did, in fact, say that we were looking for some type of a slowdown. At the time, we were assured that we had nothing to worry about, that we would see this on track. I can recall seeing information which I believe was tabled by the former minister which demonstrated that we would have been receiving this money as of now.

My question to the minister is, are there any new forecasts in terms of how much money is going to be made?

**Mr. Ernst:** Mr. Deputy Chairman, we have not done a definitive analysis until we had a better handle on ultimately when we might see development take place pending the city's process.

Just in terms of the city's process, the member for Inkster is quite able to call the City of Winnipeg and

find out from a clerk who did or who did not adjourn these meetings. That is easily obtained.

Mr. Deputy Chairman, while we are delayed somewhat, say approximately a year in the process, the fact of the matter is that we have invested no money as of yet in the project either in terms of putting services in the ground and things of that nature. While we have some additional carrying costs by virtue of the fact of one more year of ownership without having the land subdivided and sold, we do not have a large investment in the ground either that we are having to carry over this period of time when housing starts are very low, but we will be addressing the issue of that agreement in due course, be reviewing it and making new projections based on information available at this point and projections for the future.

Maybe, Mr. Deputy Chairman, the member for Inkster is a soothsayer and is able to predict into the future what is going to happen or not happen, but I do not know. I was not involved at the time, so I cannot really reflect on that.

**Mr. Lamoureux:** Mr. Deputy Chairperson, the Ladco-MHRC deal was to make 9.7. I understand that there is a raw land cost, if you will, to maintaining—or by it not getting started, from what I understand. I would ask the minister to correct me if I am wrong, that the agreement takes effect the moment the shovel goes into the ground, or when does the agreement take effect?

**Mr. Ernst:** Mr. Deputy Chairman, I am advised by staff that the member is essentially correct, that when construction starts is when the agreement clicks in.

**Mr. Lamoureux:** Just for clarification, Mr. Deputy Chairperson, when are they expecting to start construction?

**Mr. Ernst:** Well, Mr. Deputy Chairman, nothing is going to start until they conclude an agreement with the City of Winnipeg, both as to zoning and as to the subdivision and as to a development agreement. Your guess is as good as mine when they are going to approve that, if they are going to approve it.

**Mr. Lamoureux:** So, Mr. Deputy Chairperson, if I understand the minister correctly, what we are waiting for then is the city. As soon as the city says okay, then we will be starting the ball rolling on the development, that in fact it really does not have anything to do with the market.

**Mr. Ernst:** Once the city has approved the development and all of the i's are dotted and t's are crossed and the development agreement is put into place and so on, the management committee of the joint venture will then look at the question of demand, the question of market conditions, the question of whether in fact the consumption of land or the consumption of building lots, what rate they are anticipated based on market conditions at that time, we will make appropriate choices. If it is deemed to be prudent and in the best interests of the partnership to go ahead, it will go ahead. If market conditions are not appropriate, then they will be held back, but that decision will be taken at the time that all the final approvals, from a regulatory sense, are in place.

**Mr. Lamoureux:** Mr. Deputy Chairperson, at one time the minister is saying we are waiting for the city. Now, he is saying about the market condition. If the city had approved everything right now, is the department ready to go ahead? In their opinion, is the market ready for the development of this property? If not, when do they anticipate that this lot will be ready for development?

**Mr. Ernst:** Well, Mr. Deputy Chairman, that is an extremely hypothetical situation. The fact of the matter is, we do not have an approval, we do not have a subdivision agreement and we do not have a development agreement, so the question is academic.

The fact of the matter is, once the regulatory process has been gone through, once all the i's dotted, the t's crossed, the agreement is in place, then the management committee has a responsibility, and that responsibility is to look at the land, look at the market, look at the demand for lots, look at the potential for sales. I mean, there is no point in going and investing hundreds of thousands, if not millions of dollars into services in the ground if you are not going to be able to sell the lots because the market is not there for them.

\* (2100)

So, Mr. Deputy Chairman, the people responsible for the management of that joint venture will review those circumstances at the time that they are in a position to go ahead, and then make a decision accordingly as to whether to go ahead or not, or if to go ahead on the basis of how much they will invest in order to start Phase I, if you will.

**Mr. Lamoureux:** Mr. Deputy Chairman, to the minister, what is the current status of the serviced

lots? Do we have a large number of serviced lots in the city of Winnipeg at this time ready for development?

**Mr. Ernst:** Mr. Deputy Chairman, I do not have any specific numbers overall for the city, although I gather there is a reasonable, if not a good supply of serviced residential land available for building on. This particular Southdale area of Winnipeg has been an area of high demand in the past. It has traditionally been one of the highest in the city. I say I do not have exact numbers, but we will investigate that matter.

**Mr. Lamoureux:** Mr. Deputy Chairperson, the department has some lots in the city right now, and I would ask if any of the serviced lots that are for sale—I know there is the odd green sign that you see to call the department if you are interested in the lot. I am wondering if the minister can say they have sold any of these lots in the past year?

**Mr. Ernst:** Mr. Deputy Chairman, I am advised that we have six lots in Meadows West; some have been sold. I know one went to Habitat for Humanity for a project they had in conjunction with the Manitoba Home Builders Association in terms of putting up a house and then putting it on the lot, then selling it and taking the funds from that to do some other projects.

As to the others, we will have to get to the specific information. We do not have it available here.

**Mr. Lamoureux:** The member for Burrows (Mr. Martindale) made reference to the land banking, and I know that the government at the time, the minister previously had made comments that they were looking at divesting some of this land. At the time of the Ladco deal there was another submission that would have taken into account the Meadows West Phase II development. I am wondering if the minister can inform me as to what has been going on with the Meadows West Phase II development?

**Mr. Ernst:** Mr. Deputy Chairman, the land is presently being held by MHRC for potential future development, but we have had little interest in it of late. The market generally has been weak in that part of the city, and so we have not been pressing the issue. It is held for future development and, when the market picks up, we will again look at the project.

**Mr. Lamoureux:** The minister made reference that he has tendered two lots, tendered two parcels from the land bank. I would ask him, which two have they

tendered and how have they tendered them? Is that through advertising, through the Home Builders Association? How was that done?

**Mr. Ernst:** The department tenders land that has been declared surplus on a periodic basis. The two that I referenced I just happened to remember. One was in south Transcona, and the other one was in south Charleswood, I believe were the two areas. They were publicly advertised in the paper and received no expressions of interest.

**Mr. Deputy Chairman:** Item 1.(c) Planning and Information Systems: 1.(c)(1) Salaries \$796,400—pass.

Item 1.(c)(2) Other Expenditures \$1,264,400.

**Mr. Martindale:** Mr. Deputy Chairperson, there are some changes here that I think are significant, that I would like to ask about. First of all, under Communications, is the increase in salary there related in any way to the elimination of the Communications staff which we will get to on the next page?

**Mr. Ernst:** I am sorry, Mr. Deputy Chairman, it does not—you are referring to Other Expenditures. There is no salaries in Other Expenditures. These are just that, other expenditures.

**Mr. Martindale:** Oh, okay. Could the minister explain the increase in expenditure for Communications?

**Mr. Ernst:** Mr. Deputy Chairman, this item refers predominantly to telephone, fax, postage, that type of communications. Last year's actual expenditures were \$24,100, and it was reflected this year as reflecting basically actual expenditures.

**Mr. Martindale:** Supplies and services have gone up from \$192,900 to \$406,200. Could the minister tell us why?

**Mr. Ernst:** The majority of that amount, Mr. Deputy Chairman, I am advised, is the start-up cost for the Residential Tenancies Commission computer systems. It reflects a one-time cost but, nonetheless, a significant cost associated with bringing that up to speed.

**Mr. Martindale:** We will get into The Residential Tenancies Act and staffing later. I would be interested in knowing what functions will be computerized.

**Mr. Ernst:** Mr. Deputy Chairman, the whole function of the Residential Tenancies Commission is undergoing a business analysis, business planning process, at the moment. This budget was

prepared some months ago, obviously, and an expectation would be that we would have a certain amount related to systems cost. The finalized business plan, as I say, is in the final stages of preparation at the present time. Once that is identified, then all of those items that will be put into the systems operations and computerized will be identified finally through that business planning process.

**Mr. Martindale:** Under Other Operating, could the minister explain the significant increase there as well, please?

**Mr. Ernst:** Mr. Deputy Chairman, Other Operating refers to a large extent to MDS charges for computer time related to Manitoba Data Services. Last year's actual was in excess of \$600,000; however, because of some reduced requirements and some reduced service charges, I guess, related to the operations of MDS, the amount has been higher than print but lower than actual expenditures last year.

\* (2110)

**Mr. Martindale:** I can understand that. Our caucus gets hefty bills from MDS as well.

Under Capital there is a decrease. Buying fewer computers?

**Mr. Ernst:** Yes.

**Mr. Martindale:** So Planning and Information are buying few computers, but the Residential Tenancies department are buying more. Okay.

**Mr. Ernst:** Mr. Deputy Chairman, it is the systems development. One is hardware. One is the development of the systems that will be applicable upon the information that the hardware will generate. So, on the one hand, we are spending considerable money in developing a system to put into place for the Residential Tenancies Commission, so that they will have access to information and tenant lists and all that kind of information. The question of whether we need to buy an extensive amount of additional equipment is not deemed necessary at this point.

**Mr. Martindale:** Thank you, that is all I have under Other.

**Mr. Deputy Chairman:** Item (2) Other Expenditures \$1,264,400—pass.

Item (d) Communications: (1) Salaries, zero. Shall the item pass?

**Mr. Martindale:** Mr. Deputy Chairperson, this is one part of the department that I have had some contacts with over the last 11 years, and I always got along well with the staff there. They are always very co-operative. They always tried to get information for me and were usually successful in finding that information and getting back to me. Now those positions have been eliminated. I would be interested in knowing why the government eliminated the Communications branch from Housing.

**Mr. Ernst:** Mr. Deputy Chairman, the government eliminated the Communications branch from many departments, most departments. It was a choice of government to consolidate the communications operations within the Department of Culture, Heritage and Citizenship. That was done, the effect of the budget. The people that were associated with the department for the short period of time that I was with them and prior to the decision to consolidate the positions of the communications within Culture, Heritage and Citizenship, I got along well with them too.

That decision was taken by government, not by the Department of Housing, but by government in general to consolidate those positions in the Department of Culture, Heritage and Citizenship and that was done.

**Mr. Martindale:** I know that it was done, and I know when it was done. I guess I was more interested in the rationale as to why it was done. The minister seems to indicate that consolidation was the only reason. Are there any other reasons for eliminating these staff people?

**Mr. Ernst:** Mr. Deputy Chairman, consolidation, streamlining, a more cost-effective analysis specializing, in particular, areas of operations within the communications division—all of those things entered into the decision by government to ultimately decide to consolidate their operations. The Housing Department was one department the same as any other department in terms of having the issue put to us.

**Mr. Martindale:** I would be interested in knowing how many calls a year, or how many requests a year for information the communications staff used to handle. I think it was probably many, many calls for information assistance a year.

First, I would like to know how many requests for information they received from the public and from other government departments. Then my second

question following up on that would be, who is going to handle these requests for information in the future?

**Mr. Ernst:** Mr. Deputy Chairman, presently there is a contact person in the central communications group assigned to the Department of Housing. There are calls coming to my office as a contact point or to the deputy minister's office as a contact point as well. With respect to Landlord and Tenant Affairs, they generally call that department directly. All of those are points of contact.

**Mr. Martindale:** Could the minister indicate if staff has been increased in the new department in order to handle the workload formerly handled by communications staff in Housing?

**Mr. Ernst:** Referring to the Department of Culture, Heritage and Citizenship, I am not aware.

**Mr. Martindale:** Can the minister assure me that the reason for this change on the part of the government was not to centralize and control the dissemination of information or news?

**Mr. Ernst:** Mr. Deputy Chairman, there have been a variety of theories in the past, and there will be a variety of theories in the future as to how best to handle communications within the government.

The New Democratic Party centralized its communications in the past and then changed back again as time went along because of changing needs or changing philosophies or whatever. I do not know all the reasons, obviously, but I can suggest that it was in the interests of providing efficient organization in terms of communications and that decentralization took place, and we will see how it works over the next period of time.

**Mr. Martindale:** If the minister would permit a very specific question under the former staffing of Communications: Was there a news release put out on funding to the Niverville seniors organization before this department was eliminated or at the time that the public announcement was made of funding?

**Mr. Ernst:** The simple answer is, we are not aware of any press release.

**Mr. Martindale:** I am finished on that page.

**Mr. Deputy Chairman:** Item (d)(1) Salaries, zero—pass; (2) Other Expenditures \$157,500—pass.

Item (e) Support Services: (1) Salaries \$1,886,100—pass; (2) Other—

\* (2120)

**Mr. Martindale:** I noticed that Land and Mortgage Services is under this page. I have had staff look at previous Housing Estimates, and we could not find the names of companies that bid on the South St. Vital land, the MHRC-Ladco deal. Perhaps the minister might want to take this as notice, but I would still be interested in having the minister table a list of the companies that bid on that property, if that is possible.

**Mr. Ernst:** I will undertake to research that and provide the information to the member.

**Mr. Martindale:** Would the minister do the same for the Tuxedo property that was sold by the government to a private developer? I would be interested in seeing the list of companies that tendered on that.

**Mr. Ernst:** Could I ask the question, are you referring to the Fort Osborne barracks project? That is not within the purview of the Department of Housing. It was a Government Services project.

**Mr. Martindale:** Under Staff, could the minister indicate what the functions were of the staff who were eliminated in this budget?

**Mr. Ernst:** I am advised, Mr. Deputy Chairman, that we have had reduced program requirements and reduced mortgage underwriting requirements, and we had need for less staff.

**Mr. Martindale:** Thank you.

**Mr. Deputy Chairman:** Item 1.(e) Support Services: (1) Salaries \$1,886,100—pass; (2) Other Expenditures \$511,400—pass.

Appropriation 2. Landlord and Tenant Affairs (a) Salaries \$2,059,200.

**Mr. Martindale:** Mr. Deputy Chairperson, the most recent report that I have on Landlord and Tenant Affairs branch is dated March 31, 1990. Is the '91 report available yet, or not?

**Mr. Ernst:** I am advised it is not yet available.

**Mr. Martindale:** I think we have a no for 1990 last time, so I will not go over it again. Could the minister tell me when the next report will be issued?

**Mr. Ernst:** Given that we are, I guess, 60 days past the year end, Mr. Deputy Chairman, the information has to be finalized, then the appropriate analysis done and preparation of the documents and so on. It will be several months before it is available.

**Mr. Martindale:** As the minister knows, I have some problems with The Rent Regulation Act, which, as far as I know, will continue with the new

Residential Tenancies Act, and that is the problem of passing through capital expenses from landlords to tenants. My analysis of the problem is that we do not really have a rent regulation act; what we have is a rent pass-through piece of legislation so that there is no limit on the amount of capital expenses that the landlord can pass through. The only limit is in the regulations in the number of years in which the landlord can recover those costs.

First of all, does the minister agree with this analysis and this flaw in the current legislation?

**Mr. Ernst:** Mr. Deputy Chairman, I do not necessarily agree 100 percent, although the description in some senses is fairly accurate as far as the pass-through of costs is concerned, related to the numbers of years that are permitted.

**Mr. Martindale:** If the minister agrees that my description is fairly accurate, would he agree that there is a need to remedy the problem and that this could be done by amending regulations?

**Mr. Ernst:** Mr. Deputy Chairman, there is a concern, I guess, on both sides of the issue related to, firstly, the question of the tenant and how much rent he or she ultimately has to pay as a result of costs that have been attributed to a particular building. On the other hand, there is the investor who has put his money to carry out necessary or desirable works, as the case may be, related to the property.

To encourage landlords to maintain their properties in the best possible condition that they can, the decision has been taken in the past to allow quicker pass-throughs of capital investment into the property. I suppose somewhere along the line there has to be a balance struck between the ability of the tenant to ultimately bear the costs of those pass-throughs and the adequate maintenance and repair of buildings in which the tenant is resident.

Nobody has a crystal ball and nobody has a perfect answer, I do not think, to these things. It is a question of negotiation over time and analysis over time as to what the best arrangement is. We have had one discussion to this point amongst staff in relationship to this issue six weeks or so ago, shortly after I came into the department, and trying to do some analysis, and some additional work is required in that area and that work is going on at the present time. The issue is certainly before the department and before myself as the minister, and

we are looking at the question of pass-throughs and how we can best accommodate them.

**Mr. Martindale:** The reason I am asking is that I have helped tenants appeal rent increases. The lowest ones I have helped appeal were in the area of 10 percent. The highest were in the area of 30 to 39 percent. None of these high increases were in Burrows constituency; they were in what is now St. Johns constituency and in the community of St. Vital.

These tenants were shocked to find out that it was legal to pass on a rent increase of 20, 30, 39 percent. Of course, the effect that it had was that many of them moved out. In fact, I helped tenants appeal a rent increase of about 12 percent within the last few months. They were unsuccessful and many of them moved. In fact, the individual that I was doing an appeal for moved out of the apartment block.

I think that rent increases of 20 and 30 and 39 percent are terribly unfair and burdensome to individual tenants. That is why I am proposing a private member's bill to amend the regulations, and I think my amendment only goes partway to resolving the problem because my amendment would change the regulations so that instead of recovering capital costs over a three-year period, in some cases, it would be four years; and instead of six years for some expenses, it would be eight years.

Now there is a second problem that tenants have pointed out to me which, I think, sounds quite reasonable. That is, they say the landlord spends a large amount of money, legitimate capital expense, passes through the expense in the form of a rent increase, a legitimate, approved rent increase. The result is that the rent goes up to a new plateau, and when the expenses are paid off or amortized, if you like, over a period of three, four or six years depending on which regulation it falls under, does the rent fall down to its previous level? No, the rent stays up at a new, I believe, artificially high level, and all future rent increases are based on that new high plateau.

So a smart landlord, I guess, assuming the right market conditions, could deliberately incur capital expenses. You could pave the parking lot one year and put in electrical plug-ins the next year and paint all the halls or replace all the light fixtures the next year and continually upgrade and continually get new rents. Now all of that would be perfectly legal. The only mitigating factor is what the market will

bear, and so landlords do not always pass on all the costs because they know that if they pass on too much of the costs people are going to move out. Does the minister agree with me, that rent increases of 20, 30, 40 percent are unconscionably high and that, therefore, regulations need to be amended so that the capital costs are passed through at a slower rate than the current regulations allow?

\* (2130)

**Mr. Ernst:** Mr. Deputy Chairman, firstly let me say that any rent in excess of the guide in the maximum guideline, of course, requires the approval of the Landlord and Tenant Affairs or the rent regulation people in the government. Anybody in excess of, currently, 4 percent has to go through that process, has to justify the expenses that are provided to the rent regulation bureau.

Increases of the order and magnitude that the member refers to, in the 30 percent and 40 percent range, are very rare, I am advised. That is seldom the case, but that has happened and, no doubt, will happen from time to time, depending upon individual circumstances. The question of having, as a norm, 20 percent or 30 percent increases, I do not think, Mr. Deputy Chairman, is a realistic or reasonable position to take.

However, as I indicated to the member, the question of the pass-throughs and the amount of time associated with allowing them to amortize their costs and things of that nature are presently being reviewed by the department. I will take his comments under advisement when we go through that particular exercise.

**Mr. Martindale:** I realize the examples that I am giving are at the extreme end, but if one looks at the report on the administration on the Rent Regulation program for the fiscal year ended March 31, 1990, there are some average increases listed here which are considerably above the annual guideline of 3 percent for 1990. For example, bachelor, 6.4 percent; two bedroom, 89.4 percent; three bedroom, 19.4 percent; four bedroom, 17.9 percent; other, 10.7; units built between 1946 and '59, 11.2. The next year, 1990, bachelor, 8.9 percent; one bedroom, 11 percent; two bedroom, 12 percent; three bedroom, 10 percent; other, 10 percent. So all of those average increases were considerably above the 3 percent rent guideline for 1989 and 1990.

I think the problem is there, even for the people experiencing increases that are above 3 percent but not in the range that I was quoting.

**Mr. Ernst:** Mr. Deputy Chairman, if we are reading the information that the member is referring to correctly, and I think we are, he is referring to applications that were approved above the guidelines. Again, we do not know for sure. No detailed analysis was done, but perhaps—let us assume for a minute that 20 percent of the total number of suites in the city of Winnipeg applied for an increase over the guideline. Of that 20 percent increase, the numbers that the member referred to of seven, nine, 10, 12 would be appropriate for those who applied, but for those who did not apply, those who simply assumed the 4 percent or 3 percent guideline, could well be hundreds of thousands of rental units. We do not know for sure.

Mr. Deputy Chairman, if the member would refer to Table 10 on page 20 of that same document, the bottom line, total Winnipeg, is the average increase for all controlled units in the city of Winnipeg—was 3.2 percent, just slightly over the 3 percent guideline. That is the total increase in cost year over year.

**Mr. Martindale:** One of them on that table sticks out, and that is west Winnipeg 8.0 percent. I realize that the table I was reading from before, the two tables, were applications above the guidelines. These are the people who appeal, and it seems that this is becoming more and more common, in spite of a high vacancy rate, for landlords to raise their rents and for tenants to have to appeal, but because the cost pass-throughs are legal, increases in the order of the ones that I read are allowed to happen. They are justifiable. The panel examines the landlord's costs and agrees that it meets the provisions in the regulations.

I am interested in knowing if the minister, or the department, have had any studies on rent increases and capital cost pass-throughs, and if any changes have been contemplated.

(Mr. Ben Sveinson, Acting Chairman, in the Chair)

**Mr. Ernst:** Mr. Acting Chairman, as I indicated previously to the member, and I will reiterate it again, a number of options with respect to pass-throughs are presently being looked at. We have reached no definitive decision yet, nor have we gone yet into the consultation mode by those people who would be affected by it, but we are looking at several options

at the moment. Ultimately, we will consult with affected groups, and then ultimately make a decision.

**Mr. Martindale:** What are the options that are being considered, and what groups would the minister consult with?

**Mr. Ernst:** The options at the present time, I am not prepared to table, but, in terms of consultation, we have processes set up to deal with both the landlords and tenants and meet with them on a variety of issues. We will meet with them on this issue as well.

**Mr. Martindale:** Since the new Residential Tenancies Act has not been proclaimed, we have not had a chance to see the regulations yet. Could the minister tell us if the regulations regarding rent pass-throughs will be the same as in the current regulations in the current act?

**Mr. Ernst:** That is why we are dealing with the issues and trying to put together the regulations for the new Landlord and Tenant Act, a Residential Tenancies Commission, that we are going through this exercise at the present time.

**Mr. Martindale:** I am pleased to hear that. We will be watching and we will be reading the new regulations to see whether, in fact, there are any changes when a new act is proclaimed.

Could the minister tell us when it is hoped that the new Residential Tenancies Act will be proclaimed?

**Mr. Ernst:** Mr. Acting Chairman, things are not going quite as quickly as we had originally anticipated in terms of putting together all of the facets of the organization and regulations, operations, et cetera. I had originally, I guess, anticipated that the implementation would be September. It looks now like it might be pushed back a couple of months, toward the end of the year. We are proceeding on it as quickly as we can, and dealing with those issues as they come up here. It is a fairly complex system that has to be put into place, and we want to make sure that everything is properly in place before we start so that we do not have anybody fall between the cracks during the switchover process.

\* (2140)

**Mr. Martindale:** I can appreciate that it is complex, and I hope that the extra time taken to put it together is worthwhile, because we all hope that it succeeds once it is established.

Currently I believe per diems are paid to panelists on rent regulation panels. Is that correct?

**Mr. Ernst:** Yes.

**Mr. Martindale:** Will per diems be paid to the new people on the Residential Tenancies Commission, other than the paid staff? I believe there will be part-time appointees who will be sitting on the tenancies commission mainly evenings for hearings. First of all, is my understanding correct? Secondly, will they be paid a per diem?

**Mr. Ernst:** Mr. Acting Chairman, the commissioner will be a full-time job. The deputy commissioners are half-time, anticipated. We will have to appoint from time to time deputy commissioners to deal with issues in other parts of Manitoba and things of that nature. No specific decisions have been taken, but I suspect everybody else that does these kinds of things for the government gets paid. I do not see any reason why these people would not get paid. How much, I could not tell you at the present time.

**Mr. Martindale:** It was my understanding, and correct me if I am wrong, that when the commission heard matters under its jurisdiction there would be, in addition to the staff person who would be the chair, a landlord representative and a tenant representative or that there would be two other people on the three-person panel or commission hearing complaints. Is that correct?

**Mr. Ernst:** Mr. Acting Chairman, the member is correct that in fact the full-time commissioner would sit as the chair of that tribunal and the landlord and tenant would each have a representative on that tribunal. It has not yet been determined how that will be dealt with as to whether there will be an honorarium or not. We have not yet addressed that issue.

**Mr. Martindale:** Has the minister or the staff in Landlord and Tenant Affairs received any nominations or suggestions of names of landlords or tenants who are interested in being on the tribunals?

**Mr. Ernst:** Mr. Acting Chairman, not to my knowledge. Now, we do not have a staff person here from Landlord and Tenant Affairs—that there may not have been an expression of interest made at some point, telephone or personal conversation, nor have we solicited any, quite frankly, until we get the system into place. We are not going to raise people's expectations or cause people to become interested in something that has not yet been finalized and may or may not suit their needs or

desires. But, as I say, there may be somewhere along the line that somebody has expressed an interest to the department. I am not aware of any at the moment.

**Mr. Martindale:** Well, I hope that this minister will be as open as his predecessor to encouraging people to apply for these positions on the tribunal, because we were assured that that is how it would work. So I hope that it is set up the way we were assured it was designed originally to work.

(Mr. Deputy Chairman in the Chair)

Under Note 1 regarding Total Salaries, it says: reduction of staff years and corresponding salaries related to downsizing of operations. I am a little surprised to see with this new Residential Tenancies Commission starting up that the staff will actually be downsized, and I would be curious to know why. Is it because it is hoped that the new system will be more efficient and will handle complaints more expeditiously and more fairly and therefore not take as many staff, or is there some other reason for downsizing the staff?

**Mr. Ernst:** Mr. Deputy Chairman, the net increase in bodies over bodies, if you will, is about half a staff year, but there were four vacant positions in the department that have been vacant for quite some time, had not been required. You know, nobody is trying to fool anybody that everything is going to be peaches and cream when this goes into operation. At the same time, we had four positions that were vacant for a long period of time. One position was declared really redundant in terms of the new structure; they would no longer be required. Then, add back in one and a half commissioners, and so the expectation is that with this staff complement we will be able to deliver the program as contemplated and as described. So we do not anticipate any major changes over what was originally contemplated and we are pursuing that goal.

**Mr. Martindale:** If Landlord and Tenant Affairs Branch currently is getting by with four less staff than previously, does that mean that complaints are being adjudicated more quickly or that the same amount of work is being done with less staff? It seems to me that if you are getting by with less staff, that complaints should be handled more quickly; otherwise, those staff might have been replaced.

**Mr. Ernst:** I am advised by staff that historically the two, rent regulation and landlord and tenant, are, I guess, Rentalsman's office—I forget just exact terminologies of a few years ago—were combined

into one operation and starting, I guess, to bear some of the fruits of that merger in efficiencies that were predicted to come from that merger. At the same time, activity levels in the rent regulation side are static or less than it was previously and the complaint side is about the same. So say these positions have been vacant for some period of time so that normal workload volumes are being able to be handled in reasonably appropriate manner, and say four of those positions have been gone for some time so that really not coming off the complement, not coming out of the department this particular year.

**Mr. Martindale:** Under the budget line, Rental Appeal Panelists, \$75,000, if there is a per diem paid for the landlord and tenant representatives on the tribunals, would their per diem come out of this \$75,000 that is identified in the Estimates?

**Mr. Ernst:** Yes.

**Mr. Martindale:** Note 2 says: Increase required for additional start-up expenditures.

I would be interested in knowing what those start-up expenditures are.

**Mr. Ernst:** Mr. Deputy Chairman, the costs here in large degree refer to the start-up of the new Residential Tenancies Commission. There will be a number of one-time costs associated with that transfer of function and the new name, getting people familiar with the program and providing—there is a whole series of new forms that have to be done. We have to do a communications program to advise the public of the fact, how they do it, how the thing will work, the fact that it will be adjudicated quicker and things of that nature. There is a whole series of one-time costs associated with that, everything from telephone to stamps to some travel costs associated with visiting rural Manitoba to make sure the programs are in place there and so on.

All of these costs are included in this section. To a large degree, it will be one-time costs to set up. Once the Residential Tenancies Commission is in place and functioning, we should not have to incur them again.

**Mr. Martindale:** Since the legislation is quite long and, I think it could be argued, quite complicated, at least it has a lot of new provisions that are very different from The Landlord and Tenant Act and The Rent Regulation Act, I would be interested in knowing what kinds of public education and

advertising the department is contemplating, especially tenant education, since quite often tenants do not have access to legal counsel or even to the legislation. The new Residential Tenancies Act, I think, costs about \$11.50 at Queen's Printer, so consequently we are getting phone calls asking us if we can give people copies.

\* (2150)

I hope that in the not-too-distant future the department will have either summaries of the legislation or the main highlights of the legislation, brochures, et cetera. I would be interested in knowing what plans the department has for making the public familiar with the new legislation and how the Residential Tenancies Commission will work and, in particular, tenants.

**Mr. Ernst:** Until such time as all the regulations are finalized, it is pretty difficult to put together a communications program directed to the general public, but I concur with the member. It is obviously going to be required to advise those who are not in the business, shall we say, of dealing with these kinds of things that there is going to have to be a communications mechanism, however manifold it might be, to deal with these issues. We will be addressing that issue over the next several months, but I concur in the general direction that the member refers to, and we will be endeavouring to do that.

**Mr. Martindale:** I have some final questions on this Landlord and Tenant Affairs Branch. I noticed in the report for 1990 that references were made to the difference between the calendar year and the provincial financial year-end and the difficulties that this resulted in for putting together the statistical tables in this report.

It is still possible to compare year over year because those tables are there, but unfortunately we do not have the 1991 report, and we probably will not be able to ask questions on it in Estimates until June of next year when it will be over a year old. I am wondering if it would be possible to issue a calendar year-end report, switch from financial year-end to calendar year-end so that we would have the report in front of us at Estimates time.

I realize that we are not always in the Housing Estimates in June and that the House does not always sit from February to July or August or September or however long we are here now or for the next several months, but it would certainly be more convenient for raising issues when they are

relevant and when they are fairly recent in Estimates rather than next year having to raise a report in May or June or who knows when dated March 31, '91.

**Mr. Ernst:** We are just 60 days past the end of the year. I am sure the member appreciates that 60 days past the end of the year, sometimes it is difficult to have the whole series of documented evidence available. However, be that as it may, I do not know what the ramifications are or what the regulations or rules are with respect to these things. I will look into it.

**Mr. Martindale:** That is all for that page. I will pass to my colleague.

**Mr. Nell Gaudry (St. Boniface):** Mr. Deputy Chairman, how are the tenants going to be protected from landlords who do not pay their gas bills? I know there is going to be a public utility bill coming up in the Legislature, but my interest there is in protection for the tenants.

**Mr. Ernst:** Mr. Deputy Chairman, what will happen is that, under The Landlord and Tenant Act, there are provisions that if the landlord does not fulfill his obligations, an order to redirect rent payment to the office of the Landlord and Tenant Affairs Branch can be made. We have a linkup with the gas company. In the event that a landlord is not paying his bills, the gas company will contact us. We can then issue a redirect order and have the rents paid directly to Landlord and Tenant Affairs, and Landlord and Tenant Affairs will, in fact, pay the gas company to ensure that the account is kept regular.

**Mr. Gaudry:** In activities here, you indicate the consideration of applications for rent rollback. What is the record of rent rollbacks in Winnipeg?

**Mr. Ernst:** Can I ask my honourable friend for what time period he is referring?

**Mr. Gaudry:** For the last period, let us say.

**Mr. Ernst:** Mr. Deputy Chairman, it may take the staff some time to find it. If the member is prepared, we will investigate and advise him in due course.

\* (2200)

**Mr. Gaudry:** Sure. Just last week, I had a couple of calls from tenants in St. Boniface who have said that their rents have gone up by \$200, which was something like 22 percent. They have been calling the Rentalsman, and they have not been able to reach. I said to keep on calling. What is the other procedure there, writing a letter, or what do you recommend?

**Mr. Ernst:** Mr. Deputy Chairman, I am surprised that they are not able to telephone and get through. Unless there was some aberration that took place, heavens, there are lots of people there to answer phones and lots of phones for them to answer. It should not be a problem but, if they are having difficulty, then have them direct a letter to the department. If you would care to give me those two names, I would be prepared to investigate directly.

**Mr. Gaudry:** That is fine, thank you.

**Mr. Deputy Chairman:** Appropriation No. 2. Landlord and Tenant Affairs (a) Salaries \$2,059,200—pass.

Item (b) Other Expenditures \$406,400—pass.

Resolution 83: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,465,600 for Housing for the fiscal year ending the 31st day of March, 1992—pass.

**Mr. Ernst:** Since we are going to be going until midnight, I understand from members of the committee, I wonder if we could have a five-minute break.

**Mr. Deputy Chairman:** Is it the will of the committee that we take a five-minute break?

**Mr. Martindale:** I am in agreement for a five-minute break or even a 10-minute break. I am hoping we do not have to go until midnight, if we finish the questions that I have on these sections, but then you do not want to have to come back tomorrow afternoon, do you? I guess we will be going until midnight then.

**Mr. Deputy Chairman:** We are going to have a short recess for five minutes or maybe 10.

\* \* \*

The committee took recess at 10:03 p.m.

### After Recess

The committee resumed at 10:14 p.m.

**Mr. Deputy Chairman:** Would the Committee of Supply please come back to order. We will now be dealing with Appropriation No. 3. Operations (a) Administration: (1) Salaries \$61,600. Shall the item pass?

**An Honourable Member:** What page are we on?

**Mr. Deputy Chairman:** Page 101, page 30 in the Supplementary, I believe.

**Mr. Martindale:** We are on Appropriation No. 3. Operations, \$9 million?

**Mr. Deputy Chairman:** That is correct.

**Mr. Martindale:** I have quite a few questions on the new Manitoba Housing Authority. Would this be the place to get into them, or would you rather wait until—I see it is on page 34 under Sub-Appropriation 30-3B, Property Management.

**Mr. Ernst:** Mr. Deputy Chairman, (XXX) 3.(b) is the appropriate section, Property Management.

**Mr. Martindale:** I have no further questions.

**Mr. Deputy Chairman:** (1) Salaries \$61,600.

**Mr. Gaudry:** You have one staff here cut back, and it is roughly half the salaries. What is it? Is it strictly one staff reduction?

**Mr. Ernst:** Mr. Deputy Chairman, that was the former assistant deputy minister which would show in the '89 Annual Report. That position has been declared redundant some time ago in that the operations now have been subsumed by the existing managerial staff.

**Mr. Deputy Chairman:** Item 3.(a) Administration: (1) Salaries \$61,600—pass; (2) Other Expenditures \$12,800—pass.

Item (b) Property Management: (1) Salaries \$350,000.

**Mr. Martindale:** Mr. Deputy Chairperson, I believe the changes made here in abolishing 98 local housing authorities and establishing the new Manitoba Housing Authority were partly a result of the Peat Marwick study. The Peat Marwick study had some interesting things to say. For example, on page 43 it says: On balance, there are powerful arguments for retaining the strong capabilities of local housing authority in tenant selection for expanding their involvement in project development and generally retaining their assistance in areas of local sensitivity.

Then it goes on to talk about problems in management quality and then talks about efficiency. As the minister knows from my opening statement and statements in the House and questions in Question Period, we are very disappointed that this local control and local autonomy of housing authorities was abolished.

I still have not figured out whether the government has any rationale for this major change other than saving money, and the only monies that I can see that are going to be saved are in staff salaries, by reducing the staff. I have predicted that some costs will go up. So I would like to begin this section by asking once again what the rationale was. Why was

local control and local authority abolished at the time of creating the new Manitoba Housing Authority?

**Mr. Ernst:** Mr. Deputy Chairman, one of the principal issues they talked about is the question of a \$3 million saving in operations, \$1.5 million for each of the two levels of government participating in the process. I noticed in his opening statement the member for Burrows (Mr. Martindale) referred to \$1.5 million. It is \$1.5 million for this government, but it is \$1.5 million also for our partner in this process, for a total of \$3 million.

There are a host of different reasons for the change to the MHA. Certainly the question of cost savings was one of them. Better financial control was another. Consistent application of both maintenance, repair and other types of management responsibilities is another. The question of consistent applications in terms of tenanting of facilities is another, and we could go on and on and on, but there are a host of operational efficiencies and better application of policies related to the tenanting of these particular projects right across the province that, in our view, required changes.

No one for a minute did not respect the value and the input and the hard work of a host of individuals across the province who were participating in local housing authorities. There are a number of problems in many of the housing authorities across the province, problems which I do not intend to go into at this point because of their confidential nature in many respects and not intending to embarrass anyone involved in the process.

\* (2220)

Needless to say, there were concerns that we had that needed to be addressed, and those are being looked into as the process is unfolding. There will be, for example, significant return to the two partners involved in the process simply by the management of money. The fact that over 19,000-some-odd housing units that the consolidating of the rent money that comes in, for instance, alone, if properly managed and with electronic transfer of funds to central banking—we are able to do that—should yield us significant dollars just in terms of interest income on an annual basis alone, which was not the case in terms of many of the local housing authorities where those funds were not being most appropriately managed the way you can if you have a large pool of income that can be adjusted and invested from time to time.

There are a number of reasons why this action was taken. We are in the process, at the moment, of putting together the structure. At the present time, everything is operating the same way it did prior to March 1, but we are going through the process of putting together, finalizing administrative management decisions related to the Manitoba Housing Authority. We anticipate to be operational sometime in the fall.

**Mr. Martindale:** Under Property Management, Salaries, footnote 1, it says: Salaries reduced to only reflect partial year-end requirements prior to implementation of the Manitoba Housing Authority.

How are we to know that substantial savings will be made if we cannot compare the old system and the new system?

**Mr. Ernst:** What is shown is the partial year cost associated with Property Management ongoing, and then the Manitoba Housing Authority will take over part way through the year. The Manitoba Housing Authority itself, in its first year of operations, never was anticipated to reflect full-year operating savings. It will take a year or better to finalize all of the systems and to put all of the measures into place that we anticipate accruing. We would anticipate that our subsidy costs overall should reduce, as a matter of fact, over that. Once everything is in operation for a full year, our subsidy cost should actually reduce as opposed to increase. Again, comparing that to year over year with new years added on, and so on, is going to be a little difficult to discern.

We have had a rate of increase of—well, it is reflected in my opening statement, I think—9 percent increase in operating costs year over year, and we expect that rate of increase should reduce. So I hesitate to predict a number at this point, but we should be able to significantly reduce that. To say, at the same time, we are going to be receiving revenue in the other end in terms of money management matters and, once we get into place appropriate mechanisms for the bulk purchase tendering of equipment and things of that nature, we should realize some additional savings there. Just from some of the operational changes that will be made within the system, we should also accrue some savings there as well.

**Mr. Martindale:** The minister said "subsidy cost." What did you mean by that expression?

**Mr. Ernst:** Mr. Deputy Chairman, as the member knows or should know, the rent income from

socially-assisted housing projects does not begin to cover the cost of their operations. The difference between the rental income and the actual cost is subsidy. That rate of subsidy has increased in the past year about 9 percent. The expectation is that once new systems are in place, better management controls are in place, proper money management is in place; that rate of increase—despite the fact that we are adding new units all the time in terms of additional subsidy cost—should hopefully reduce significantly.

**Mr. Martindale:** I would be interested in knowing how and why that subsidy cost should decrease.

**Mr. Ernst:** Mr. Deputy Chairman, just in terms of money management alone, they anticipated somewhere around \$900,000, I think, as the amount of money annually that we should be able to apply to the cost against our subsidy cost associated just with the money management area alone. In terms of planned maintenance programs, in terms of bulk purchases of equipment that have significant costs associated with it these days that appropriate mechanisms for, say, ongoing maintenance and things of that nature, all should, in fact, reduce our operating costs at the same time as keeping the units in as good or better condition than they are at present.

**Mr. Martindale:** Is it correct to say that the largest savings will be in reduced staff expenditure?

**Mr. Ernst:** The short answer, Mr. Deputy Chairman, is no.

**Mr. Martindale:** Where will the largest saving come?

**Mr. Ernst:** Mr. Deputy Chairman, there is no one area that is going to be the largest single conveyor of savings to the government. It is more efficient management. It is better maintenance and repair practices, bulk tendering of purchasing requirements for the total housing stock, say, the money management aspect. All of those things combined are the areas where we are anticipating to save that amount of money.

**Mr. Martindale:** Currently, where there are small numbers of units in small centres—I will use Deloraine and Russell as examples—I assume that maintenance is currently done locally. With the new structure of Manitoba Housing Authority, will that continue, or will maintenance be done from regional centres, such as Brandon?

\* (2230)

**Mr. Ernst:** The ongoing normal run of the mill, if you will, maintenance activities in the projects will be done locally on a continuing basis. Larger items, major maintenance, will be done in the region to deal with major repairs, renovations projects, and things of that nature. They will be tendered through the regional office.

**Mr. Martindale:** Is that the current practice, to tender major repairs and, if so, then there is no change. Is that correct?

**Mr. Ernst:** Mr. Deputy Chairman, I am sorry to take so long to generate the response. By and large, the present system, that is, the way it operates at the moment will continue. Large items, by and large, will be tendered. What we will get out of an MHA operation is the fact that we will be able to better plan for ongoing planned maintenance and repairs opposed to reacting to situations that occur presently where that has not taken place.

All of a sudden you are faced with an emergency crunch situation that has to be addressed immediately and was not appropriately planned for. We know, by experience, particularly by a dwelling unit type, of which we have a number, that certain kinds of activity, certain life expectancies of roofs, windows, insulation and all that kind of thing happens over a period of time. You know at the end of approximately 20 years you are going to have to replace an asphalt shingle roof, give or take five years, depending upon individual circumstances. Planned maintenance and things of that nature now will be better able to be orchestrated and better able to be managed.

By and large, again, the system should function better and for the benefit of the tenant.

**Mr. Martindale:** This is one area where I would like to be proven wrong, because certainly planned maintenance and preventative maintenance should save money. We hope that at least that goal is achieved.

There exists a structural plan for the new housing authority. Is it a public document?

**Mr. Ernst:** No, it is not.

**Mr. Martindale:** When does Manitoba Housing plan to make it public? I know that there was a public meeting at which staff were asked if they could have the new organizational structure, and they said, I do not have one, see Doug Martindale, he has got one. I do not plan to photocopy this and to give it to all comers. I would be much happier if

Manitoba Housing would release the new organizational structure. I do not think there is anything confidential in it. It has maps of the new regions. It shows where the new staff are going to be. I have been explaining it to people and explaining that it looks like there are some improvements, for example, having a senior person responsible for public relations and tenant relations. So I would like to know when that document can be made public.

**Mr. Ernst:** Mr. Deputy Chairman, I am surprised that the member has something that has not yet been approved and not yet been finalized. I do not know what he is referring to, but if he would care to table a copy, we will have a look at it. The fact of the matter is, it has not been finalized. There have been some draft proposals floating around from time to time, but nothing has yet been finalized in terms of overall operations and structure for the Manitoba Housing Authority.

**Mr. Martindale:** I do not have it with me tonight, but I will bring it tomorrow and I will show it to the minister. Perhaps what I have is a draft. I would be interested in seeing something similar eventually made public so that we can explain to people the new structure, because the questions are: How will Manitoba Housing Authority be organized; what are the regions; what are the regional centres; what are the senior staff positions, et cetera? The document I have has maps as well, which are helpful. Eventually I think it will be helpful to all MLAs in the Legislature so that when they are getting calls from constituents they can refer people to the appropriate staff in the appropriate regional offices.

**Mr. Ernst:** When the system is finalized, when all of the decisions have been taken with regard to the Manitoba Housing Authority, both in terms of staffing and locations and things of that nature, then obviously we are going to make it public and we are going to produce some documentation as well, communications documentation, so that tenants understand it, and we will be advising, presumably, all of our tenants as to the final analysis of how it functions and where their points of contact will be and things of that nature so that we will ultimately be providing that information to them and to the general public.

It only makes reasonable sense to do that, and you want to make sure that all those who are involved in the organization have appropriate

information as to where to make their points of contact and so on.

**Mr. Martindale:** I have one final question on a slightly different area, but I think it is still relevant, and that is on the subject of a manager's manual. I understand that currently there is a manager's manual for public housing managers. I have browsed through it, I have not read it in its entirety; it is quite lengthy. I am wondering if, with the new organization, will there be some sort of new manual for regional staff and other people in management and, if so, will there be major changes from the current manager's manual?

**Mr. Ernst:** Yes, Mr. Deputy Chairman, there will be new manuals issued for regional staff and, obviously, with major changes in its operations, will require significant changes in the manual as well and, hopefully, improved operations and improved practices that will ultimately benefit both the taxpayer and the tenant in terms of responsibilities and carrying out of those responsibilities.

**Mr. Martindale:** I am glad to hear that there will be a new manual and there will be major changes. One of the problems with the existing manual that I see is that it seems to have an antitenant and antiwelfare bias to it, and I hope that bias is taken out of the new manual when it is rewritten.

**Mr. Ernst:** Mr. Deputy Chairman, if you have specific instances in which you suspect or reflect or your opinion is such that it is somehow discriminatory, then, you know, I think it is your duty to table it or to present it to me, and we will certainly address the issue. It is our view that our tenants, public housing stock tenants—we have a significant number of people on social assistance and a variety of other problems associated with their individual lifestyles, but certainly the government and the department do not practise discrimination in terms of tenants.

**Mr. Martindale:** I could follow up on that request or suggestion, but it might take me a couple of weeks, but I will follow up.

**Mr. Gaudry:** Yes, Mr. Deputy Chairman, in regard to seniors housing, with Manitoba Housing, we have quite a few apartments in St. Boniface where they have vacancies. Has there been any discussion, what is going to be done with these vacant apartments, bachelor suites that are not so popular as they were 20 years ago? What will happen in the very near future, because it is not only in St.

Boniface, there are other areas in Winnipeg that have the same problem?

\* (2240)

**Mr. Ernst:** Mr. Deputy Chairman, a significant problem to deal with at the present time. What has happened, of course, is that over 15 or 20 years, those units have become obsolescent. People do not want them anymore; by and large, even if they are subsidized housing units, they still do not want them. Lifestyles have changed, people's needs have changed, desires have changed, I guess, in the overall scheme of things. So a significant problem that ourselves and CMHC are looking at a variety of ways of dealing with it.

In some cases, the structural location of the units and the way they are built lend themselves to combining perhaps two units to make one larger unit; in other cases, they do not, in situations where they are located—where you cannot combine them with another unit. There is a host of problems associated with it. We are well aware of them, and there is significant drain because every vacant unit still requires the subsidy cost of that unit to be paid whether there is income or not.

So we are addressing the issue. It is not a simple solution, unfortunately, and there may be a number of different approaches required to ultimately reabsorb them, including, I guess, at some point, we might have to even close them. At the present time we are reviewing a whole host of alternatives, and we have some studies going on at the moment to try and determine what we can do, and what we cannot do. So we will address that as time goes along.

**Mr. Gaudry:** The minister mentioned that there are studies being done. Is there a possibility that we could have copies of the studies that are in progress, or they are not complete at this time?

**Mr. Ernst:** Well, I will look into it, Mr. Deputy Chairman, and see if they are appropriate or not to be released.

**Mr. Gaudry:** Mr. Deputy Chairman, as you are aware, I have several in St. Boniface, and I have had meetings with the different building managers, and they have concerns, they have expressed concern. I would be prepared to sit down with the minister or his staff and express these concerns that have come about.

Has there been any discussion with the Seniors Directorate in regard to these vacant apartments?

**Mr. Ernst:** We have been exploring, Mr. Deputy Chairman, a number of potential uses by seniors, from abused seniors to, say, a variety of different kinds of things of that nature. They are part of the overall process, the ongoing process dealing with the fact that we have these units. They may meet certain needs whether they are short-term needs or longer term needs, whether they are suitable or not suitable for those kinds of activities. So we are working on those issues and hopefully, over a period of time, we will be able to come up with some creative solutions.

**Mr. Gaudry:** Can the minister indicate how many of these Manitoba Housing units have part-time managers?

**Mr. Ernst:** These are projects now across the province, housing authority projects, buildings? I am sorry, what is the member referring to?

**Mr. Gaudry:** I am referring to a couple of seniors housing that are under Manitoba Housing in St. Boniface that have management only half days. They have concerns because I think of the aging population. They live longer nowadays and they have concern that they are not there for part of the day. They have an association, but also the association does not look after the tenants the way it should. They feel it is not the association's responsibility, but the management should be there longer than the four hours that they are there in the mornings.

**Mr. Ernst:** Because there are a lot of variables related to these kinds of projects as to whether they are sponsor group managed or whatever, if you care to provide me with specifics we will look into it.

**Mr. Gaudry:** I will gladly meet with your staff to provide you with the information of these two housing units in St. Boniface.

**Mr. Daryl Reid (Transcona):** I would like to, if it is the right section, ask the minister a few questions about low-income subsidized housing. Is this the appropriate area for those questions?

**Mr. Ernst:** It depends, Mr. Deputy Chairman, on what the question is. I suppose we are related here to Property Management, whereas Transfer Payments to Manitoba Housing on the next page is where the majority of the bulk of the capital comes from and project approvals and -(interjection)- Maintenance? It should be under this section.

**Mr. Reid:** All right, I will hold that until the next section. I have another question—

**Mr. Ernst:** Mr. Deputy Chairman, the maintenance question should be asked here. This is the Property Management section.

**Mr. Reid:** I have had some recent communications with the minister and his department concerning low-income subsidized housing in my constituency of Transcona, and there have been some serious concerns there about the lack of maintenance on the properties which I believe are part of his department's holdings in the community. There are several areas, including the building general repairs and the lot improvements and fences, painting, just general maintenance of the buildings and upkeep of those buildings themselves.

I know for myself, having lived in that area for a number of years, that there are a number of properties that have gone into a run-down condition generally. I have not seen any scheduling of maintenance on those properties that would keep them in the manner to which a normal property, other single family dwelling in those areas would be maintained. Of course, it is causing concern with the residents who have individual properties in those areas because their values of their properties are being dragged down because the province is not maintaining its properties.

Can the minister give me some kind of indication of what type of repair scheduling is taking place and whether or not we can see some repair progress to those properties in the community of Transcona this budget year?

**Mr. Ernst:** I think the units the member refers to have been managed by the Winnipeg Regional Housing Authority. I believe they have corresponded directly with the member, indicating a proposed maintenance schedule for most, if not all, of the questions he had raised in his earlier correspondence. That is purely from recollection on my part, but we can investigate further and provide an answer for the member if he feels that communication was inadequate.

**Mr. Reid:** The minister is correct. There was some communication there, but it was inadequate; it did not give an indication as to when the repairs would be undertaken. I am still getting calls from concerned residents in the area plus the residents who are in the properties themselves. The condition is generally run down.

I would like to know more specifics on when we can expect those repairs to be undertaken and those properties upgraded to a normal standard.

**Mr. Ernst:** Obviously, the member is not happy with the responses that he did get. We will investigate further and try and provide him with a fuller response.

\* (2250)

**Mr. Reid:** Could the minister also provide me with a list of the properties, the low-income, subsidized properties that are in the community of Transcona? There were several concerns that were raised about other properties in this area, which I was unsure whether or not they were his department's responsibility, so I did not want to confuse the two. If I had a list, then I would know whether or not it was his department that I had to communicate with concerning specific properties.

**Mr. Ernst:** I am sure we can provide that.

**Mr. Reid:** Thank you. Could the minister also tell me today whether or not there are any new projects being planned for the community of Transcona or if there are any further purchases that will allow for low-income, subsidized housing in the community of Transcona for this budget year?

**Mr. Ernst:** We have applications for new projects in the community of Transcona. No decisions have been taken yet, nor will they be taken for a while yet with respect to those applications that have been received. As far as I am aware, we are not making any acquisitions in terms of land unless it is ultimately related to a specific project approval. As I indicated earlier in the evening, we do not make land acquisitions on speculation. Once projects that have been applied for have received adjudication, then we can provide further information.

**Mr. Reid:** If I understand the minister correctly, then there are no plans to purchase any property lots or to go through any construction process for this budget year?

**Mr. Ernst:** I am advised by staff that we generally do not go out and acquire land for projects. We do work in conjunction and finance ultimately acquisitions by nonprofit groups or other people related to project-specific parcels of land that are required.

We do not buy on speculation. We are not out acquiring land on speculation. We are reviewing projects from the community of Transcona that may

or may not proceed, depending on a variety of issues.

**Mr. Reid:** Could the minister tell me whether or not there are any privately owned subsidized units in the community of Transcona?

**Mr. Ernst:** Mr. Deputy Chairman, over the last 25, 30, 40 years there have been a host of different funding mechanisms, primarily through CMHC related to low-income housing. One I happen to be a little bit familiar with is limited dividend housing. I do not have any specific addresses for you, but what we will do is we will investigate and provide you with any that we are aware of at the same time we provide you with a list of the public housing.

**Mr. Reid:** Just to continue on a little bit about the schedule of repairs, I hope that when the minister does come back with his response to the questions I have raised, that he or his department can give me some kind of understanding on the type of scheduling arrangements that will be made for the repairs as has been talked about earlier this evening so that I can further inform my constituents who have come to me and raised these concerns with me.

One other area that I wanted to talk about, and I am not sure it is applicable to this section and maybe the Deputy Chairperson could advise me on that, talking about the seniors complexes in the community of Transcona. I am inquiring as to how they are funded, the seniors subsidized units, like East Park Lodge, for example. Would that fall under this section or should I wait for a further section?

**Mr. Deputy Chairman:** Are you talking about the financing of the projects?

**Mr. Reid:** It is a continuing on-going funding for the facility.

**Mr. Ernst:** I believe from what staff is advising—I am not familiar with the exact project—that it would likely fall under the transfers to MHRC section, section 4 next page.

**Mr. Reid:** I will wait until that section.

**Mr. John Plohman (Dauphin):** Madam—Mr. Deputy Chairperson, I called you Madam Chairperson inadvertently. I was just in the other committee there. There is no resemblance, I have to admit.

Is this an appropriate area? I see you have all of your staff here so I guess it would be appropriate to ask about Anicinabe Housing Corporation, management there of—it is Property Management.

We are dealing with the units that are included under that management. I wanted to ask the minister if he could clarify perhaps what the role of MHRC has been and is with regard to Anicinabe Housing in terms of authority, decision making, and also what investment MHRC has in the property that is included under their management?

**Mr. Deputy Chairman:** I do have to remind the honourable member that we are dealing with the Property Management. The MHRC program that you are speaking of is under Appropriation No. 4 under the Transfer of Payments to Manitoba Housing Renewal Corporation. If you could wait until you get to that Appropriation number, it would be more appropriate to handle that question at that time.

**Mr. Plohman:** Well, it does not matter to me. What I also want to ask about is the Department of Housing in the housing authority and so on, where have you discussed that? Has it been discussed tonight yet, and if it has, I also want to raise a couple of questions as it relates to the regional department office in Dauphin.

**Mr. Ernst:** We have been discussing it for the last hour. Should we go over it again?

**Mr. Plohman:** Mr. Deputy Chairman, the minister, in answer to my question in the House the other day, did —(interjection)— Yes, I did say Chairman. He is a man. I also say person when it is a woman.

**Mr. Deputy Chairman:** Carry on.

**Mr. Plohman:** Mr. Deputy Chairperson, let me just say that when you responded to the question that I raised, you said that the housing authority would be located in the Parkland community. I understand as Manitoba Housing Authority is being set up, and there are regional housing authorities being established, communities are asking to have this housing authority located in their communities. The minister mentioned Swan River and Roblin. Was there any solicitation done by the new housing authority in anticipation of its new role to ask for bids or proposals from communities? Is this just an interest that was shown by the communities as a result of something they might have heard in the media regarding regional authorities?

**Mr. Deputy Chairman:** For my own justification, could I see whereabouts this is within the Estimates, so I can follow along?

**An Honourable Member:** It is under Housing Authority.

**Mr. Deputy Chairman:** Okay.

**Mr. Ernst:** Mr. Deputy Chairman, what happened was when the 98 existing housing authorities were disbanded in February, it obviously brought to the attention of an awful lot of people some changes were in the wind. In that discussion, we indicated that we were looking at regional offices and the potential for change under the Manitoba Housing Authority, so that local communities, presumably, took the initiative and wrote in and said, we are interested. If you are going to have a regional housing office in the Parkland region, we would like it to be located in our community. That, from time to time, was supported by the member of the Legislature for that particular area, as was the case in Swan River.

**Mr. Plohman:** What we are dealing with then is not a clear proposal or understanding of what the role of the housing authority would be. It is simply that there would be an office for a regional housing authority, and that is what these towns were asking for consideration for. Would that be fair in terms of how that could be described, Mr. Minister?

**Mr. Ernst:** I assume that the communities, recognizing that somewhere in the Parkland region would be Manitoba Housing Authority administrative function, that they took the initiative and said, you know, we would like to have that in our community and, therefore, wrote to my office and expressed that interest.

\* (2300)

I might also say, though, Mr. Deputy Chairman, that as we indicated a number of times earlier with regard to Manitoba Housing Authority, no final decisions have yet been taken with regard to either the final administrative structure or the location of any district office or regional office in the province yet.

**Mr. Plohman:** There obviously would not be any reason why the connection would be made that the Department of Housing regional office in Dauphin at the present time would be one and the same as the regional housing authority when communities were asking for that. Would the minister say there was any information that had gone out that would indicate that the Dauphin housing office would be closed, and that its function would be assumed by the regional housing authority?

**Mr. Ernst:** Mr. Deputy Chairman, presently in the community of Dauphin, we had the Dauphin

Housing Authority and the Parkland regional office for the Manitoba Housing and Renewal Corporation. When the province, given that the housing authority has operated independently from MHRC in the past—they will not any more in the future under the Manitoba Housing Authority operations, because the functions of a regional office in the Parkland region will function in a merged mode. Obviously, they are looking at a broader mandate so that the current of operations at the MHRC office and regional office in Dauphin would be incorporated into the Manitoba Housing Authority regional operations branch in the Parkland region.

**Mr. Plohman:** That is, as I assumed, that what we are talking about here is rolling in the Parkland regional office under a new name called, perhaps, the Parkland regional housing authority, as opposed to the regional department office. Would that be correct, and would the minister say that has not been made public, that those two operations, perhaps with some administrative changes, different mechanism perhaps, be re-established under a different name? That was never stated anywhere publicly, was it?

**Mr. Ernst:** The Manitoba Housing Authority was made public on February 27, 1991. Manitoba Housing Authority, in its general terms, indicated that it would be assuming the management of all of the housing stock managed by the previous 98 housing authorities. In terms of the operation, nothing has changed, everybody is still the same, the same people are doing the same jobs, by and large, but now under the general direction of the Manitoba Housing Authority. As the process goes on, and final decisions are made with respect to structure and location of operational units, decisions will be communicated accordingly and all of their functions will be communicated accordingly.

**Mr. Plohman:** Mr. Deputy Chairperson, would the minister not think it is fair to assume that the community of Dauphin would not think they have to be in a competition for the office and function they already have?

**Mr. Ernst:** Mr. Deputy Chairman, there is no competition being put forward. What the member is referring to, perhaps, are the requests from Roblin and from Swan River. Those are initiatives taken by those communities to say: Look at me if you are looking at an office. We are interested. We can provide something maybe that you may not have considered, but that is as far as it has gone.

We have made no solicitation, we have made no overtures to anyone, but I cannot suggest for a minute to the people of Swan River that they are not entitled to make representations to anybody in looking for economic development for their community.

**Mr. Plohman:** I can understand that. Of course, there is a great need out there for economic development in all the rural communities but, as the minister and his staff made it clear in their response in writing or verbally to these communities that what they are talking about is essentially existing functions and jobs that are now located in the Parkland in Dauphin, to these communities in response to this newfound interest in a housing authority to be located in their community. Would he not agree with me that in fact they believe they are talking about a new function, a new office, not moving jobs out of Dauphin?

**Mr. Ernst:** We have done little more than simply acknowledge their interest and indicate that we will give consideration to their overtures as we go through the process, but at the present time, I would say we have given no indication of anything, because we are in the process still of finalizing both the structure and the locations of offices to be associated with the Manitoba Housing Authority. There is nothing to communicate to them, by and large.

**Mr. Plohman:** Why would there be a need to even consider or discuss the location of office in the Parkland region when one already exists, and it is staffed and facilities are there? I mean, the minister could clarify, if the function is going to change to that extent that it could not be housed in the current offices.

**Mr. Ernst:** The whole Manitoba Housing Authority structure and ultimate location of that operating unit is under consideration at the present time. We have not made any predetermined selection process. We are reviewing the potential for what makes sense from an operational point of view, and we are in that process at the present time.

**Mr. Plohman:** As the minister responsible for MHRC as it has existed, does the minister have any difficulty in terms of information from his staff, with the location of the existing office in terms of its ability to deliver programming to the Parkland housing units. I believe there were some 28 in the Parkland that the department regional office in the Parkland worked with and now are working directly

supervising those housing units directly, I guess, if there is no housing authority any longer in those areas.

Is there some logistical problem with the ability in terms of staff to deliver the services that are required? Is it not centrally located well enough? Is there difficulty with travel? Can the minister provide any light on that?

\* (2310)

**Mr. Ernst:** We are simply reviewing all of the operational proposals associated with the Manitoba Housing Authority. We took no preconceived notion. We simply look at all of the functions that the housing authority will ultimately be required to carry out, what makes sense in terms of its operational staffing, what its functions will be, what the need or desirability will be from a locational point of view. We will consider Swan River, we will consider Dauphin, and we will consider a number of other locations in the Parkland and make a decision based on the operations of where we think we can best carry out the function.

**Mr. Plohman:** Can the minister indicate whether there is a separate consultant doing that study and recommendation to him, or is this being done internally with existing staff? Who is carrying that out, that analysis?

**Mr. Ernst:** The analysis is being carried out internally.

**Mr. Plohman:** So the existing staff of the department and the deputy minister are undertaking that review of the current operations. In other words, they are going to review what they have been doing up to this point has been as efficient as it could have been.

**Mr. Ernst:** Mr. Deputy Chairman, there are two functions being subsumed here in the office. There is a regional office operation that has gone on for some time, but there is also the management of the housing stock that was not previously managed before by the department. It was managed by housing authorities. So we have to look at that housing stock, how it needs to be managed and so on, as well as the function of the regional office. That is significantly different than what it was before.

**Mr. Plohman:** What can the minister shed insofar as the extent of that review in progress at the present time? What has taken place up to this point in time, and when does the minister expect to have this completed?

**Mr. Ernst:** Mr. Deputy Chairman, we are in the middle of an ongoing process to finalize determination of the Manitoba Housing Authority structure. We anticipate that sometime this fall we will be able to have a structure in place and appropriate staff aligned to meet the needs of the regional offices and space requirements and things of that nature finalized, so that they will be able to begin operations, say, sometime later this fall.

**Mr. Plohman:** If the minister is going to start his operations by this fall, I mean, we are talking September-October, he is going to have to have this information before that to make decisions. We are already in June. When is the minister going to have the results of his review—comprehensive review, I would say—of the whole department and the functions of the housing authorities that are now going to be assumed by this new housing authority?

**Mr. Ernst:** We are in the process of dealing with that at the present time. We will have that review and decision-making process, hopefully, completed sometime in late summer and then address the question of offices and how we accommodate the staff, and so on, accordingly.

**Mr. Plohman:** Mr. Deputy Chairperson, I want to just ask the minister, how many staff are we dealing with in Dauphin at the present time under the regional office existing?

**Mr. Ernst:** There are four staff, I believe, in the regional office in Dauphin.

**Mr. Plohman:** How many housing authority staff are there presently in Dauphin and in the Parkland region whose functions will have to be assumed by the new housing authority?

**Mr. Ernst:** In Dauphin I think there are three. In the whole Parkland region I do not have that number. I will try and see if we can put together a number for you, but I do not have it at the present time.

**Mr. Plohman:** Mr. Deputy Chairperson, could the minister provide that information before tomorrow if he cannot do it tonight on the total number of people who are employed in the housing authorities?

Could the minister also indicate whether all of these positions, including the regional housing positions under the regional authority, and all of the housing authority positions are going to be centralized in one location, in terms of what we were just talking about, in terms of where this office is going to be located? Are they all going to be sitting under that one roof or are they still going to be

dispersed throughout the region as they are now, other than the four or five, whatever the case may be, in terms of the regional housing office that is located in Dauphin?

**Mr. Ernst:** In general terms, Mr. Deputy Chairman, local management—that is, local management contact—is still contemplated for all housing projects, so that a caretaker or local manager, some person in some capacity as yet to be determined, should be on site in all projects within any given region. In terms of the operational aspects of the Manitoba Housing Authority, there may be one, there may be more than one office in any particular region, as yet to be determined, but based on anticipated need.

**Mr. Plohman:** I will obviously be watching this carefully and asking questions of the minister, I am sure, at other opportunities, so I would be prepared to leave this and pass it to someone else at this time.

**Mr. Deputy Chairman:** Item (b) Property Management: (1) Salaries \$350,000—pass; (2) Other Expenditures \$5,000—pass.

Item (c) Delivery Services: (1) Salaries \$504,400.

**Mr. Martindale:** Mr. Deputy Chairperson, I would like to ask the minister if it is correct that the Private Non-profit Housing Program is the one that was oversubscribed last year. There was a proposal call and I think there were 106 proposals accepted. Is that correct? Am I thinking of the right program?

**Mr. Ernst:** The intake happens here and the projects themselves are approved under MHRC transfers, so we can deal with it here or deal with it there, as the case may be.

**Mr. Martindale:** Let us deal with it here if we can, please. Were there approximately 106 in 1991 received?

**Mr. Ernst:** 103.

**Mr. Martindale:** I guess I am particularly interested in the ones that were accepted. I wonder if the minister could table the list of those that were funded. I believe there were about six. Perhaps the minister could verify the number and give us a list of which ones were funded.

**Mr. Ernst:** I can provide the Luther Home, 41 seniors units; St. Vital Knights of Columbus, 48 seniors units; Deloraine and area seniors housing, 20 seniors units; Eden Residential Care Services, 18 family and nonelderly singles, post-mentally ill;

and Tranquility Housing Co-op, 25 family nonelderly singles as physically handicapped.

**Mr. Martindale:** Thank you for that information. Could the minister verify for me that this is the program that a number of applicants to the Seniors RentalStart program were redirected into? It was suggested to them that they apply under the Private Non-profit. Is that correct?

**Mr. Ernst:** Yes.

**Mr. Martindale:** Approximately what month were they asked to do that? I think I have seen a letter from September, but I am not sure. When were they redirected?

\* (2320)

**Mr. Ernst:** I am advised that the proposal call at that time went from approximately mid-September to mid-October, so some time during that period of time would have been the time that they would have applied.

**Mr. Martindale:** How many Seniors RentalStart applicants, approximately, applied under the Private Non-profit proposal call?

**Mr. Ernst:** Approximately 22.

**Mr. Martindale:** Would it be possible for the list of the names of those applicants to be photocopied and tabled tonight?

**Mr. Ernst:** Mr. Deputy Chairman, the short answer is no. These applications are made by various groups of people for various reasons and in varying degrees of confidentiality. I would have to contact and to determine if they wanted their name released or not.

**Mr. Martindale:** Would the minister confirm that among those applications was an application from Neepawa Elks?

**Mr. Ernst:** Yes, I can.

**Mr. Martindale:** Was Transcona Legion another one?

**Mr. Ernst:** Again, while these matters have been discussed publicly in the Legislature in the past, I am reluctant to give out the names of individual projects without the consent of the applicant. I am sure the member can understand that.

**Mr. Martindale:** I think I can understand that. I would like to go on to talk about one specific application under the Private Non-profit for the current year if it is appropriate to discuss that at this time.

I have received some information about what I think is an excellent applicant. Actually, it is three housing groups—Cosite housing co-op, People in Equal Participation and Aids Shelter Coalition of Manitoba, who have applied together to share space in the Crossways centre which will be the new name for the new building being put up on the site of Young United Church on Broadway Avenue. They have designed room for 24 housing units.

I understand that representatives of these three groups, one an artists' co-op, one handicapped individuals and the other persons with AIDS, have met with the minister. I am just wondering if the minister could comment on the relative merits of these applicants.

**Mr. Ernst:** Mr. Deputy Chairman, I have met with the group as a whole, and I have met with individual components of the group as well. About all I can say, at this point, is that their proposal along with 102 others or thereabouts that came in under the proposal call are being given consideration. We will address their concerns and their proposal along with that of the other proponents for projects under our limited ability to deliver programs, and we will deal with it accordingly.

**Mr. Martindale:** So I take it there has been a proposal call in the 1991-92 year. Perhaps the minister could tell me when the 102 applications were received?

**Mr. Ernst:** I can indicate, Mr. Deputy Chairman, that the proposal call that was held in the fall of 1990 dealt with a part of last year's allocation of units and all of this year's allocation of units.

**Mr. Martindale:** How many units were involved in part of last year's allocation? How many units for this year?

**Mr. Ernst:** For 1990, it was 152 units. For 1991—and part of the reason why we have not yet been able to give any indication of approvals for 1991 is we have not yet finalized the unit allocation from the federal government through CMHC. We are in the process of attempting to do that which will then give us an indication of what we can accommodate.

**Mr. Martindale:** Could the minister tell us what criteria there are for the Private Non-profit since there are so many applicants and so few units? I realize the criteria might be quite lengthy, but even a summary would be helpful.

(Mr. Bob Rose, Acting Chairman, in the Chair)

**Mr. Ernst:** We discuss a number of things related to each individual project but—the question of eligibility, the capability of the sponsor consultant, the consistency with departmental objectives, delivery constraints, if any, cost effectiveness of the project, viability of nondesignated units, need for designated units, appropriateness of location and types of units and things of that nature.

**Mr. Martindale:** I would like to pass to the member for Transcona, and then I will come back to some other questions on salary.

**Mr. Reid:** Mr. Acting Chairperson, could the minister give me some indication on the purpose for a needs and demand survey?

**Mr. Ernst:** Mr. Acting Chairman, dealing with the question of needs and demand surveys for targeted low income units, we are obviously interested in the need in a given area for people of low income to have targeted low income units for them to occupy. We are also interested in the kind of accommodation that they presently have to determine how adequate or inadequate it is, as the case may be. It is an opportunity to assess, as it says, the needs and demand for low income housing.

**Mr. Reid:** To further clarify that then, I take it when that needs and demand survey is done to determine the need in the surrounding community for that type of housing, that a large number of people in the surrounding area of where the proposed site is to be are contacted concerning their interest in taking part in the project after it is completed; I mean, to occupy the units that would be available.

**Mr. Ernst:** These activities generally are carried out by the sponsor groups associated with nonprofit housing proposals. We assume that they do that, but we cannot always guarantee that they take in all or a significant part of an area. They utilize that to obviously create support for their project.

**Mr. Reid:** Mr. Acting Chairperson, the minister, a few moments ago, indicated that he could not release the names of the groups that were involved in the RentalStart program. I ask the minister again if he will release those names of those projects that were on the list for the RentalStart program?

**Mr. Ernst:** Mr. Acting Chairman, the request was for the people who had submitted to the proposal call for the Private Non-Profit Housing Program, and if it was without their consent, I hesitate to release the list.

\* (2330)

**Mr. Reid:** Mr. Acting Chairperson, a moment ago, the minister stated it was because of confidentiality, that he wanted to have those names remain on the list unknown to other parties until he received clearances from the sponsors of those projects.

I suggest to the minister that those projects are well known to the public at large and to the surrounding communities, that there is no need for confidentiality in these cases, and that the minister should release the list of the names of those projects that were on that list.

**Mr. Ernst:** Mr. Acting Chairman, the member for Transcona can have his opinion and I can have mine. The fact is, I have the responsibility for dealing with all of those proponents. If they are agreeable, I am agreeable.

**Mr. Reid:** Mr. Acting Chairman, then the minister is suggesting that even though it is public knowledge for all of these projects, that he is unwilling to release this information to the members of the committee here. -(interjection)- If I want your opinion I will ask for it, thank you.

**Mr. Ernst:** Mr. Acting Chairman, if these are widely publicly known, then there will not be a problem, and they will obviously grant their consent. We have private groups of people submitting an application, a proposal for funding for a housing project of one type or another. They may have no objection to that information being publicly released; they may. I do not know. These are private groups of people, and I am not about to release all of the names of these projects unless I have their consent. That is my position.

**Mr. Reid:** Mr. Acting Chairman, considering that there are also large numbers of people involved in groups such as Kinsmen or Legion organizations who are involved in the ultimate decision to go ahead with a project like this as a sponsor means that there are a lot of people who are involved in the process, and in that sense, by itself, means there is no confidentiality because they, in turn, will talk to other members of their organization.

I suggest to the minister again that he is using that as a ploy to keep that list away from members of this committee. I ask the minister to release that information to the members of this committee.

**Mr. Ernst:** Mr. Acting Chairman, I am not about to release the names of a women's shelter group who are seeking support for that kind of a project

because the member for Transcona feels he is hard done by.

Quite frankly, as I said, those people have submitted these projects—now, there may be individual projects, such as the ones he mentioned, dealing with a service club or other, that have no objection. If they have no objection, I will release the information. I am not about to release the information for a bunch of other projects where we have no consent of the applicant.

**Mr. Reid:** When can we reasonably expect to have this information from the minister? What kind of a time frame can he give us on this?

**Mr. Ernst:** Mr. Acting Chairman, I have no idea how long it would take to contact these people to determine if they are prepared to have their names released or not.

**Mr. Reid:** Will the minister give members of this committee assurance that he or his department will contact these project sponsors this week and attempt to ascertain from them whether or not they would be willing to let their names stand on the list that he could release to this committee?

(Mr. Laurendeau, Deputy Chairman, in the Chair)

**Mr. Ernst:** Mr. Deputy Chairman, we will undertake within a reasonable time to do that. I am not going to have the staff drop everything that they are doing to run around and try and communicate with these people. We will undertake any reasonable proposal and try and have that information back within, again, a reasonable time.

**Mr. Reid:** Mr. Deputy Chairperson, there are 22 projects that were shown a few moments ago—the number that was given by the minister. I am sure that a form letter would be appropriate in a case like that; the same type of letter could be issued to every one of those project sponsors, and that could be undertaken this week.

**Mr. Ernst:** I have said, Mr. Deputy Chairman, I would be more than happy utilizing reasonable circumstances, the fact that there are approximately 103 applicants to this particular program, to seek their opinion and reply accordingly.

**Mr. Steve Ashton (Thompson):** Mr. Deputy Chairperson, last Thursday I had the opportunity to call a joint meeting in Thompson, a public meeting on housing concerns with the recently formed Thompson tenants association. Many of their concerns related to rental concerns, high rent increases, as high as 14 percent, the problems in

terms of conditions in many premises. I will be raising those with the minister in writing and would appreciate some response in terms of those direct concerns. At the same time as identifying the problems, and believe you me the 40, 50 people there identified many problems in terms of housing in Thompson, people were also looking at solutions as well. That is why I am raising a number of the concerns under this particular item in the department because it does deal with rural and northern housing.

To put it quite bluntly, the concerns expressed ranged as I said from the rental concerns to direct evidence of discrimination in housing. One woman at the meeting indicated she had worked at a property office where applicants had been coded as to whether they were Native or non-Native and were given accommodation, or not given accommodation, accordingly. This once again is not an unfounded accusation; this is from someone who worked in the office. So there are real problems not just in terms of overall concerns, but direct discrimination.

What I would like to ask the minister is what the department is looking at in terms of housing alternatives, solutions to these type of problems so that people are not subject to discrimination in housing, they are not subject to poor maintenance and high rent increases.

\* (2340)

By the way, I should indicate this is an increasing problem in Thompson because of the low vacancy rate. People have no choice if they are faced with poor conditions and high rent increases. In fact, not only do they have no choice, many people on social assistance are currently having to take out from their overall budget those rent increases. They are having to take it out of food because of the fact that they have no alternate accommodation.

The amount of public housing in Thompson is relatively limited compared to the population. It consists of what was the Burntwood Housing Authority, and there was a recent addition there, and some of the housing delivered by this section in conjunction with the Keewatin Housing Authority, the Keewatin Tribal Council is operating that.

I would like to ask the minister what the plans of the department are in terms of dealing with the conditions in northern urban communities, such as Thompson?

**Mr. Ernst:** Mr. Deputy Chairman, I am assuming for the large part the members are referring to private sector housing in Thompson, not units owned or managed by Manitoba Housing and Renewal Corporation or Manitoba Housing Authority or something along that nature.

**Mr. Ashton:** I am referring to housing alternatives generally. The consensus at the meeting was that virtually anything would be better than the conditions people are living in now, in many cases, slum housing conditions of the worst kind. So that would include that and co-op housing, housing authority units, whatever the policies of the government are, the plans are in that sense.

**Mr. Ernst:** Well, Mr. Deputy Chairman, I am assuming just to deal with the questions that were originally raised by the member that relate to the 14 percent rent increase, the lack of maintenance and things of that nature are dealing with the private sector housing in the community of Thompson.

First, let me say that there are mechanisms in the short term to deal with those things. Question of discrimination, if there is evidence of discrimination, then obviously the Department of Justice Human Rights Commission should deal with those issues. They should be raised in that forum. Discrimination ought not to be tolerated and, as a result, they should deal with that.

The question of maintenance, on two fronts: firstly, the landlord and tenant legislation requires minimum levels of maintenance and so on that should be raised with the Landlord and Tenant Affairs branch. If there is inadequate maintenance going on and inappropriate conditions, then there are mechanisms in place to deal with that. I am sure that the city of Thompson has a mechanism to deal with minimum standards. I know that many municipalities do have minimum standard by-laws to deal with the questions of maintenance and ways and means of keeping accommodation in a reasonable manner. Those should be accessed immediately, because these issues ought not to be continued and they ought to be dealt with in an immediate manner.

The question of rent increase, again, any rent increase in excess of the guideline has to be approved by Landlord and Tenant Affairs, and the tenants have the right to appeal that rent increase. It does not require a lawyer. It simply can provide the mechanism for appeal of that rent increase if they feel it is excessive. Sometimes you have the

circumstance where one triggers the other, in the sense that increased repair costs may require an increase in rent to be able to accommodate the increase in repair costs. I do not know the circumstances of each individual circumstance, but all those things can be accessed in a current manner.

I am advised by staff, Mr. Deputy Chairman, just delivered 10 brand new family housing units in the community in Thompson just in the last little while. The question of the aboriginal housing programs, rural and northern urban Native also have applicability in the community of Thompson, and needs along those lines are addressed jointly by ourselves and CMHC. All of these mechanisms are in place at the present time.

The housing circumstances in Thompson seem to be, from time to time, feast or famine, depending upon how well Inco does at any given point in time. At one point, there were all kinds of vacant apartment buildings that had been built hastily when there was a big demand and then closed up when there was not, so that it is difficult to always gauge that circumstance; but if circumstances warrant and our ability to deliver is there, we will certainly be addressing other needs in Thompson as time goes along.

**Mr. Ashton:** I appreciate the response of the minister. I do want to indicate that, in terms of the rents, I will be pursuing concerns I have, and I know our housing critic has, about the extent to which costs can be passed on. The 14 percent rent increases are currently before the rent appeals committee, and some of the eight, nine and 10 percent increases, I think, show a weakness in the system that allows, I believe, far too much of a capital pass on, but I will pursue that further at another time.

In terms of the maintenance question, I want to indicate that one of the problems in a lot of cases is that you have many people on social assistance who do not understand their rights. If they do understand their rights, they do not feel they can pursue them. I have personally gone into blocks in Thompson and had 10 out of 12 tenants complain about conditions. Upon follow-up from the minister's department, one or two have filed official complaints. People are afraid that they will be evicted if they complain, and that is a continuing problem.

I have written to the Minister of Family Services (Mr. Gilleshammer), outlining my concern that many of these tenants are on social assistance so, in effect, the government is paying the shot. I believe the government should be, itself, far more active and should refuse to fund social assistance recipients in buildings that do not meet the minimum standards, and many of them do not.

I believe the government of Manitoba is fast becoming the biggest indirect slum landlord in the province. I would ask if the minister is willing to sit down in the context of what is happening. The fact is that in Thompson, I would say, the vast majority of people in some of the worst conditions are people whose rent is paid directly to the landlord by the Department of Family Services. Will the minister agree to sit down with the Minister of Family Services (Mr. Gilleshammer) because the Minister of Family Services is saying, well, the tenants can complain if they want?

I can show the minister that is not happening. Will the minister and his department take the lead role in trying to get some decent conditions? This, by the way, is in a community that has one of the highest standards of living in the country yet, at the same time, paradoxically, has some of the worst slum conditions that would match anything in Winnipeg. I have been in every single one of those blocks. Some of the conditions are absolutely disgusting. The problem is, no one seems to want to do anything about it. Is the minister willing to take the lead role in that and, if necessary, put some of these slum landlords out of business?

**Mr. Ernst:** Well, Mr. Deputy Chairman, as a matter of fact, that is the exact intent of the new residential tenancies legislation, the fact that it does improve the ability of the government to act in cases of circumstances such as you describe. The linkages with the Family Services are strengthened in that circumstance but, in the short term, prior to that legislation being implemented, certainly I would be pleased to discuss the matter with my colleague, the Minister of Family Services (Mr. Gilleshammer), and attempt to see what can be done, say, in the short term, pending the full and complete operation of the new residential tenancies legislation.

\* (2350)

**Mr. Ashton:** I could indicate on that, I will be willing to work with the minister's department. I know the tenants' group will be willing to work with the minister's department. People in my community

want to stop the slum landlords, stop the slum conditions, and we are willing to work with the minister in whatever way is necessary to do that.

One other final question I had was in regard to outlying communities. There are a number of communities in northern Manitoba that have over the years had a variety of programs in terms of housing. In a number of communities I represent, Thicket Portage and Pikwitonei, for example, one often finds people on different ends of the street or under totally different programs. There are some real anomalies developing between individuals who are in rented premises where there is at least some recourse in terms of maintenance, whether it be CMHC or MHRC, or those who technically have title to their home but are on social assistance.

I have a case in Pikwitonei of a woman which is very classic. A number of people in Thicket Portage are in the same situation. She is on social assistance. She has no budget for repairs to her house. Her house is in terrible shape. She technically owns the house. She cannot get a mortgage on it because it is worthless on the market. She cannot sell it and is being told by everyone she has contacted that there is nothing that can be done.

I am wondering if the minister can indicate what programs, if any, are in place or anticipated to be in place in communities to deal with that sort of situation—not just in terms of providing the rental units and services to rental units, but also to provide a decent minimum level of housing for people who are in units that are technically owned by those individuals.

**Mr. Ernst:** There is a considerable degree of overlap or meshing with CMHC in a number of these circumstances. I think rather than make any general statements at the moment, if the member would provide us with the information regarding one or more of these circumstances, we will have to investigate them individually and see what can be done to address those issues.

**Mr. Ashton:** I appreciate that. One thing I would suggest to the minister particularly in the housing area and particularly in regard to Northern Affairs communities, because you are under totally different programming delivery base in terms of the reserves and with the greater degree of self-government on reserves, there is far more accountability with the bands in terms of that. I would appreciate the minister looking particularly at the situation in Northern Affairs communities,

because increasingly that patchwork is beginning to break down.

We are seeing some of the housing stock built in the '70s and '80s that is quite literally collapsing. It was poor conditions to begin with, poor construction, and I would be quite prepared in this particular case to take, if not the minister, I recognize he has a busy schedule, but staff members from the minister's department, staff people into those communities and show them directly the conditions people are living in. I have seen rotting floorboards. I have seen walls that are collapsing in and, you know, I think of the one particular individual, Emily Moose in Pikwitonei, when I went into her house, it made me totally depressed that I had to see her living in that situation. She is caught in the situation. She is on social assistance, but she has title to her house and she cannot get anything done to fix in that community. I, quite frankly, am afraid for her safety in that particular building because it has become rapidly a firetrap.

So I would throw that as an offer to the minister's department. In fact, if the minister could indicate to me people that might be available to go into that community, I will personally take them over to Emily's house and other houses which are in a very similar situation. I would appreciate anything the minister could do to revamp the program so that these people are not left falling between the cracks.

**Mr. Ernst:** Mr. Deputy Chairman, certainly if there are dangerous circumstances, we would want to deal with those as quickly as possible. We need to determine first of all under whose program and whose responsibility these units have been delivered. If it is CMHC, and as we suspect it may well be, then it is CMHC people who will need to be involved in these circumstances. If you can give us some names and I guess addresses, a difficult thing to do sometimes, but locations at least, we will attempt to pursue that and determine whose responsibility it is and then bring that to the appropriate—if it is ours, we have staff obviously and can deal with it. If it is CMHC, then they will have to deal with it, and we will raise it with them at the earliest opportunity.

**Ms. Rosann Wowchuk (Swan River):** Mr. Deputy Chairperson, I have several questions that I would like to ask in this department, and I hope I have not missed the opportunity to ask questions that may have been passed under previous lines, because I was in Decentralization Estimates.

To start off with, I have questions about the community of Camperville. The community of Camperville last year had the opportunity to deliver several housing projects in their community. They found that was quite beneficial to them, but they are concerned at this point in time as to whether there are going to be any homes delivered in Camperville and whether or not the council and the housing officer that they had hired will have any opportunity to deliver those services in their community.

**Mr. Ernst:** I can advise the member for Swan River that program is delivered by Canada Mortgage and Housing Corporation through their delivery agent, the Manitoba Metis Federation. While we participate on a cost-shared basis, delivery of the program and all matters associated with that delivery are carried out by CMHC or their agents and not by Manitoba Housing.

**Ms. Wowchuk:** Can the minister then advise the people of Camperville what routes they should take or what their opportunities are?—because, as they indicated to me, they will probably not have the opportunity to deliver this housing, because there has been a change and that has proven to be an economic benefit to them. We want to see all of those communities have the opportunity to have economic growth, and I am not quite sure what route they should be taking then, if it is not through this department.

**Mr. Ernst:** Well, Mr. Deputy Chairman, I can suggest to the member for Swan River that she detail her questions, her concerns in this regard to me, and I will undertake to see that it is directed to the appropriate officials.

**Ms. Wowchuk:** Mr. Deputy Chairperson, can I ask the minister then, has there been a change in delivery through Manitoba Housing to MMF, or is that only through the CMHC?

**Mr. Ernst:** I can indicate to the member for Swan River that there has been no change, that CMHC delivers their units through their agent, the Manitoba Metis Federation. Now, if there is something else, if the community wants to get into it on their own or something like that, if that is what you are suggesting, that would be new and that is something quite apart and different from what has happened in the past.

**Ms. Wowchuk:** Just for clarification, Mr. Deputy Chair, was CMHC delivering through Manitoba Housing prior to this?

**Mr. Ernst:** No.

**Ms. Wowchuk:** No. Okay. Can the minister tell me—

**Mr. Ernst:** With the proviso that if you are referring to the early 1970s, then it may have been the case at that point, but not in the last—

**Ms. Wowchuk:** Not within recent years, okay. Can the minister tell me, are there any homes through Manitoba Housing that are going to be delivered in the Camperville or Duck Bay area this year?

**Mr. Ernst:** Indications are no. We are not delivering any programs, but CMHC may well be delivering programs through the Manitoba Metis Federation, who act as agents for CMHC in these programs.

**Ms. Wowchuk:** Mr. Deputy Chairperson, I want to ask the minister on another area. Have we passed the line on Housing Authorities, or is there still the opportunity to ask questions on that area?

**Mr. Ernst:** We have technically passed it, but I will entertain a question if the Deputy Chairman lets me get away with it.

**Ms. Wowchuk:** Thank you, Mr. Deputy Chairman. The other day in the House we had an incident where the minister tried to indicate that the member for Dauphin (Mr. Plohman) and I were applying for the same housing offices. I want to ask the minister, when the local housing authorities were abandoned, the communities were led to believe that there was going to be delivery services provided in many areas. In fact, there would be seven, I believe, new regional offices that would be set up. The people in Swan River were led to believe that there would be an office within the Parkland, and nowhere was it their intention that it would be the office from Dauphin that was going to be decentralized.

Can the minister tell me whether or not the project that the people from Swan River applied for is the office in Dauphin, or whether there is going to be an additional regional housing office in the Parkland area?

**Mr. Ernst:** Going from memory—so I ask the indulgence of members of the committee—but it seems to me that they expressed an interest in housing authority office, not defined for the Parkland region, as did the community of Roblin, so that whether there is one or more offices, I do not think anybody specifically mentioned, simply expressed an interest, as they should. I mean, as every community should if they are off the mark getting on

looking for economic development for their community. That is what they should be doing, out beating the bushes. Every opportunity that comes along they should grab it.

**Mr. Deputy Chairman:** Order, please. The hour now being midnight, committee rise.

\* (2000)

## SUPPLY—DECENTRALIZATION

**Madam Chairman (Louise Dacquay):** Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with Decentralization, page 160.

The honourable member for Swan River has 18 minutes remaining, if she so desires.

**Ms. Rosann Wowchuk (Swan River):** Madam Chair, as I look at these Estimates, I think it is going to be very interesting getting some answers. I hope the minister can give us some answers and does not tell us that we have to go to different departments to find out where people are transferred and which ones are not transferred.

I want to make a few suggestions as I continue. My suggestion to the minister is that if he is going to continue on with decentralization and providing services to rural Manitobans, as the services should be available to rural Manitobans, I encourage him to talk to his cabinet when they are doing this, that they do it with more understanding and more planning. Perhaps they would take some consideration of areas that have high unemployment, areas where services are needed and try perhaps, Madam Chairperson, not to be as political in their decisions as they were with the last plans, providing services to areas that perhaps had very low unemployment rates compared to other areas.

I would also encourage this government, as they look at decentralization, they look at services that are really needed in the rural area, services in the health field, services in the mental health field, promises that were made to decentralize and provide services. I hope they will look at these and any as well in housing that the services be at a level where people can access them easily rather than centralizing, as we seem to have both in health services and in housing.

I would hope this government, when they make their future plans on decentralization—as this minister has indicated he intends to—they also consider the workers and do much more

consultation with departments before they make hasty decisions. Most of all, I encourage the minister to be honest with the people and do not play games, as was done with the last decentralization and make it into an election promise that was then broken.

As the minister well knows, you can fool some of the people some of the time, but you cannot fool all of the people all of the time. This minister credits his department with doing a good job. I suggest that maybe he should go out to the rural communities, to some of the aboriginal communities, and listen to what they are saying about how happy they are with this whole decentralization and the jobs that did not come and the services that have not come to rural Manitoba. Particularly, the people in rural Manitoba are not happy with the offloading of this government, not only, as I said, Madam Chairperson, not happy because they do not have the jobs that they were promised, but also that they have been asked to pick up many, many costs. As the rural economy is in a very poor state right now, we all know that services are going to decrease in the rural area.

I ask the minister: How does this government expect people who live in cities, who are used to having many services right at their fingertips, how does he expect that these people are going to be happy moving to rural Manitoba? There are many attractions in rural Manitoba, but we have to make them known.

They also need services, and the more offloading we have onto municipalities, the less services that are going to be there. The minister who is also responsible for Rural Development should look at improving the services in rural Manitoba, and perhaps it will then be more attractive to some of these people who are being transferred out to the rural area.

In closing, I have several questions to ask and my colleagues have specific questions to ask. I encourage the minister to give us sincere answers on these questions. Thank you.

**Madam Chairman:** Does the honourable minister wish to have his staff enter the Chamber?

Item 1. Decentralization \$5,000,000.

**Ms. Wowchuk:** I am sorry, Madam Chair, are you asking us to pass this line without the staff coming in?

**Madam Chairman:** Would the minister's staff please enter the Chamber?

**Hon. James Downey (Minister responsible for Decentralization):** Madam Chairman, I want to introduce Mr. Syd Reimer, who is in charge of decentralization; Mr. Jack Russell and Mr. Don McIntosh, who have been part of the decentralization team.

**Ms. Wowchuk:** Madam Chairperson, we see a great increase in the Decentralization budget, but there is no explanation of the increase. I guess we are going to have to ask many questions before we get our answers.

I would like to begin the questioning by asking the minister to give us a breakdown of how the \$4 million will be spent. In particular, how much of that is going to be spent on projects on decentralization that were proposed in the last two years and how much of that is going to be spent on future decentralization projects?

**Mr. Downey:** Madam Chairman, it is a \$5 million Decentralization amount, not \$4 million. The monies last year that were allocated for decentralization were \$1 million. That was to look after last year's expenditures. I do not know to date. I will have to get the figure as to what has been spent this particular year. I will have to get the specific details of the amount specifically that is spent to this point, but it is under a million dollars at this point.

**Ms. Wowchuk:** Can the minister tell us how much of the \$1 million dollars budgeted last year was spent?

**Mr. Downey:** No, Madam Chairman.

**Ms. Wowchuk:** Madam Chairman, did the government spend any money on decentralization last year?

**Mr. Downey:** Yes, Madam Chairman.

**Ms. Wowchuk:** Can we get a detail, a breakdown, or what was spent on decentralization last year of the \$1 million? If the minister does not have it now, can he provide us with that?

**Mr. Downey:** Yes, Madam Chairman.

**Ms. Wowchuk:** Just for clarification, Madam Chairman, will that be available to be presented soon? I am a little confused right now on this spending.

**Mr. Downey:** Yes, Madam Chairman.

**Ms. Wowchuk:** I would like to ask the minister, of the \$5 million budget that is budgeted this year, what amount of that is proposed to be spent on capital?

**Mr. Downey:** Madam Chairman, a very small portion of that would be spent for capital as most of the properties that are being assembled and developed for the government are basically leased properties. There will be individuals who are building and leasing to the government. There is a very small portion of that goes into capital expenditure.

**Ms. Wowchuk:** Can the minister tell us how much of this—has his department got plans for future decentralization this year, additional to what was proposed in the first announcement?

\* (2010)

**Mr. Downey:** Nothing major, Madam Chairman, just some minor adjustments to the ones that have already been decided upon. There may be some small new initiatives but, basically, nothing of any major magnitude.

**Ms. Wowchuk:** Is the minister expecting that—or can I ask the minister what percentage of this budget will be spent in transferring, in moving costs to relocate staff people?

**Mr. Downey:** Madam Chairman, at this point it would be mainly speculative, as we are still in the process of moving some of the major decentralized operations. At this particular point, I cannot give the specific details, but that is what the \$5 million is there for. Our moving costs are for the whole activities that relate to decentralization. So I guess one could say that there has been an allocation of \$5 million. I am sure it will not be used totally for moving costs, but it is there for related decentralization activities. At this point, I do not have a breakdown as to what it would break down as to moving costs, et cetera.

**Ms. Wowchuk:** Perhaps the minister can give us a little bit more information on the number of positions that have actually been moved. There were 526 proposed to be decentralized from the Civil Service. How many have been moved to this date?

**Mr. Downey:** Of Civil Service positions, Madam Chairman—and I will attempt to get this right—I believe the initial figure that was started as far as the government is concerned were 621 positions. Of those 621 positions—and this is excluding Crown corporations—of that figure, there are 146 that are currently in place. Contracts awarded, an additional 145, which brings us up to 300 and—not quite 300, I am sorry, just under that.

In the process of decision making at this particular time, 43 are in the process currently of being

decided upon. There are some—I want to correct that figure, Madam Chairman, there are 186 currently in the process of decision making. There are, including those that were impacted—this is budgetary impact and further review—there are 105 and a half positions that are under review and have had budgetary impact.

**Ms. Wowchuk:** Can the minister explain that budgetary impact? Are those the positions that were supposed to be decentralized, but were then cut? Is that what the 105 are?

**Mr. Downey:** Okay, I have to go back again. It was initially 621. There were five added to go to 626. Currently there are in place 146. Recent contract awards have increased that an additional 145. The decision-making process at this particular time are 186. There are 105 under review at this particular time as it relates to the budget.

**Ms. Wowchuk:** Can the minister clarify for us what “decision-making process” means? What is happening there versus “under review”?

**Mr. Downey:** Basically the same thing.

**Ms. Wowchuk:** Can the minister tell us what is the decision or review that has to be made? Is this a decision not to decentralize, to cut positions? What is the decision that is being made now?

**Mr. Downey:** Madam Chairman, let me further elaborate. As we had indicated, particularly as it related to two decentralized activities, one being the Vital Stats to Dauphin, the other one the bookstore to Souris. The move of the Vital Statistics to Dauphin was, in fact, adding some additional amounts of dollars to upgrade the Vital Statistics branch in that move. In fact, the decision was taken not to move it at this particular time with the additional costs that would be added.

As well, the bookstore, because of the lease arrangements and the facilities that were being occupied by the bookstore, was not able to be subleased or, in fact, adequate backfill was to be put there. The delay until 1993 has been taken.

In the meantime, and I guess, Madam Chairman, I want to be very clear on this, as well there have been some comments brought forward as to the viability of that decision, so we are making sure in the final analysis of both of those decisions, as we have in all of the moves that have taken place, that the decision is a sound one and that it can accommodate the activities adequately in the move. We do have some time to do that, as both

communities have been notified. The Legislature has been notified. We have not made any secret about it. We have said from day one that there is a delay in some of them.

Those are the two major ones. There are also some other areas where the budgetary decisions impacted some of the decisions and at this particular time are in a delayed position.

As we continue to move down the road of seeing these decisions made, both by the department of which initially offered up the decentralized positions and a further review of the space that is needed, and a further decision as space is needed as it relates to accommodating the space that it is moving out of, or a position is moving out of, then final decisions are made. But I guess when one concludes to date that, over the period of time that we have entered into this particular program, I think we have shown significant decentralization activities.

When one adds the Crowns, the total Crowns that have been moved to this date, we see an additional 104 Crown positions decentralized on top of the 300-and-some government positions that are basically on stream or completed. So I think that, from the initial decision to this point, we have shown very good progress; and, as decisions are completed, they will be announced.

This last week—the members may well not have heard, but I should reiterate what they are again for the benefit of those who may not have been here earlier—we have seen Brandon with a major decentralization announcement over the last week, Minnedosa, Neepawa and, in addition, both Carman and Winkler.

\* (2020)

**Ms. Wowchuk:** I am a little bit confused by the answer from the minister. Is the minister telling us that they made this decision to decentralize without doing preliminary studies? What are the additional costs that have arrived in Dauphin? Was the department not aware of leasing contracts before they made the decision to decentralize, or that just falls into our suggestion that this was a very hasty decision and the research was not properly done?

**Mr. Downey:** I do not accept that, Madam Chairman. What the process was—and it is clearly on the record—departments were requested to bring forward recommendations as to areas within their department that could be decentralized and where in fact they could be carried out, the work

activity could be carried out, in a decentralized community. For example, and the members can criticize and be against it if they like, the Communities Economic Development Fund for some six—the act came in, in 1973; it was established and set up in the city of Winnipeg to service remote and isolated communities.

We had the Schreyer government in place from 1973 to 1977; we had the Lyon government in from '77 to 81; we went from '81 until 1989, 1990, without any move by the New Democratic Party to move the Communities Economic Development operation to Thompson—very straightforward, natural move, but for some reason they did not show support for northern Manitoba, they did not show support for rural Manitoba.

The same, Madam Chairman, when it comes to the Water Services Board. In 1979—I happen to have some documentation here that spells out the comments of the Leader of the NDP party (Mr. Doer) when he was the head of the MGEA and his disbelief for decentralization. In fact, he went to Premier Sterling Lyon to try to stop Jim Downey from the move of decentralization to Brandon. Again, I guess one would have to assume that the NDP party are in opposition to decentralization—

**An Honourable Member:** Maybe that is going a little far.

**Mr. Downey:** Well, the member says, "going a little far." I can go into more recent times which is absolutely contrary to his Leader. Now, the NDP had better get their act together.

I happen to have a news release that was put out by some man by the name of Plohman. What did he want to do? The MLA for Dauphin said today that a comprehensive decentralization program could be put in place for Manitoba's regional centres. Under the NDP option, entire departments, including the minister and deputy minister, would be relocated to regional centres including Brandon, Dauphin, Beausejour, Portage and Thompson. Moving the department is the most logical and efficient way to decentralize, Plohman said.

Well, it seems to me that would be at about May of 1990, so that is contrary to the Leader of the NDP party. The plan is in place, and it is working quite well, thank you, Madam Chairman.

For those members who would like to criticize it, I guess one can continue to listen to their criticism and make sure the communities out there hear the

criticisms opposite. I can tell the member for The Pas that—

**Mr. Oscar Lathlin (The Pas):** Politics.

**Mr. Downey:** The member for The Pas says, politics.

What do you suppose this press release from the member for The Pas was all about? What do you suppose that was all about? -(interjection)- Yes, that was before the election. That was just before the election, and so it was the member for Dauphin (Mr. Plohman) playing politics with the lives of people. He was not serious about delivering decentralization; he was more interested in playing politics.

You did not have to dress for the occasion—I mean, that appropriately.

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Did you think I was going to miss this?

**Mr. Downey:** I thought at least you would have a member here to give an opening statement.

Anyway, Madam Chairman, I am pleased, as I have said, of the progress to date. The member for River Heights will either get a repeat of the answers or she can read Hansard, and I will leave it to her choice.

To the member for Swan River (Ms. Wowchuk), there has been a plan in place. It has been going well. There have been I think some delays, which have been unfortunate, but necessary. When one considers the magnitude of the move and the time frame in which it has been carried out and the budgetary activities that have taken place, which have not been easy decisions, in the interim I am satisfied that the best job possible has been done. Again, I would expect the members opposite to point out areas that they may think otherwise.

**Ms. Wowchuk:** As the minister has said, they have put a lot of work into this. Can the minister tell us, did they hire a consultant to do this work and, if so, how much was spent on consultants?

**Mr. Downey:** Yes, Madam Chairman, there were three real estate organizations that were hired, if one would consider them consultants. They were part of the allocation of space or the acquiring of space, and assistance to the decentralization committee. I think approximately \$70,000 may have been spent in that area.

**Ms. Wowchuk:** Can the minister table a report of these consultants? Also, I would like to ask the minister, first of all, who are the consultants that were hired, and is there going to be any further consulting work done in this year? Also, when he did the consulting work, was it only on real estate and looking for properties, or was there any consulting work as to what the impacts would be of these decentralizing, cost savings and things like that? Was any type of that work looked at through consultants?

**Mr. Downey:** Yes, Madam Chairman, the companies of Aronovich & Leipsic, McKeag Realty and John Flanders were the three organizations that were hired by the government to basically call for proposal and present to the government the best option to acquire leased property at.

The actual cost savings were on space, and that type of calculation is done within the decentralization organization.

**Ms. Wowchuk:** I did not hear if the minister answered, is there a report available from these consulting companies and will he provide us with that report?

**Mr. Downey:** No, there is not a report, but there is on each particular acquisition of property as the lease is concerned. The best option was presented to the government, Government Services, for the government to lease the space at. That is the only report that is available. They presented us with a best option which we could get space at in a community.

**Ms. Wowchuk:** I would like to ask the minister, why did he choose to use outside consultants to do this work? Could it not have been done through Government Services? Do they not have those skills within that department?

**Mr. Downey:** Basically, Madam Chairman, they do have some limited capacity within the Department of Government Services, but with this new initiative that in fact put additional amounts of workload on the department. I guess when one looks at the magnitude of the work and the time, it would be very little more than a senior civil servant with expenses to carry out the work activity of three companies, and I think would and hopefully has given the government the best options and does not in any way raise any concerns as to the fairness. We have had three outside companies, I think handle fairly and appropriately, and I am quite satisfied that the right decision was made. I would say the

negotiating abilities of those individuals has made us money and at least not cost us any.

\* (2030)

**Ms. Wowchuk:** Can the minister tell us then, did these companies recommend which communities the decentralization should go to or was that a government decision?

**Mr. Downey:** That was basically a government decision, Madam Chairman.

**Ms. Wowchuk:** Can the minister tell us why he made the decision to hire three consultants to look at real estate property, but why he did not hire a consultant to look at what impacts the moves of these positions would have or where services were needed; why that decision was left to government, but he would not use government services for the real estate part of it? I would think that the decision to move departments would be an area where we would need consultants to look at impacts on communities.

**Mr. Downey:** Basically, Madam Chairman, the member should be aware that is what governments are elected to do, make decisions and then live by those decisions that are made.

As far as the carrying out of the administrative and technical work, it was seen as the government. The best way to get the best proposals brought forward without criticism of favouring one realtor, one company over the other, was that there be three employed on a shared basis which would present to government properties that are proposed for lease in communities that were identified as far as the decentralization was concerned.

I have to say I am satisfied that the results we got from the three organizations were not in any way mishandled or dealt with improperly but dealt with very properly. They are people within the real estate field and I am satisfied that a proper job was done.

**Ms. Wowchuk:** Well, I would have to say, Madam Chairperson, that I am disappointed that the minister would not have hired a consultant to look at impacts on people and impacts on the community and what was needed in the communities before they made a decision to move out there.

The minister said they hired three companies and I would like to ask the minister, are those companies located in Winnipeg? Where are they from? Are they in Winnipeg, rural Manitoba or are they out of province?

**Mr. Downey:** They are headquartered in Winnipeg, Madam Chairman.

**Ms. Wowchuk:** Madam Chairperson, was there a tender taken out before the consultants were hired?

**Mr. Downey:** Madam Chairman, the overall decision was taken to use three real estate firms and those firms bid on the specific projects in the different communities.

**Ms. Wowchuk:** Madam Chair, it was not a public tender. These three companies were selected and then asked to put a bid in.

Can the minister tell us why the decision was made that way? Why were just these three companies invited to bid on the contract and not go to public tender?

**Mr. Downey:** Yes, basically, Madam Chairman, because it was decided that being from the city, within the city of Winnipeg, they would not have a particular vested interest in any one community. It was a decision made that it was as fair a way to present the proposal as possible. It was basically taken, and the real estate people have basically supported it. I have not had one comment or concern brought forward that it has not been done fairly and equitably.

**Ms. Wowchuk:** Madam Chairman, can the minister tell us what criteria were used to select these companies and how the department felt that these companies would be better able to assess rural communities over other companies?

**Mr. Downey:** Basically, Madam Chairman, I leave those kinds of decisions to the qualifications of people within Government Services who have certain criteria which they go by. When there were three companies that were involved, fairly and equitably, the decision was taken to acquire the services of those three companies.

**Ms. Wowchuk:** Can the minister table the criteria that were used in selecting those companies to do the—

**Mr. Downey:** Yes, Madam Chairman, I would have to get that from Government Services. That is the department which in fact looked after the acquiring of the services of those three companies.

**Ms. Wowchuk:** Madam Chairman, I would just like to move on to another area of this decentralization here. I am sure that it must have taken a lot of time and effort to go to the different communities to look at the facilities. I want to ask the minister: How

much money out of the last budget was spent on transportation by the committee?

**Mr. Downey:** I guess, Madam Chairman, the question relates to the viewing of space or talking with communities. In the total picture of the whole initiative, it would be a minimal amount. It would be the expenses of Mr. Reimer or Mr. Russell or Mr. McIntosh, whoever, and also whatever the Government Services costs were. I can get those specific details, but it is certainly not an inordinate amount.

Again, the trips that were made were predecided, discussing with communities what some of the options in those communities were, communicating with them as to what was happening—again, not an inordinate amount. It will be listed in Public Accounts as it relates to the members' expenditures. I can get that information for the member.

**Ms. Wowchuk:** Yes, I would like that information. I would like to ask the minister: When this committee travels, do they travel by rented car, do they travel with their own cars, do they travel by air?

**Mr. Downey:** I think all three of the above, Madam Chairman, but seriously, I know that Mr. Reimer has an airplane which he has in fact used to communicate with some communities. They have gone by car, by van, so normal transportation, other than I do know that Mr. Reimer at times, to accommodate and to save time, has in fact used his own aircraft.

**Ms. Wowchuk:** That is interesting information. I was going to ask the minister if the committee has use of the government plane to travel to communities. Since they are using a private plane, is that a charter? When they use that private plane, how is the cost covered? Is it a charter, or what kinds of rates are they paid on a private plane?

**Mr. Downey:** I am not aware of any government private charters that were carried out, Madam Chairman, but basically any charges would be equivalent to road transportation as any other travel is concerned.

**Ms. Wowchuk:** Can the minister tell us: Has the committee had to travel out of province at all to look at decentralization in other provinces?

**Mr. Downey:** I do not believe specifically for decentralization, although I am sure the committee on either personal or other business may have travelled outside of the province, but not to my

knowledge as it relates to the decentralization initiative.

I guess if one were to bring it into a time frame, one would be looking at Ontario had done some decentralization prior to us, then we decentralized, then Alberta made the decision to decentralize, then Saskatchewan has made the decision to decentralize. I know we have had several interested governments from different jurisdictions talk to us about our decentralization program, but travel out, no, I do not believe there was any.

\* (2040)

**Ms. Wowchuk:** Can the minister table in the House the costs of chartering or any flights related to this department?

**Mr. Downey:** Right off the top of my head, if there are any, I can make them available. I am not aware of any at this particular time.

**Ms. Wowchuk:** I would like to move on to another area, and that is the construction in Brandon of Library Services and Ag Corporation. There was some dissatisfaction in the community about the location of the office space. Can the minister tell us why one site was chosen over another site in Brandon?

**Mr. Downey:** The lower-cost site was chosen, and it was deemed to be the location which probably would accommodate the customers who would be in fact going to that place to do service, for example, the rural libraries being where book transportation in and out could be accommodated relatively easily, more appropriate than probably downtown, although I am not saying they could not have accommodated in downtown, but was seen to be, if not satisfactory out there, it would be no less, I can tell you that, with the space that has been selected.

The other situation where the Manitoba Agricultural Credit Corporation, where I think it predominately would have farm trade which a lot of times farm people may come to town in a livestock or some form of vehicle which would accommodate them in not having to go downtown Brandon to park with either a stock trailer or a grain truck or a normal transportation system that a farmer would sometimes go to Brandon with could in fact be accommodated better just where it is currently. But the main reason was the price in which the building was proposed to the government.

**Ms. Wowchuk:** Can the minister tell us, was it the lowest bid that was accepted, and who was on the tender selection committee?

**Mr. Downey:** The proposal was brought forward by one of the companies that I have identified—I am not sure which one—and then Government Services, through their process, recommended it to government as to which was the best proposal to take.

**Ms. Wowchuk:** Was it the lowest bid that was accepted?

**Mr. Downey:** Yes, Madam Chairman. It was the lowest proposal that was brought forward that was accepted.

**Ms. Wowchuk:** I am not sure that the minister can answer this. How much does this minister or the committee anticipate will be saved by moving MACC to Brandon?

**Mr. Downey:** I will give an approximate figure. The cost saving with the move of both the library service and the MACC to the location in Brandon, I believe, is something in the neighbourhood range of \$25,000 per year rental saving to the province.

**Ms. Wowchuk:** I want to ask the minister if he is comfortable that the same quality of service will be able to be carried out by this department seeing that a number of people have decided not to move? Will there be some kind of loss of service, of quality of service since the department has lost so many people with a lot of expertise, a lot of experience?

**Mr. Downey:** The short answer is no, Madam Chairman.

**Ms. Wowchuk:** If the minister might be able to give us a long answer, that might be more adequate. It is a serious question.

**Mr. Downey:** I know it is. It was a serious answer.

**Ms. Wowchuk:** I have several other questions, Madam Chairperson, but I will at this time give other members who are waiting to ask questions and then get back to mine.

**Mrs. Carstairs:** Madam Chairperson, I regret if I am asking any questions that were asked earlier in the session, but I was at the awards banquet of the Manitoba Association of Registered Nurses.

First of all, can the minister give us a breakdown? The department has gone from, or this unit has gone from \$1 million to \$5 million. All we have been told is that will be for leasing, construction and renovation costs.

Can we actually have a breakdown of exactly what those \$5 million worth of expenditures will be for 1991-92?

**Mr. Downey:** Basically, Madam Chairman, the first call for the decentralization initiative was on the department to initially request that they, in their budgets, accommodate where possible the physical move of that department and related costs. The majority of the monies will be expended upon the actual moves taking place and the physical move of the peoples involved. The actual capital expenditures are spent by those people who we will be leasing buildings from. There will be minimal costs used of the \$5 million for building-related activities. So there could be some minor leasehold improvements.

Basically, the majority of that money, it has been estimated, will in fact be used to help accommodate the move. I do not anticipate that the total amount of money will be utilized, Madam Chairman, but again that is a fund that is there for departments that do not have the capability within their departments to facilitate the move. I can get that specific information at the end of this year, but I have not got it at this particular time.

**Mrs. Carstairs:** Madam Chairperson, when you take a budgetary amount from \$1 million to \$5 million, you must have some idea of how you are going to spend that money more than, quite frankly, the wonderful phrases we have heard from the minister. How much is going to be spent on renovations? How much is going to be spent on leasehold improvements? How much is going to be spent on construction? How much is going to be spent across a variety of budgets in a variety of departments? There must be some explanation for that \$5 million.

**Mr. Downey:** Again, the member apparently was not listening. What I said was that the first call was on departments to accommodate the costs of decentralization and, if they have not got the capabilities to do it from within, then they are able to call upon the \$5 million. The \$5 million is going to be used for the transfer of people, the cost of moving people. Very little amount would be used for construction. That is, the costs to government are the leasing costs that come from Government Services, where they have traditionally come from. There could be a small percentage that comes from the fund for leasehold improvement, but the main expenditure will, in fact, go to the moving of people

and the accommodation of people, and I say that I would not—and the reason the increase is there is that this year is the larger portion of the moves taking place.

**Mrs. Carstairs:** If in fact the departments are to be the first line of call for any decentralization initiative, why was this money not put, therefore, into the individual departments and not left in what can only be targeted and called a slush fund.

**Mr. Downey:** The member for River Heights (Mrs. Carstairs) may call the decentralization fund a slush fund, but it is a very important component of the whole operation and carrying out of a decentralization initiative, and I am saying, the majority of the departments do not have any capability within their budgets, but if one is to do the job of decentralizing properly and make sure that the work is done, you have to have the resources to do it. That is why the allocation of funds has been put there. One would not expect to make the announcements go through the whole activity and not put any resources there to actually accommodate the moves, or is that what she is suggesting?

\* (2050)

**Mrs. Carstairs:** Madam Chairperson, you cannot have it both ways. You cannot say that the major activity is supposed to take place in the department and then create a fund of \$5 million and not be prepared in the Estimates process to tell us what that \$5 million is going to be used for on a detailed basis. There is not a single line in any budgetary department in which it is not detailed exactly what that \$5 million will be used for with the exception of the decentralization initiative. The minister has to come a little bit more clean with the members of this House and indicate in more detail exactly what the \$5 million is going to be used for. To this point in time, we have not a clue what it is to be used for.

**An Honourable Member:** Make it perfectly clear.

**Mrs. Carstairs:** Yes.

**Mr. Downey:** Let me make it perfectly clear, Madam Chairman, the monies are to accommodate the moves of staff, to accommodate the general activity as it relates to decentralization. She is correct. There is probably no capability within a department to, in fact, carry out some of the decentralization activity. She wants to have it that way. I will agree with her that there probably is not any capability in any major way for departments to carry it out. That is why the \$5 million has been put in place to facilitate the decentralization initiative.

**Mrs. Carstairs:** That, of course, just leads us to speculate. One of the speculations has to be that they did not know quite what departments to put it in. Therefore, they put in this particular fund, because they are still not sure which departments are going to work and which ones are not going to work.

To that end, would the minister like to now present the House with a list of the decentralization initiatives which was announced in March of 1990 and compare that with the number of people who are now slated to move in each one of those individual departments? Let me give him an example. In Education and Training Estimates we were told that the number of people originally slated for Winkler would not be going to Winkler. We were told, again in Education, that the number of people slated for Russell would now not be going to Russell. Could we have a clear picture of exactly the number of people who were announced in March of 1990 as being decentralized and now the number of people that this government intends to decentralize?

**Mr. Downey:** I am not clear of what the member is referring to as any announcement in March of 1990. I am not sure what announcement she is referring to at that particular time.

Anyway, I can tell her that any reductions that may have taken place are due to the 1991-92 budget decisions. The member is aware of the fact that there were some 44 positions that were directly impacted and reduced because of those decisions.

**Mrs. Carstairs:** Madam Chairperson, well, it was February 1990. I am sorry I was out by a month.

Now would the minister like to contrast the number of people that he announced would be going from departments, from Crown corporation into the decentralization initiative and contrast that with the figures he now has in those departments?

**Mr. Downey:** Madam Chairman, initially there were 621 originally announced. There were five added to that which gave us—

**An Honourable Member:** Plus Crown corporations.

**Mr. Downey:** Yes, that is correct. This is civil servants, not Crowns.

There were 621 which were originally announced. An additional five were added, an adjustment, which gave us 626. Budget cuts brought that to 582. There were an additional 104 that are currently still in the process of decision making and work being

done as to whether they would, in fact, be carried out as to the initial decision. So one could still say they are still less directly involved as a budgetary decision, but still budgetary impacts relate to those additional positions. We do have, and I will go over the numbers for the member again, 146 positions that are complete and in place. Recent contracts awarded gave us an additional 145 positions. In the decision-making process that are excluding the budgetary decisions, are 186. Those are the numbers that we have.

**Mrs. Carstairs:** Is the minister saying that 146 people have now moved from their employment positions in the city of Winnipeg to a rural community? I am not talking about individuals, I am talking positions, the positions that were formerly located in Winnipeg and are now located in rural Manitoba. The minister is not incorrect. That is the extent of the move at this point, 146. Is that correct?

**Mr. Downey:** With the addition of the Crown corporations.

**Mrs. Carstairs:** We are excluding the Crown corporations for the moment, Mr. Minister. The 145 positions that he has now alluded to, when is it anticipated those 145 will be located in rural Manitoba?

**Mr. Downey:** The ensuing months. Contracts have been awarded to communities in Neepawa, Minnedosa, Brandon, Winkler, Carman, and additional decisions that have just currently been made, make up the additional 145 to be moved over the ensuing months as soon as possible, as soon as space is accommodated and as the program moves along.

**Mrs. Carstairs:** I can only assume that a substantial portion of that 145 is for the library services and the MACC staff component in Brandon. Since that building has not, as I understand it, even begun to be constructed at this point, when is it anticipated that a movement of those employees will take place in the city of Brandon?

**Mr. Downey:** As the building becomes available, as the department is able to carry out the services of giving the services, providing services to the farm community and to the library community. That is in process, Madam Chairman, and I do not particularly feel that it is incumbent to put a date on, a specific date or target, because I do not want to, No. 1, cause difficulties for staff that may want to move, or I do

not want to in any way put pressure on people who are trying to deliver a service.

I want the House to know that the decision has been made to get the accommodation. The staff who are moving will have the time to move appropriately and properly so that it fits within their schedule and the human side is taken into consideration. So I am not going to give the member a target date to come back to criticize me for if, in fact, it is out by one or two months.

So I would put it in this way. It will take place over the coming months. I know that the people who are involved, particularly in Brandon, are anxious to see it take place. I know the ministers responsible are anxious to see it take place, but let us remember, we did have a delay. I am not afraid to say it, that we had a delay due to budgetary decision making. Why now would one come forward and say, well, because we had a delay, we want you to make up that time? I think that it is being handled responsibly.

I can refer to the way in which the Leader of the Liberal Party suggested she would decentralize people to The Pas, how she would handle them. I am not going to deal in that kind of a manner with people who work for the government.

\* (2100)

**Mrs. Carstairs:** Madam Chairperson, the Conservative Party likes to talk about themselves as being businesspeople. Any elementary business person who signed a construction contract would have a due date for completion of that contract. They would also have due dates for renovation projects. Now the minister has announced renovation projects in Winkler, he has announced a renovation project in Carman, he has announced a construction project in Brandon. One therefore assumes, because of their businesslike mentality, that they would have the dates for the completion of those construction projects. I think the Minister of Natural Resources (Mr. Enns), with the grin from one ear to the other, recognizes that certainly is part of a normal contract procedure.

Why is the Minister responsible for Decentralization (Mr. Downey) unwilling to give us the information which is obviously, one would hope, in that contract?

**Mr. Downey:** Madam Chairman, let us just look at the events of this afternoon. The Liberal Party and the New Democratic Party were attacking my salary

and could have in fact almost reduced it. We still have not passed the \$5 million—

**An Honourable Member:** It came precariously close.

**Mr. Downey:** It came very close, and I am not sure, if I could have the assurance tonight that they are not going to take any money away from the decentralization initiative, and I still may be here, I could be a little more firm on the dates. I am not sure whether this is even going to pass. They are threatening all the time.

**An Honourable Member:** Poor baby.

**Mr. Downey:** I can see I am not getting a lot of sympathy, Madam Chairman.

Seriously, Madam Chairman, I would hopefully see the completion of that by the 1st of January of 1992.

**Mrs. Carstairs:** Madam Chairperson, if the minister is serious about wanting to pass the decentralization initiative and the \$5 million, he better start giving us some answers.

In terms of the project that he has just now announced in January, is he talking about the Carman reconstruction, the Winkler reconstruction or the Brandon construction?

**Mr. Downey:** Basically, Madam Chairman, it was our target to have them complete or basically in place by September of this year. Again, I would reiterate to the member if she would listen that we have had a delay in the decision-making process. I want to make it very clear that we will do our best to do it in a reasonable amount of time. If it goes beyond the initial target, then it goes beyond it, but it is our desire to move with these projects as quickly as possible.

**Mrs. Carstairs:** Madam Chair, can we plan as Manitobans on having the rural library service and the Manitoba Agricultural Credit Corporation located in Brandon by the end of the fiscal year with all of the additional employees by March 30, 1992?

**Mr. Downey:** Madam Chairman, I like the liberalized time frame which the member places on it. I believe she said March 31 of 1992. I would be unhappy if it took that long. I would like to see it in advance of that, but she has given me some latitude, and I appreciate her liberalization of her position. I can tell her, very seriously, we have gone through the exercise of allocating space. The program is in process. I can tell you we will be anxious to see the ribbon cutting in Brandon as soon as possible.

**Mrs. Carstairs:** Madam Chairperson, we now know that maybe by March of '92 we will have those positions. That brings to a total two and a half years after the first initiative was announced by this government they will have decentralized 291 people, because we do not know what has happened with the 186 yet or the 104. So by March 31, 1992, maybe we have decentralized, maybe, 291 positions.

Can the minister contrast that with the number of fewer positions which will be active in rural Manitoba as a result of Civil Service cuts to Natural Resources, to Agriculture and to other departments that had individual positions formerly located in rural Manitoba and now no longer exist?

**Mr. Downey:** Madam Chairman, let us get the numbers straight. I am telling the member—and I have said she went to March, and I said probably January 1. We have in place 146 now, 145 that have just been awarded. Some 186 are in the process of decision making. We have, in addition, 104 Crown corporations.

I think, given the time frame and given the process of which the activities that have been carried out with, again, tough budgetary decisions, the comparisons are very favourable to rural Manitoba. I have to say, Madam Chairman, unfortunately, the members of the opposition have been less than co-operative in the initiative which would have been helpful. I say it seriously. I would have thought members, like members for The Pas (Mr. Lathlin), Thompson (Mr. Ashton), Dauphin (Mr. Plohman), Swan River (Ms. Wowchuk), after the Repap purchase of Manfor and the commitment of some 250 jobs to Swan River—

**An Honourable Member:** Bite your tongue.

**Mr. Downey:** I am told to bite my tongue, Madam Chairman. That would hurt.

The commitment of the government to get on with some of the activities as it relates to the economic development with the sale of Manfor to Repap, and there was absolute evidence of that in the Swan River Valley this winter with some 50 to 60 jobs in the Swan River area and as it relates to the relation to the harvesting of timber. I would take strong exception to the member for River Heights (Mrs. Carstairs) in trying to say that we have in any way reduced the numbers of people working for government in rural Manitoba in relationship to the

decentralization. Decentralization numbers are very clear, and I will stand by those.

**Mrs. Carstairs:** Well, the bottom line is that only 146 positions to this point in time have been located in rural Manitoba. Contrast that with 234 positions cut from the Department of Natural Resources. I simply want a figure from the minister as to how many people, new, will be employed, taking the cuts minus the decentralization. How many more people will be employed in rural Manitoba as a result of this government's program of decentralization matched with budgetary cuts?

**Mr. Downey:** The member can specifically get the number of cuts either from the Department of Agriculture and/or the Department of Natural Resources. I think that we are looking at the majority, more than 50 percent of the cuts, as it impacted Natural Resources—she used that specifically—were inside the city of Winnipeg and not in rural Manitoba.

I believe that statement is correct, and I would say that subject to further clarification from the Minister of Natural Resources (Mr. Enns), but there were a greater number of management positions from within the city of Winnipeg than were outside in rural Manitoba. I was very conscious of that. I can assure her that when the comparative numbers are done there would be greater numbers reduced on the inside of the city of Winnipeg out of management than out of field officer positions in rural Manitoba.

I will get those specific comparisons for the member as it relates to that question from the Natural Resources department and/or she can ask those questions specifically from the Minister of Natural Resources as it relates to his department.

\* (2110)

**Mrs. Carstairs:** If one took Natural Resources alone and one used his figure, 50 percent, there were 117 positions lost in rural Manitoba. That does not include Rural Development; that does not include Agriculture; that does not include Highways and Transportation; that does not include Northern Affairs. Can the minister tell us—he is also the Deputy Premier—how many positions, new positions, will be in rural Manitoba as a result of both actions of this government, the decentralization initiative and the budgetary cuts of staff?

**Mr. Downey:** Yes. Let me come very, very quickly to that figure. Forty-four positions out of the 626 were directly reduced from all departments so that

would be 44 positions as it related to the 626. So take 44 off the 626 that were initially decided as jobs that were eliminated. For example, the Department of Agriculture, 80 percent of the reductions took place inside the city of Winnipeg.

I believe, and I was being very conservative, when I said 50 percent. I know there were more than 50 percent of the jobs reduced in Natural Resources where in fact the majority were within the city of Winnipeg. Rural Development, we will be coming to my Estimates, but I can tell her again the majority of the jobs—I say the majority—were, in fact, management jobs from within the city of Winnipeg and not jobs in rural Manitoba.

So, on balance, I can tell her that I think two-thirds, at least, of the jobs that were impacted with the reduction in budget were inside of the city of Winnipeg. Two-thirds were reduced out of the city of Winnipeg, and that basically is it, Madam Chairman.

Again, this is the bottom line. Rural Manitoba and northern Manitoba, I believe, will be the net benefactors of the decentralization in a major way. I have the facts for the member. Forty-four positions out of 626 were reduced by the budget decisions. Those are the figures and I cannot change them.

**Mrs. Carstairs:** Madam Chairperson, could we now move on to the 186 positions which I think the minister classified as in the process of decision making? When does the minister anticipate those decisions will be processed?

**Mr. Downey:** Could the member repeat the question?

**Mrs. Carstairs:** It is really very simple. He has given three categories: 146 positions complete, 145 positions which he hopes are going to take place as soon as possible, and 186 for which the process of decision making is taking place. What is the decision-making process, and at what stage is that process?

**Mr. Downey:** Basically, Madam Chairman, following the budgetary exercise, government departments were again asked to confirm the initial move that was decided. Ministers of the departments, following the budgetary decisions—remember there were some tough decisions that had to be made. There was the reduction of several hundreds of positions.

Departments, after that exercise, had to make an assessment of the decision. Ministers have to

reconfirm those decisions and then recommend back to the decentralization committee the time frame which they believe the exercise can be carried out.

There has to be space allocation. Decisions have to be made on space after ministers again say that they are prepared to proceed with that initiative.

Positions—the people who are in those positions are carefully dealt with. It is a matter of government decision making, and I am sure the member, having had a lot of experience in that, it would be understandable by her.

That is really where it is at. Ministers and departments now are in the process of again recommending to the committee that they are in the stage of proceeding with the finalization of the decisions to get space allocated, and it is really just part of the process.

**Mrs. Carstairs:** Madam Chairman, what now appears is we have 156 positions complete, 145 that will be complete as soon as space is available and that may not be available until some time next year, and now 186 that are basically hanging in limbo. Nobody knows what is going to happen to these 186, and we have 104 more that goodness knows where they are in the mill, but the 186, maybe governments will move them, and maybe governments will not move them, maybe the position will be decentralized and maybe it will not be decentralized. Is that a fair characterization of the muddle the government is presently in?

**Mr. Downey:** Madam Chairman, there is no muddle. There is a matter of decision making and a process to go through. I know the member for The Pas (Mr. Lathlin) is sitting there in his seat mumbling and grumbling and waiting to reduce my salary again. That has been his only contribution, to try and reduce, be negative all the time and criticize, never a positive word.

The member for River Heights (Mrs. Carstairs), in her comments, does not apparently understand the processes which have to be gone through, and probably never will. I will try to do my best to explain that to her again. I just said we had gone through some very difficult budgetary decision making which impacted on departments. I have to say there may be some delays, and there have been some delays which I do not expect people to—just like she would do at certain times, make a statement for the sake of making a statement.

So I think it is fair to say that there are 186 that are in the process. Yes, the decision has been made to carry them out. It has to be done as the last ones were done, responsibly, getting space, making sure the employees are dealt with fairly, and those who do not want to move, positions have to be filled over time. I am quite satisfied with the process which is in place, and there are 186 which I believe, before too long, will be able to be announced as positions that are on the rails and moving to rural Manitoba.

**Mrs. Carstairs:** Madam Chairman, is it not amazing what has happened to this government in a period of a year and a half? I mean, in February of 1990 we received very definitive statements about 626 Civil Service employees. We were told what departments they were moving from, and what communities they were moving to. Now we can only get definitive statements about 146 of them. Would the minister like to explain what happened to this government between February of 1990 and the present, other than the fact that they elected a majority on the information that said that 626 were moving to rural Manitoba?

\* (2120)

**Mr. Downey:** Madam Chairman, I wish the member would try to stick to the information that I gave her. There are 146 positions that have moved. There are 145 positions that are identified and in the process of moving within the next year, within less than a year, within the next months, within months, so that is very close to 300. There are another 186 in the process of coming up to that final determination which is in place. -(interjection)-

The member says great speech material the next time I go to Neepawa. Well, I will give her the press release, because that building will probably have people in it, probably in September of this year. Neepawa are now in the—in fact they have had the sod turning. I know my colleague the member for Ste. Rose (Mr. Cummings) was at the sod turning I believe for the new building. It is in process; it is in place; the commitment is there and is being carried out. -(interjection)- I can give some specific examples: Minnedosa, Brandon, Winkler, Carman—all, Steinbach, many communities are very pleased with the actions to date.

I can tell, though, that the member for River Heights (Mrs. Carstairs), who initially and does not probably support the initiative from her comments, does not support the initiative. I can go back to some of her -(interjection)- Well, the member says,

first of all here she said in the Free Press—this was in November 24, 1989: That will mean rural decentralization in the most positive way—her way. She said, I just do not want to take a lot of Winnipeggers and move them to rural Manitoba.

Then we go to the Opasquia Times. This is February 10, 1989, and here is what she said: The Liberal Leader who is one of the most powerful figures on Manitoba's political—oops, I was not supposed to read that—owing to her party—oh, this is when—oh, it is okay, I can keep reading because it has changed since then, you know—on Manitoba's political scene owing to her party's 21 seats—Well, whoops, something happened there—21 seats in the House, just 3 fewer than the ruling Tories. It said there is a total lack of understanding on what is going on in the North by bureaucrats in Winnipeg.

That was her statement, there was a total lack of understanding of what was going on in the North. We have to start putting some of those physical bodies in the North, she said, physical bodies. She was going to tear them out of Winnipeg, those bureaucrats who do not know what is going on in the North and just haul them right up North by the scruff of the neck. Well, we do not like to do business that way.

**An Honourable Member:** Well, you did not put any in the North.

**Mr. Downey:** Yes, we did put many in the North; we put many in the North. We put many in Thompson, Flin Flon; we put them all over the province, Madam Chairman. I was expecting the Liberal Leader (Mrs. Carstairs) to be a little bit critical, but I did not expect her to be so vicious on this. I thought she would be more supportive of rural Manitoba.

**Mrs. Carstairs:** Madam Chairperson, maybe we can now deal with the 104. I mean we have 146 that have happened and 145 as soon as the space is available—maybe some of those will even get to Neepawa—186 in the process of decision making. What is the other 104, and at what stage are they at? Are they in the process of the process of the decision making?

**Mr. Downey:** Okay, the member refers to the 104. I guess I made a mistake, Madam Chairman, I guess there are 105 that are currently—and I will go through some of them. I referred to them earlier. The Vital Statistics branch was identified to go to Dauphin. As I have said many, many times, and I

will say it again, and I said it last year in Estimates, and I will say it this year in Estimates. In view of the costs which were identified in the move of the upgrading of equipment, one could say it was a budgetary decision and it is, but the cost of moving it was greater than the province was prepared to spend at this particular time in the upgrading of equipment. That put that particular decision on hold at this particular time.

Let me as well refer to the bookstore at Souris where, in fact, again, the budgetary related decision was made not to move it at this particular time because of the space in which it is currently occupied and the cost implications of a move at this particular time. So those are two specific ones, Madam Chairman. There are other smaller departments which I can refer to if the member wants, but, basically, those are the major ones which were impacted at this particular time.

**Mrs. Carstairs:** We started with 626 or 625 plus five, if the minister wants to do it that way; but we started in essence with 626. According to the figures that I now have, we have 146 complete, 145 as soon as space is available, 186 which are in the process of decision making, 105 which have fallen by the boards. So we now have a maximum total, it would appear, of 477 decentralized positions. Is that the figure that the minister will now admit to in terms of his decentralization initiative?

**Mr. Downey:** Madam Chairman, I will go through them again for the member. We have seen 105 which are basically on a hold position. We have seen 44 cut with the budgetary decisions. Okay? We have 146 that are complete and in place. A further 145 are in the process of being moved, and 186 are waiting for final decision.

**Mrs. Carstairs:** Madam Chairman, 146, 145, 186 is 477. Add them up. Is that the figure that the minister is now going to finally admit is the entire decentralization initiative of this government?

**Mr. Downey:** No, Madam Chairman, there are 582 which are in some form some part of the process.

**Mrs. Carstairs:** That involves your 105, which you just said are now on hold.

**Mr. Downey:** No, then I have to get it correct. There are 477 basically that are decided upon, are moved and in the process of being moved and in final stages of approval. Okay? That is 477, 105 under review—okay?—and 44 which were budgetary cuts.

**Mrs. Carstairs:** Madam Chair, the minister has already said that the 105 are on review. Vital Stats is not going. The Textbook Bureau is not going. He said there were some other departments that were not going to be moving. Will he finally admit that the 105 are not under review, the decision has been made that they are not moving?

**Mr. Downey:** No, I will not say that, Madam Chairman, because what we have said is there is a further review of those decentralization positions, those decentralization positions that are under review.

I can also say that we are committed to those communities to provide opportunities as it relates to government program delivery over a period of time. There is a commitment made which has to be lived up to. I am in the process of trying to make sure that at this particular time they understand that. I would think the Leader of the Liberal Party (Mrs. Carstairs) would understand it. When it comes time to—I mean, after all, day after day she is pressuring us to put money in every part of government that there is. What we are trying to do is deal with it responsibly, and we are. I can tell you we have met with, and explained it with most of the communities, and they are basically understanding of our position. I can tell you that there are my colleagues who represent those areas, and I am sure members opposite who represent those communities, who are not going to let us forget that there is a commitment made. We will continue to work to that end.

**Mrs. Carstairs:** Madam Chairperson, this government is on the record as favouring, and supporting, and in having, a commitment to the revitalization of downtown Brandon, and they have indicated a stated commitment to that revitalization process. Why, with all of the vacant space which is in existence in downtown Brandon, did they choose to build a new building, or to lease the new building when it is completed, rather than to have looked seriously at the renovated space, very available, which would have helped in this whole revitalization to which they have given assurances to the community of Brandon they are committed?

\* (2130)

**Mr. Downey:** Yes, Madam Chairman, I believe I answered that for the member for Swan River (Ms. Wowchuk). It basically was cost.

**Mrs. Carstairs:** Madam Chairperson, I was here when he replied to that question, and one of the things he said was: not that they could not be

located in downtown Brandon. That was one of the statements that he made of which I took a note. Now, if it was possible for them to be located in downtown Brandon, and because of their stated commitment to the revitalization of the downtown of Brandon, why did they not locate there?

**Mr. Downey:** Madam Chairman, I did add some other comments as it related to the location as to where it was.

First was cost; and again, to accommodate the customers, I believe the location is better where it is at. Again, I know she would not be familiar with farm traffic and transportation, but farmers do go to town with their grain trucks, and their delivery trucks, and their livestock vans, and their livestock trailers, and their livestock trucks, and their horses. I know the member for Swan River (Ms. Wowchuk) would be familiar with this when she takes her livestock to market, if she has a truck and a trailer. Would you like to have to parallel park it on 10th Street or parallel park it on Rosser Avenue—first of all, it is not legal to go to the MACC—or would you proceed to pull into a parking lot on 1st and Richmond, which can quite easily accommodate a traffic of that nature? -(interjection)- Well, the member for Swan River (Ms. Wowchuk) maybe does not go to market. Maybe she does not take her truck or a trailer. I do not know how she goes.

The bottom line is, Madam Chairman, it was based on cost to the government. I know the Leader of the Liberal Party may not be conscious of the cost to the taxpayer and think that there is no end to the ability to tax people of this province. We do know there is a limit. We do know the pressures that are on taxpayers. Again, that decision was made based on the cost of the service.

**Mr. John Plohman (Dauphin):** Madam Chair, I would like to ask the minister, how many staff does he have involved in this enterprise right now in the decentralization initiative?

**Mr. Downey:** Basically, Madam Chairman, there are five people who are involved with the decentralization committee, plus the director, who is also the chairman of the Manitoba disaster relief board.

**Mr. Plohman:** Yes, how many of those are full-time and how many part-time positions involved?

**Mr. Downey:** They all are.

**Mr. Plohman:** Madam Chairperson, I understand from the minister's answer that they are all full-time positions allocated to Decentralization.

Could the minister give us the budget for the administration of the decentralization initiative?

**Mr. Downey:** Basically, it is the salaries of the individuals, of which there are some secondments—one from Highways, two from Government Services, Mr. Russell and Mr. Reimer. It is basically the salaries, which would range from the combined position for disaster relief and decentralization, in the \$70,000 range. The other positions would range in the \$40,000 to \$60,000 range. I can get that specific information for you.

**Mr. Plohman:** If the minister would just get us the administrative budget of the staff for Decentralization. I understand from what the minister said that these staff—Don McIntosh from Highways is seconded full time for this position. I see.

I would like to ask the minister, as well, how much of the \$5 million that is in this budget—we have had a number of questions on it here today—how much does the minister expect to actually cash flow in this fiscal year? -(interjection)- Well, no, it is not good enough to say, \$5 million.

I mean, the minister said there have been delays. Does this reflect the delays? The minister is talking about perhaps not actually getting the people into the buildings in those communities that were announced, the 145, I believe, 146, whatever it is, perhaps till March 31, which is the end of the fiscal year, so it is convenient. I think that is what the minister is looking at in the next fiscal year for actual operating costs.

Does this minister expect from the initiatives that were announced recently that there will be any operating costs in this fiscal year? Many of us have tried to find out where the other \$5 million is going to be spent. Is it for accommodations, I believe, and moving for staff. What is the total amount that is expected to be spent at the current rate of decision making?

**Mr. Downey:** Madam Chairman, let me put it in this way. We have made an accommodation of \$5 million. If we do not have to spend \$5 million, then we will not. We want to still emphasize doing all activities within this operation as efficiently and most cost effective as possible. I would be criticized by the member if I said we will use all the \$5 million,

and he has just said: Well, you have said that it may not all be carried out as quickly as what you thought it would be, so why spend the \$5 million? What we have put in place is an accommodation of \$5 million, and if we can possibly do it for less, let me tell you, we will. Part of the question was, do I anticipate spending all of the \$5 million? The direct answer is: I do not believe we will.

**Mr. Plohman:** I appreciate the fact that the minister is frank in that response, although he has not provided much detail. He talked about \$25,000 a year savings in lease costs in Brandon for the operation there, the MACC and library.

What savings or additional costs does he expect in lease costs on all of the other centres that are expected to be transferred this year? On a yearly basis, what is the projection in terms of the costs in Neepawa, in Minnedosa, in Carman, in Winkler?

**Mr. Downey:** I would give a general statement, Madam Chairman, that probably in the neighbourhood of 30 to 35 percent lease costs less with the decentralization initiative as opposed to what we are currently paying for leased space in the city.

**Mr. Plohman:** Yes, Madam Chair, so the major cost increases, then, are leasehold improvements and new construction facilities to house the staff. Is that the major cost? How much of the \$5 million would be made up of that kind of cost, and how much would be in moving costs for staff being relocated?

**Mr. Downey:** Again, the member probably did not hear me correctly. My answer is the same as it was earlier. The majority of it will be in accommodating the moves; a very small amount of it, hopefully, is in the leasehold improvement and any related to property expenses. There will be minor expenses there. The majority of it will be in the actual moves. I can assure you that where we can save costs, we will, Madam Chairman. That is as specific as I can be at this time.

\* (2140)

**Mr. Plohman:** Well, I am not clear. He said majority in moves, and then he said most of it will be in accommodation but not in leasehold improvements. I associate accommodation being their office accommodation and therefore the leasehold improvements.

Since there is going to be a saving in actual lease costs, there should not be additional costs there, so we are talking about leasehold improvements, those

being the accommodations, yet the minister said no, no, not in leasehold improvements, in accommodations, so I do not know what accommodations means from the minister. Then he said the majority in moves. Is it actually paying movers to move the belongings of the staff or what?

**Mr. Downey:** There are numerous costs as it relates to moving of staff, as it relates to legal costs, as it relates to the overall, some possible training component, some travel costs, some equipment, and I would say, minimal leasehold improvements.

**Mr. Plohman:** The minister does not operate in a complete vacuum, by the seat of his pants on this. He obviously has a budget then. You are looking at those five communities just announced: Brandon, Neepawa, Minnedosa, Winkler, Carman. We have a breakdown of what it is going to cost you for moving your staff there, legal costs, training, travel and equipment. What are those figures? Who has them if your staff do not have them? Who is doing the budgeting here?

**Mr. Downey:** Madam Chairman, the individual departments will be determining what it will be costing them to move to the different locations. At the end of that particular move they would bill the decentralization fund for that accommodation.

**Mr. Plohman:** The decentralization committee, would they not be fulfilling some kind of watchdog role on this whole thing, co-ordinating it? They must have all of the figures from the departments or demanding it. I mean I would assume that is part of the role of the committee as a centralized role, to be requesting that information from the departments. Therefore the minister should have that available in his books, in his office.

**Mr. Downey:** Madam Chairman, what I am trying to explain to the member is, the departments are responsible for the decentralization of their staff. The costs which are incurred to do that will be billed back to the decentralization fund, which will then advance the funds to cover the moves by the departments.

**Mr. Plohman:** Madam Chair, the minister who is responsible for decentralization and who has to take the flak or get the accolades for how smoothly this goes, obviously will want to—

**An Honourable Member:** Accolades.

**Mr. Plohman:** Well, he has not had too many yet—will want to assure himself that those costs are all legitimate costs from those departments, so I

would think—well, I will ask the minister, is there any approval role of the actual expenditures or just a matter of handing it over from the \$5 million fund upon request by the departments?

**Mr. Downey:** There has to be justification, Madam Chairman, for the expenditures.

**Mr. Plohman:** Can the minister therefore provide any projections of those costs and justification at this time from the various departments for the moves that he has outlined?

**Mr. Downey:** Basically, we have put an amount of money to accommodate the decentralization initiative. As we now are entering a more accelerated stage, then we will be expecting—the departments will be bringing forward the cost implications of decentralization. Again there is an approval process that has to be carried out and justified by the department to the decentralization committee and, at this particular time for this particular process, I cannot confirm, but I would expect at this point for this given year at this time there are not any billings in place or that have been brought forward. We are still in the process of this round of initiatives which are not being billed for. When the departments come back with their costs, then they will be accommodated through the fund which has been established.

**Mr. Plohman:** Madam Chairperson, the minister said that there was \$1 million last year and he had 146 positions transferred. How much of that \$1 million was actually cash-flowed last year and some of this \$5 million for expenditures incurred in the transferring and those 146 positions and making the accommodations ready for them?

**Mr. Downey:** Again, Madam Chairman, last year there were smaller units, ones, twos, threes, which were, in fact, part of decentralization, which did not necessitate the kind of expenditure on a global basis which was necessary or which was required or requested this particular year. In addition, departments—it was across a broader range of departments, so the impacts of certain moves were not of any major magnitude to the different departments and were able to be, in a lot of cases, accommodated within the departments that were doing the decentralization.

This year, we have moved such as the credit corporation; we have the library system; we have the agriculture to Carman; we have Minnedosa; we have Neepawa, major block units where clearly the departments do not have the capabilities from within

and will in fact be getting support from the decentralization committee. So last year, the \$1 million was not totally used. This year, it was anticipated, because of the larger units that were being decentralized in block units, and departments were facing tougher budgetary decisions, then an accommodation was made for those moves. We do not know specifically at this time, but I said earlier, and I will stand by those words, I believe that we will be able to accommodate the decentralization for less than what we have put together and, as we move those positions and the costs come in from the departments, then I can give specific details to the member.

**Mr. Plohman:** Just one final question on this particular aspect of it then, how did the minister arrive at his \$5 million projection. He must have gone through a process. Was this a global figure picked out of the air basically—this should do it, if we do not use it, fine, but we will bump her up a little bit because we have to show that there is a good figure in there, that we are serious about doing something here. How did he arrive at that \$5 million figure? There must be some background to it that he could share with us in terms of tabling of some documents prepared in projecting this figure rather than just simply saying, well, we think we are not going to spend that much now. I do not want the minister to provide a lot of verbal detail here—he can if he wants—but I would like some copies of some documents that show the projections.

**Mr. Downey:** Madam Chairman, let me assure the member that decisions of this nature are taken after long, hard planning and study. When all that work was done, the decision of \$5 million was put in place to make sure that the decentralized initiative could be accommodated fairly and there were adequate resources to do it.

Now the member says, well, why did you put \$5 million? As I said, there were people who knew what the exercise would roughly cost, and that is what was put in the budget for this year.

**Mr. Plohman:** Madam Chairperson, this is a highly unsatisfactory way to present information to the House, and I hope the minister realizes that. I just want him to know that we are not very satisfied with the lack of detail that he has on this issue. I think he should have more. If he wants to have any credibility in this issue, he should provide more to the Legislature.

I want to ask the minister, of the 146 positions that have been transferred, how many were people actually transferred of the 146?

**Mr. Downey:** Approximately half, Madam Chairman.

\* (2150)

**Mr. Plohman:** Of the 145, can the minister give a breakdown of the positions projected for Brandon, Minnedosa, Neepawa, Carman, Winkler, and how many of those does he—the best information he has available now—expect will be transferring, will be moving with those positions?

**Mr. Downey:** Approximately half, Madam Chairman.

**Mr. Plohman:** Sorry, Madam Chair, the minister must not have heard me. The number of positions for Brandon, Minnedosa, Neepawa, Carman, Winkler and the number of people who will be moving for each of those branches that are moving there.

Let us start with Brandon. MACC has how many people, and how many positions does he anticipate will be moving? Look at library, how many? Then go to Minnedosa, Neepawa, Carman and go through each of those branches.

**Mr. Downey:** Basically, I understood the question, and I thought he would understand the answer. He gave me a list of places, and I said of those positions moved, approximately half have people in them.

**Mr. Plohman:** Well, Madam Chair, now that the minister does understand the real question, will he now provide us with the information? The MACC has how many positions targeted for move to Brandon? Library—just quickly, the numbers there? Then the minister can give us anticipated move, transfer of employees, actual bodies.

**Mr. Downey:** Yes, Madam Chair, 23 positions of MACC, 21 positions in the public library service, and approximately half are relocating.

**Mr. Plohman:** Madam Chair, the minister could have some credibility by using that half, or 50 percent, if he varied it a little bit from each different branch. When he is talking about a global figure of a half, you know, that is a nice target; but we are trying to break it down now for each of these branches. Obviously, some will have more transferring than others. For example, I understand that positions going to Neepawa, there are very few of the incumbents actually transferred. Is that Crown Lands, I believe, to Neepawa? I do not think

there are very many transferring. I do not think there are half, Madam Chair. Could the minister just clarify that?

**Mr. Downey:** Yes, I can clarify it. Minnedosa is getting Agricultural Crown Lands, and Neepawa is getting Natural Resources. Again, in the global figure, I have used the figure of approximately 50 percent. I can try and get a little more detail if that is what he is after.

**Mr. Plozman:** Neepawa has how many?

**Mr. Downey:** Neepawa, 27 positions. Do you want me to give the positions on all of them?

**Mr. Plozman:** Yes.

**Mr. Downey:** MACC, 23; 21 in the Public Library Service; Soils and Crops to Carman and Agriculture, 26 and .45; Minnedosa Crown Lands, 15; Neepawa, Natural Resources, 27; Virden, Petroleum Division, 4; Winkler, Education Correspondence Branch, 20.22; Environment, 7.

**Mr. Plozman:** The minister said Winkler, 20.22 in Education, and 7 in Environment to Winkler? Can the minister indicate whether those employees have all been officially notified of their transfer date?

**Mr. Downey:** Yes, they have basically been notified of a tentative date as of September of this year, however, as we said earlier, MACC will not be accommodated by September and the Library Division probably will be somewhat extended from that. There may be some variances from that, but basically they are fully informed as to the process and the times.

**Mr. Plozman:** Madam Chair, can the minister indicate how much notice employees are getting specifically? I understand it is three months or 90 days, and if it is, have all of these employees in these positions been given that yet? If they have then obviously we are not dealing with a 90 day period yet.

**Mr. Downey:** Not formally because we have not finalized, in all cases, the completion of the facilities which they will be moving to. When that time frame gets nailed down, then they will in fact be notified, and it is a minimum of 90 days.

What we are trying to do, and I think a credit to our staff within the Decentralization, a credit to them as they have tried to keep a good line of communication with those individuals—the reports that I am getting back are that they are being dealt with satisfactorily.

**Mr. Plozman:** Is it not a fact, then, Madam Chairman, that the minister does not have the exact number of employees who will be transferred because they have not received notice yet? Positions he knows about; he does not know about the people. He said approximately half. Obviously that has to be—and the minister can correct me—but that has just been a preliminary survey of the employees. He will not know until he actually gives the 90 days notice what in fact the numbers will be. Is that right?

**Mr. Downey:** Preliminary indications were something in the neighbourhood of 50 percent, but he is right, I am not going to argue with him. When the actual notification goes, people then will determine as to whether or not they will be part of it, but I again say the preliminary indications are approximately 50 percent of the individuals will be moving.

**Mr. Plozman:** Madam Chair, if the minister does not know because it is only preliminary, can he indicate whether in fact employees from their new home have already been hired in some of these branches and are now working in their positions so they can get the on-the-job training so there will not be an interruption in the services? Could he tell us how many and in which branches?

**Mr. Downey:** No, I cannot tell how many in what branches, but I can in fact say that is taking place. In some of the areas I know there are—as this crosses the full spectrum of government, the member should know that there are some decentralized positions that are currently now—have hired people in the communities which they have decentralized to, and it has created employment opportunities for those communities, and it is going well.

**Mr. Plozman:** Well, naturally that is what one of the benefits would be or one would expect of decentralization. The point is, I think Agriculture Crown lands, say Natural Resources Crown lands in Neepawa, for example, you have a personnel manager here responsible for personnel I would say. I think he could give you the number of the people who have—he should be able to give you the number in Neepawa, for example, of the 27 Crown Lands that will be actually transferring to Neepawa and how many were hired to fill positions, from Neepawa or wherever, through competition, I would hope, to fill those positions and be trained at the present time. If they are in position now in Winnipeg

in anticipation of being moved to Neepawa, how many of them are currently in that position?

\* (2200)

**Mr. Downey:** Again, Madam Chairman, I cannot give all the details, because I do not have all the details. Unfortunately, the member is correct. There are individuals who have received employment in departments that are being decentralized and have come to the city to get training to participate in that employment.

I have to say with regret, Madam Chairman, the individual who was a young person who was hired to head up the Crown Lands division in Neepawa was struck down with terminal cancer and he was unable to carry on and take on the job of running that operation, in fact was buried on Friday. It hit him and just took him down very quickly.

There are opportunities for individuals within the communities to get employment with the decentralization initiative. I know particularly of two individuals who are coming and have come in under the training program, under the employment program from Neepawa. All that information I can get specifically, but again, as I have said, we are in the process of these moves, and if I give them a number today that could well change by tomorrow or down the road a week.

Again, all I can report to the member is that there are employment opportunities being developed with these decentralization moves. Employees have the first option and opportunity to move to those positions. If they are unable to be accommodated within those positions, we are doing our best and have done our best to find them alternative employment within government in a nondecentralization position.

**Mr. Plohman:** I would ask the minister to give us an undertaking that he would provide the number of persons for each of these centres who are being transferred and how many positions are being filled, re-filled, in other words, from either locally hired positions or transferred from other sections or are in fact new civil servants, for each of these branches. If the minister could do that, I would appreciate that.

**Mr. Downey:** I will take that on as an undertaking, Madam Chairman.

**Mr. Plohman:** We would, of course, also like the minister to give us a breakdown of the costs for each of these areas that he sees in—he has identified moving of staff, legal costs, training, travel and

equipment for each of those branches, as well. Could the minister also undertake to provide us with that information to the House?

**Mr. Downey:** Madam Chairman, I can undertake to do that, although I would recommend that it would be more appropriate to ask the different departments so they can get that information directly to the member.

**Mr. Plohman:** We may in fact have that opportunity, but there is limited time in various Estimates of departments and, if the minister is a clearinghouse for all of this information, it makes it much, well, co-ordinating, I know the minister plays a co-ordinating role, so could the minister undertake to put that information together?

**Mr. Downey:** I can attempt to do it, but again, I think it would be just as easy and probably more appropriate for the different departments to come forward and tell him what the costs are as it relates to the decentralization move. I will attempt to get that information and, if I am able to, then I will get it for him. If not, I will ask him to do as I initially said, ask the different departments. I am trying to co-operate and I will try to co-operate to get the information that he is asking for. If it is easy to get that information from the departments then I will report that back to him. I will not leave him without an answer.

**Mr. Plohman:** Madam Chair, I know if the minister, as the Deputy Premier, asks for this information he can get that information. He has a little bit of clout in the government and so I know he will have no problem whatsoever getting that information.

I want to ask the minister about the 105 positions. There have been some questions, and I will not take a great deal of time, but 105 positions under review as a result of budgetary impact. I think he identified the 18 positions in Vital Statistics that were to be transferred to Dauphin in that particular sector, which is the "Z" section or whatever one—we might say the lowest in priority now at this time for the minister. Would the minister also categorize that as being the lowest priority sector of the decentralization?

He has his 145, 146, and he has 186, and then he has 105. Would this 105 be the lowest priority insofar as decentralization as a result of various reasons, whether it be not being logical in the first place, not being well thought out when they were announced, and so on, and maybe perhaps not as important politically, whatever?

**Mr. Downey:** I do not particularly like the context in which the member concluded his comments. I would not say that, no.

All decentralization decisions were equal as far as I was concerned, as far as the initiative and the communities that were impacted and the people that were involved in them. Due to circumstances beyond our control, the position of those decentralization activities changed. They were not within our control as a government. As new information and other circumstances arose, then the position of those decentralization jobs changed. Let me tell him, as far as any community is concerned, as far as any activity is concerned; there is no lessor priority.

I believe the initiative was extremely important to rural Manitoba. It is extremely important to the communities which were identified. The initiative, once it was started, I believe was a good one. I think that what we have said to these communities and will continue to say, where there are new initiatives of government, it is our commitment to make sure those communities are again identified so that, if they do not get what was initially targeted because of changing conditions, they are, in fact, considered under decentralization.

I say that seriously and genuinely. They are as important—all communities in rural Manitoba are important when it comes to the provision of services to their local communities. As the conditions warrant and the—

**An Honourable Member:** He is stuck for words.

**Mr. Downey:** No. As the conditions warrant and the decisions are made as it relates to those in a proper manner, then they will be made. How is that?

**Mr. Plohman:** Well, that is a mouthful. When decisions are made, they will be made. Can the minister indicate the net loss of positions in rural Manitoba? Should we ask that in Rural Development when the minister's Estimates in Rural Development come up, or would he prefer to provide that under the Decentralization?

I would think there is some branch of government—and the minister's responsibility covers Decentralization, Rural Development. Surely, he is the minister we should ask in tabulating the total amount of jobs that have been decentralized—we have that figure—and the total amount, the number of jobs that have been cut as a

result of a budgetary process outside of the Perimeter Highway. We are not necessarily talking about services impacted by cuts within the Perimeter Highway.

There is some impact there, of course, but those physical bodies outside the Perimeter Highway—can the minister provide the net breakdown of jobs decentralized, which he has done, and jobs cut? Would he do that now, or will he do that during Rural Development?

**Mr. Downey:** I will provide that. I cannot do it right now, but I will get that for when we do our Rural Development Estimates. I commit to do that, and I believe that there will show a substantial net gain with the decentralization application to rural Manitoba versus those jobs that were eliminated during the budgetary process. I will commit to get that, and I will give it to the member during the Rural Development Estimates.

**Mr. Plohman:** Madam Chair, I beg to differ with the minister. I believe it will not show, but it will be interesting to see the information positive. In some communities it will show a very large negative, and I think that one of those might be Dauphin, but we will take a look when he gets the figures and break them down.

Insofar as the Vital Statistics, though, what new information came to light after the hasty announcement that took place just over a year ago about the various branches that were going? We know very well the minister had a lot of work to do, those were preliminary. The government was saying, bring us forward suggestions for decentralization. The departments were scrambling trying to get the branches together, and they came forward with some recommendations. All the plans were not put in place to ensure whether in fact these could actually be transferred or whether it was feasible at all, but the Premier (Mr. Filmon) needed an announcement, especially at the municipalities meeting that took place in Brandon, so they had to be drawn together.

\* (2210)

I appreciate that sometimes these requirements of pressures of a minister or a Premier, in terms of an engagement, require that these numbers be drawn together. I think they drew them together, and they did not do all the planning, so I am not surprised. What I am surprised about and a little disappointed, is that—well, I am quite

disappointed—it seems that there was no difficulty with the Neepawa jobs, Carman jobs, the Winkler jobs and some in Brandon and so on, but there seems to be a real problem with the ones in Dauphin. There is just something came up that just could not have been anticipated.

Could the minister please explain what that was that happened that made it so difficult to deal with this Vital Statistics issue in terms of the jobs? Now, I am not going to give any suggestions as to why that might have happened. I just want to ask the minister whether he has a logical explanation of what has happened in terms of new information, other circumstances—he used that in his earlier answer—that impacted on this initial decision. He talked about upgrading.

**Mr. Downey:** The member is a little bit unfair in his comments, because there had already been six positions decentralized to Dauphin.

**Mr. Plohman:** Education, was it?

**Mr. Downey:** Yes. That is why I think he would be fair and reasonable if he were to put the total story on the record.

Let me tell the member that upon the further work with Vital Statistics, it was disclosed that there would be some \$1.5 million to \$2 million of expenditures required to modernize the Vital Statistics record-keeping equipment, to fully modernize it. One would put it in this context, that where it is currently operating and has been operating for the last number of years, there was no pressure from within to upgrade it and add extra budgetary costs. However, to move Vital Stats anywhere, regardless of where the decision was, then it would go without saying that you should put the necessary new modern equipment in to do the work. That was the additional budgetary costs of which the government made the decision at this time not to incur.

He cannot, however, say that Dauphin was the only community that was singled out. That is not true. There are other communities which have been impacted as it relates to no further—

**An Honourable Member:** No further action.

**Mr. Downey:** That is correct at this particular time, but still identified as a decentralization community and Souris is one of them which was in my constituency and I feel badly that those kinds of decisions have to be made, but there is an explanation for them and we are working our way through them.

The member may have some self-conscious or some feeling of being picked upon but let me tell him, he is not. I know he is fighting for Dauphin as the member for Swan River (Ms. Wowchuk) is fighting for Swan River. At least I would hope that they would get their act together when they come to the Legislature as it relates to some of the other activities that are going on because it makes it easy for governments. If you have two opposition members fighting for one particular activity, well then, you do not want to play favourites to either one of them so you have to look elsewhere, you see.

So you see, they should co-ordinate their requests and then we do not have to play favouritism within the opposition caucus. I am serious. The community of Dauphin has already received some positions. They are certainly being considered as to what current decisions are being made. The member can put it down to whatever he likes, but I think he is just false speculating.

**Mr. Plohman:** Madam Chairperson, the minister is misleading, inadvertently I am sure, the House with his statements about getting your act together and fighting for the position.

The fact is that Dauphin has the Regional Housing office in the department in the town of Dauphin at the present time. When announcements come out from the government, touted the way they are, about new regional housing authorities, communities think those are new jobs. They do not think they are taking them from Dauphin and transferring them out to Roblin or Swan River. I will get to that in a minute. That is another form of decentralization that we have not talked about yet.

I think the minister should be up front with his colleagues when these things are taking place and they identify these—these are old jobs going to be taken out of Dauphin and we want to know who wants them here. They are up for grabs. Why would Dauphin bid for jobs they already have? That is apparently what they are going to have to do under these circumstances.

I was simply asking the Minister of Housing whether we were going to retain the jobs we have because of the rumors surrounding their removal. My colleague was not told that the Housing Authority jobs were going to be the same ones that were sitting in Dauphin in the department. -(interjection)- We will get that straightened out.

Now, let us look at the 34 jobs that the minister talked about or the six jobs. He said there has been six jobs already transferred. Can the minister confirm that it was 34 jobs announced for Dauphin last February 1990? Was it 34 jobs? I believe it was 34. I will work on that premise. It certainly was not 24. It was not 18 for Vital Statistics plus the six he has identified. There were more than that.

**Mr. Downey:** I can get that information if you have not got it. It is under 30, it is 29.

**Mr. Plohman:** It is 29 now, Madam Chairman. I am not going to try to disprove that because I do not have the figures right with me today. I believe that the figure was initially 34 that was announced, but we will say 29. The minister is talking about six, about one-fifth of these jobs that have actually been transferred. That is pretty dismal. In addition to that we have lost a lot of other jobs and the minister will deal with those in a future discussion, not tonight.

We have 18 positions now subject to a major expenditure. Does the minister see that \$1.5 million required to upgrade if there is going to be any move, meaning that, in fact, Vital Statistics will be abandoned as a decentralization candidate or has been already? In fact, that the minister would have to, in order to keep his commitment and promise to the people of Dauphin, he would have to look at another branch of government to go there?

**Mr. Downey:** Madam Chairman, I will be very brief with the member. The position at this particular time is not to proceed with the Vital Statistics Branch at this time due to the cost implication, and there is, without alarming everyone within the Civil Service saying that there is going to be other departments moved at this particular time—as new initiatives develop and other opportunities come along for decentralization, then we will consider Dauphin as one of those communities.

To say Vital Statistics is totally off the agenda would be unfair, although I would say it has certainly been put back on the back burner somewhat with that additional cost requirement. However, if something were to change as far as the cost of equipment or some other unknown quantity at this particular time, then it would change the whole position. I am straightforward at this time in saying that it is in a position of not being moved at this particular time.

**Mr. Plohman:** Madam Chair, if the minister is to be taken seriously at his earlier statement, that he is serious about the announcements that were made

and that he is genuinely interested in ensuring that all of the commitments made prior to the last election are lived up to, as he stated earlier—and we are talking about 33. My colleague from Swan River just added up the announcement of the numbers that were identified for Dauphin. I thought it was 34. She said it was 33.

The minister is wrong at 29, and if he wants to go through the various figures and clarify it and, at this point in time, identify for the House the additional jobs that are being held off now—because we have 18 in Vital Statistics. The minister says now, well, we do not know when they are going to be transferred, if at all. He keeps a little carrot out there. He says, we are not going to totally dismiss it as transferred in the future. He is not going to dismiss it completely, but he will not identify other branches of government to come to take their place.

If the minister wants to live up and honour his word and his commitment, he should at least be able, at this time, tonight, to identify the other positions besides the six that were to be transferred to Dauphin and give an indication of the timetable to the transfer of those positions as well as the 18 that he now says, well, we do not know when they are going to be moved—the 18. -(interjection)-

Madam Chair, if the minister did not get the question, he is not listening. What are the other positions that were to be transferred and why are they not moving, or when will they move?

\* (2220)

**Mr. Downey:** The one position was a budget cut, which is not being moved. One was a budget cut. There are four that are currently in the process of final decision within the court division, and the rest remain within the Vital Statistics. There have been six moved. One was cut with the budget cut and four in the category of final decision making at this particular time.

**Mr. Plohman:** Just so the minister is sure of his figures on the record, is that the total number of positions that were announced for Dauphin? Has he indicated the status of all of the positions that were announced in February of 1990?

**Mr. Downey:** I believe, Madam Chairman, that is accurate. I believe it comes to 32 in total.

**Mr. Plohman:** Madam Chair, the minister may not have been too good at arithmetic. He has 18 in Vital Statistics. He says 6 have been moved, that is 24. Four in court division in final decision makes 28.

One position, a budget cut, makes 29. The minister says it comes to 32. He is missing three. I believe it should be 33 or 34. Where are the rest of the positions?

**Mr. Downey:** I was incorrect in the Vital Stats; that was 21.

**Mr. Plohman:** 21 positions lost in Vital Statistics, not 18. That is what the record shows.

Is this minister also responsible for decentralization out of Dauphin? How many positions have been decentralized to smaller communities in the area outside of Dauphin? Does that come within the purview and oversight of the Minister responsible for Decentralization?

**Mr. Downey:** No, Madam Chairman, if a department within government makes the decision that they want to move something out of Dauphin to a community within that area or that region, that is up to them. This initiative was to decentralize outside of the city of Winnipeg, government departments basically, although there is a coordinated effort and knowledge of it, I am sure. If a department, for example, Education were to move something from one community to another, that is their business. They have managers hired.

I know what the member for Dauphin (Mr. Plohman) when he was a minister would do with staff. It was a matter of moving them around without going through any central clearing committee. He felt, I am sure, as minister he had that capability of transferring people and no one restricted him. So departments at this time if they wanted to move someone to or from Dauphin would be free to do so without having to have approval other than their own internal management decisions.

**Mr. Plohman:** I might give the minister a little bit of advice, now that he has a decentralization role in the government and therefore a co-ordinating role in decentralization, that he might consider being made aware of all positions that are transferred into and out of the communities which are to be in receipt of these positions from Winnipeg.

In fact, what you get are two messages. You get the government announcing a certain number of positions, and then a day later you get an announcement of a position being transferred to Russell or another one being transferred to Ste. Rose or another one being transferred to Swan River or The Pas. So, if the minister does not know about that, he should have a handle as a

clearinghouse for all of the decentralization so that he knows what is happening in terms of the total number of jobs, because the people are obviously very cognizant of this when it takes place.

The Minister of Education (Mr. Derkach) is aware of what is happening in the Parkland, because he is always trying to get a few positions out of Dauphin. -(interjection)- Well, he put six in Education. The minister just said six. Which is it? -(interjection)- You see, an inflated view, but the fact is, there has been a loss in Education in jobs in addition to the jobs that have been transferred out in other departments such as in Mines to Russell last year.

**An Honourable Member:** To Russell?

**Mr. Plohman:** Yes, the Energy and Mines inspector who was transferred out of Dauphin. There was a position of an agricultural representative to Ste. Rose. That is another position gone. You see, when you add up those figures—I know Syd knows what I am talking about. The people are going to add these things up, and they do not see the numbers jibing with what the minister is talking about.

I say that if the minister is serious about decentralization and being straightforward and accurate with his information to the people, he should have the total picture, and he should be aware of the total picture when he is making those decisions.

I will just say to the minister that the people in Dauphin are very concerned when we are talking about decentralization, because we only have six positions transferred out of 32, 33, 34—the numbers vary a little bit here—out of the total number of positions that were announced just a year ago, six positions. Twenty-one, the minister says, have virtually been written right off at this particular time in Vital Statistics, a major blow in terms of the economy.

He has not heard, I think, the full story from the Dauphin area yet in terms of its reaction to that. I think they are being very fair with the minister in their response.

In addition to that we have seen major cuts in Corrections, 11 positions out of Dauphin at the correctional centre. We see cuts in Natural Resources, I believe, of a couple of positions, in Education, a co-ordinator, a consultant for Education, Highways positions. There has been easily a net loss in positions in that community, and

I think that when we look at the province as a whole, the minister is going to be rather reluctant to provide that information to the House, because he is not going to have anything to brag about in terms of positions to rural Manitoba. There are going to be a lot less than there were before he started his decentralization, and then he will not have to wonder why we say this whole decentralization thing is a fiasco, a farce, because in fact he is going backward instead of forward. Some communities may be slightly forward but, overall, he is going backward.

I think the minister should look at the message he is sending out to the people, and we are very concerned in a very difficult time economically for rural Manitoba that this minister is not sincere, and I say that with genuine feeling for myself in terms of his announcement.

I am pleased that certain positions are moving forward and certain communities are benefiting from these positions, but I think he has to look over the whole province, be fair about it, ensure that there is some equity and that certain communities are not being hit, punished. If he does not want to say it is for political reasons, then he should have a better explanation as to why he is not making them a higher priority than he is at the present time. The message that is being sent out is that this government does not care, and they are going backwards, negative instead of positive, at a time when it is so necessary.

\* (2230)

There was a lot of hoopla a year ago about this. It was going to rejuvenate the rural economy, and there has not been a lot of other initiatives by this government in terms of the rural economy. I think it is time that the minister took his job seriously in terms of decentralization across this province. Yes, it is going to cost a few dollars, but the economy of the rural areas is going to be dependent on not only transferring Civil Service jobs but also -(interjection)- Well, that is right, we supported this last year. I want to indicate to the minister that I supported it. I support decentralization, not necessarily the way you guys were doing it; and certainly now after I find out what you have done, I cannot support what you have done or have not done in terms of the Parkland region as an example. It is dreadful performance.

Let us take a look at what is happening with the economy generally. We will explore that with the Rural Development minister later on, but there are

not a lot of initiatives there. This is the only thing he had to hang his hat on, and he has failed dismally in this one as well. The minister is in big trouble on this issue.

You know, we had a very active—and the Minister of Education (Mr. Derkach) talks about, well, how many jobs did you decentralize. We chose another method of dealing with this. One of the major decentralizations was the ACC complex to Dauphin, a major decentralization of educational opportunities; and a new hospital to Dauphin which provided a great deal of employment at that time; and Grandview, a brand new hospital, expanded facility; a new personal care home in Gilbert Plains, and that member was the representative for that area. We did not let politics interfere in those basic decisions, but this minister is quite different.

I think that is unfortunate in terms of the perception that people have of this government. They better turn that around in a hurry if they want to see some support. It is going to be eroding, and it is eroding now in many areas of this province, because they are not being straightforward with the people.

I want to tell the Minister of Education (Mr. Derkach) something. In addition to those basic transfers of positions, we had a very active economic development plan for rural areas through the Main Street Manitoba Program, through CareerStart, through Job Training for Tomorrow. There were many initiatives to put people to work. Yes, you can laugh at that and say that is short term. CareerStart was not short term. You are still doing it to half the extent we were, but you are still doing some of that same thing, because you realize that young people need to get a start in developing their career. Job Training for Tomorrow was important. Engineer training course was important.

Many of the partnership things that we put in place under the Jobs Fund were important with business because we need partners. We realize that business needs partners to invest. They want to have a partner, and so joint ventures with government often work very, very well.

We had that kind of initiative in rural areas, and that is why we did not see the kind of unemployment rates and the demise of the economy that we are seeing right now. We saw that in the early '80s and late '70s under Sterling Lyon, too. It was virtually a depression at that time. Manitoba entered the

recession ahead of the other provinces, ahead of the rest of Canada under Sterling Lyon. We did. Then we had a time when we had to invest in what was stimulating the—a stimulative deficit, yes. The Jobs Fund was part of it. It put people to work.

Now we have come full circle back into the recession again and we see no activity. The Minister of Agriculture (Mr. Findlay) is here and he recognizes that they are putting some money that they have taken from the rest of the department into GRIP and NISA, and so on, to help hard-pressed farmers. It will help a lot of farmers, not all of them. It is unfair in many ways and the minister knows about that. Yes, the minister knows that.

I have talked straightforward and honest about that, but that is some investment in rural Manitoba, not additional dollars, just replacing some old dollars and juggling around. There were some painful cuts in agriculture, but there were no major new initiatives in rural Manitoba. Even the ones promised and that is where we get back to the minister and decentralization are not being delivered and lived up to right now. I think we saw pretty clearly here tonight a failure on the part of this minister to deliver what he said he would deliver one year ago.

As a matter of fact, the letter that was sent out, that was identified and developed and my colleague has a copy of it, said that all the positions would be moved by September of 1991, an initial letter—September of '91. There is no beef here. The minister is not delivering and particularly not delivering in areas where he has not elected Conservative MLAs. That is what is most obvious when you look at this.

I think the minister should take to heart that he is being viewed very carefully by the people throughout this province for some fairness. The people of northern Manitoba are losing faith quickly in this minister because of comments he has made and actions that he has made in terms of cuts. We are seeing the same thing in areas in rural Manitoba—rural Manitoba—which need the support of government at this difficult time, and they are not getting it from this minister.

**Ms. Wowchuk:** I know the minister does not want to belabour the numbers too much longer, but there is one number that I would just like a bit of clarification on and that is the 146 positions that are moved. The question I have on that is: Are those 146 positions filled or are they just positions moved to some other areas and being held vacant?

**Mr. Downey:** Madam Chairman, the 146 positions that are moved, the departments, through their normal process of hiring, will in fact be filling them. There are no restrictions as to not filling them. I guess if I were to put a figure, probably we are in the position of over half of them being filled at this particular time and the other ones in the process of being filled.

**Ms. Wowchuk:** So in actual fact, again, those are just positions, but there are not actually jobs in the rural area—only about half of them are actual jobs in the rural area.

**Mr. Downey:** They are all jobs and they are all in rural Manitoba.

**Ms. Wowchuk:** The minister has indicated that half of them have been filled and the other half are to be filled. Can the minister tell us what the process is to fill the balance of those competitions, those positions? Is there a competition? Are they transferred from other departments? Is it the normal process or will new rural people have an opportunity to apply for them? What is the process?

**Mr. Downey:** As the member knows, there is a process for which civil servants are hired. It is our hope that the local people living in those communities will, in fact, apply to become employed in those jobs, if they feel so inclined. The jobs are in those communities, local people are quite free and capable of applying and getting those jobs. In fact, in quite a few cases they have already hired people from rural communities which those jobs have been decentralized to.

**Ms. Wowchuk:** The minister also knows that there is a process where civil servants have a chance to apply, and it is not an open, public process. What I am asking is, are jobs advertised to the public, because at this point I have not seen any of those advertisements.

**Mr. Downey:** Madam Chairman, the member should know that under the re-employment process those positions are available for re-employment of individuals who may be laid off because of the budgetary decisions. However after that, if it is a position that there is no one from within the system through re-employment listing who have applied for it, then the job is open for anyone within those communities to apply for it. I mean, the opportunity is there for individuals who may want employment.

**Ms. Wowchuk:** That is not very clear, Madam Chair, whether or not the general public has been able to apply for any of these positions.

I want to touch on another area, Madam Chair, and that is the community of Swan River. The minister and this government have often talked about Repap and the saviour of the Swan River Valley, all these jobs that we are going to have. The reason that Swan River did not get any decentralization jobs was because the area was going to have Repap jobs. The minister is well aware that Swan River has not benefited to any great degree from Repap and will probably, as the process continues, benefit even less. I am quite disappointed that he would use that as an excuse to neglect the Swan River Valley.

I want to ask the minister, of the five positions that were supposed to go to the Swan River Valley, can he tell me how many of those positions have actually been filled? How many of them have been filled, of the five jobs?

**Mr. Downey:** Let me first of all comment briefly as it relates to the decentralization and Repap. I have to disagree with the member. I can tell her that there were several jobs committed with the sale of Manfor to Repap. They were over these past winter months, and I can give the information, get it again. There were some 50-plus jobs that were there because of the sale of Manfor to Repap and the community did in fact benefit. Repap have opened an office in Swan River. There is a commitment there and to some degree has been lived up to.

We have currently, of the six positions—there were five positions. One is there with the Community Economic Development Fund, and it is filled. Three Natural Resource officers are there, and they are filled. One was a budget cut.

\* (2240)

**Ms. Wowchuk:** I would like to also clear the record a little bit, Madam Chair, on Repap. I would hope that the minister would also be honest about the jobs that he keeps talking about because, in fact, Spruce Products shut down their mill operation and many of these people went to the bush to work—or some of them went to the bush to work, so they were not new jobs. The small operation, these loggers were working as well. They were just selling their logs through a different process. This was not a new employment in the valley, and it is not nearly the commitment or the promise that was made to the Swan River Valley or the jobs that were taken away when the chipping plant was cancelled as a result of the big giveaway to Repap in cutting rights. So let him not stretch the facts on Repap as well.

Can the minister tell us what has happened—the other two positions I believe for Swan River were the Hydro and Telephone positions. Are those positions going to be transferred, or are they not going to be transferred?

**Mr. Downey:** Madam Chairman, it would be more appropriate to ask the ministers responsible for Hydro or for Telephone, as the Crown corporations carried out their own decentralization initiative and did not fall within our direct jurisdiction.

Let me just go back, as I cannot leave it unmentioned on. She said that people went from Spruce Products to cut wood and work for Repap, so they are not new jobs because Spruce Products, in fact, shut down their operation.

If Spruce Products shut down their operation, there were no jobs. So let us take it from this. Spruce Products shut down their operation, so there were no jobs. The reason there were jobs is that Repap was there buying wood and products from those same individuals. So they were, in fact, jobs that we created with the investment of Repap in Manfor. Without that investment, without that initiative, there would have still been no jobs because Spruce Products shut down their operation, so there were jobs that were there because of the Repap investment and activity.

**Ms. Wowchuk:** As a point of clarification, Madam Chair, it was Spruce Products that was operating in the bush, not Repap, so Repap has not provided employment except two office people in the office. That is all they have done, and we have had a heck of a lot of other job losses in the valley.

I would like to ask the minister about a couple of other areas. Can the minister explain why—we have talked about several communities who have gotten their commitment for decentralization: Minnedosa, Neepawa, Carman, Winkler. Can the minister tell this House how it was decided that these communities would get their decentralization process into motion ahead of other communities, and can he provide us with the information on contracts as well? Who got the contracts in those communities?

**Mr. Downey:** Madam Chairman, she missed out—there were two or three other ones, particularly Thompson. It was also the recipient of several decentralization jobs, as was The Pas, as was Flin Flon. Let me further indicate that the initial—a lot of the communities that now have received some of

the decentralization positions, basically had very few government positions of any kind prior to the decentralization initiative.

The communities that had a considerable amount of government employees in their communities, at the particular decision-making time, did not—some of them got some additional ones, but a lot of these communities virtually had very little government activity. They made sense. They moved the operations of government closer to people as it related to agriculture, as it related to certain other activities. The accommodation for those activities was appropriate for the communities which we moved into.

Let me further add that there was one Hydro position to Swan River which is complete and in place.

**Ms. Wowchuk:** I am very happy that these communities did get the jobs, and I am glad that the services are closer to the community. I am still wanting the information on who got the contracts and where these are located.

I would also like to ask the minister if he can explain why the tenders were called in the community of Rivers and then called off. Why was this decision made? The people in Rivers went to a lot of expense, some of them invested a lot of money anticipating that the decentralization plans were going to be carried forward in their area. Tenders were let go and then, as I understand it, they were cancelled. Can the minister tell this House what happened in that community?

**Mr. Downey:** Can I first of all say, as far as the successful contractors, they are all listed. The successful contractors are listed in the press releases that are announcing the different communities. So that information is available.

Let me just talk briefly about Rivers. It is unfortunate that the situation developed as it did. I guess the initial indication from Government Services, and Government Services may more appropriately respond to this, but this is how I understand it. Government Services basically were in discussion with the community. They felt that there would not have to be a proposal call put forward, and some decisions were made by some people in the community to proceed to prepare space for the decentralization initiative.

Subsequent to that, there was a decision made by the decentralization committee and Government

Services that a proposal call would have to be carried out. That proposal call was carried out and caused the decision to be relooked at, because the proposal call was somewhat less than what the initial developmental proposal was for the town of Rivers, which in fact was going to cost the province a substantial amount of money greater than what we were prepared to pay. Let us face it. Government because it is government has to deal as responsibly as possible, and it was unfortunate.

I know that there are current meetings taking place with the town of Rivers to try and make sure that the individuals who have prepared bids, that there have been decisions taken that are responsible and able to be justified. I think it is unfair, some of the public press that emanated from that situation. I did not even have a chance to put any comment into the press. I was not even called on it. I just received an unfortunate and unfair headline I believe, which was further followed by an editorial which I think if the editorial writers would currently review the initiatives of decentralization, they may want to rethink some of the comments that they wrote. I think we were unfairly criticized as a government, and we are currently dealing with the town of Rivers to try and make sure we are handling the issue properly.

**Ms. Wowchuk:** Can the minister just inform me what services are supposed to be going to Rivers and when they can anticipate to have those services there?

**Mr. Downey:** Once we get the final decision made as it relates to the space allocation, I would say three or four, three positions I believe, within the Department of Education in the school bus driving category.

**Ms. Wowchuk:** Does that mean within the next few months, or is—within the next few months, okay.

I would like to go to another area, Madam Chairperson. The minister has indicated just a few moments ago that the purpose of decentralization was to bring services closer to the people. I agree. I think that is where the services should be. Everybody should not have to travel to the city or to large areas.

Churchill was promised one job under decentralization and, instead, it recently lost one of the jobs in the budget cut. I believe it was one. Why did Churchill not get the promised decentralization job that was supposed to be going there and,

instead, was cutting jobs in an area where it is very essential that services be brought closer to the people?

\* (2250)

**Mr. Downey:** Madam Chair, I believe there is one decentralization position under Hydro, and there is still a plan to carry out that commitment sometime later in the next few months.

**Ms. Wowchuk:** Going to another community, can the minister tell me how many jobs were supposed to go to Selkirk? How many have been moved, and how many are cancelled? Is Selkirk going to benefit from decentralization, or have their positions been cut?

**Mr. Downey:** Madam Chair, I understand there were initially 11 positions and a substantial amount within the Crown corporations, 15 in Hydro, and 15 in MTS; but directly under the responsibility of this department, there are 10. There was one cut with the budget and the other 10 are complete.

**Ms. Wowchuk:** I would like the minister to identify one more community for me and that is The Pas. What benefits has The Pas seen from this decentralization program in comparison to the number of jobs that they have lost because of budget cuts?

**Mr. Downey:** I am not so sure what the member is referring to as budget cuts. I am not aware of any budget cuts. We have initially had 10 positions that were identified under the Government Services, and of those 10, seven of them are complete.

**Ms. Wowchuk:** Madam Chair, this committee was set up to deal with decentralization a year ago, in 1990. I would like to ask the minister what he foresees as the future of this committee. Will this committee continue to operate or, once this stage of decentralization is over, is there any further need for the committee or is the government going to continue looking at future decentralization projects?

**Mr. Downey:** The gist of the question is—she is really asking about the future of these gentlemen who are sitting before me as to what holds for them in the future. Let me say that as the initiative progresses and the need for individuals who have been involved, then there will be less need for those individuals to be part of the program. As we said earlier, we have had, I believe, three people have been seconded from other departments, probably four—three or four were seconded from other departments.

If the initiative winds down then, there will be positions available for them within those departments. However, as we see ongoing and new initiatives develop, there may well be a need for continuation of the staff. I think it is a valuable duty and responsibility that has been carried out. Hopefully on behalf of rural Manitoba, and on balance, that we can continue to carry out with new initiatives when it comes available. Completion of this activity will take some time yet, and we will deal with that decision as it gets there.

**Ms. Wowchuk:** The minister has partly answered my question. I would like to know what future plans this government has for decentralization. Can we in rural Manitoba look forward to other services being transferred out? In particular, in my part of the province, we are extremely concerned about mental health services and other services that should be provided in the rural area but seem to be shuffled back and forth and no definite answer on. That is basically what I want the minister to know. Is there a further commitment to decentralization and providing service for rural Manitobans?

**Mr. Downey:** Madam Chairman, I do not want to or intend to make people who work for government excited about me standing here and saying there are further major initiatives. We are embarked upon this initiative and hopefully get it complete over a reasonable period of time. If other departments bring forward initiatives which will assist with decentralization and assist rural Manitoba and provide better service to the patients, to the people who are receiving services, to the caregivers in the process, I can assure the member that as minister from rural Manitoba, Rural Development, and a rural member myself I will give full support to that minister in that initiative, whether it is in mental health care, whether it is in the Department of Education or wherever, but she mentioned particularly mental health care. She can count on my support for an initiative that is properly proceeded with.

**Ms. Wowchuk:** Madam Chair, when I look back at what we have covered this evening, I have a few comments. What I feel is that I would have liked to have seen a more detailed budget, and I look forward to any material that the minister can provide us. Because \$5 million is a lot of money, and I think that we should be able to have some information as to what is being spent, what is being spent on rent, what is being spent on transferring people out. I would very much like to see that provided because

there is no point in having a committee if we are not able to get accurate information.

My real concern is the well-being of rural Manitoba and rural Manitobans, and that we have services there, and that we have employment in rural Manitoba, and that we can attract people to live in rural Manitoba. We must have these services. I have to say that I am disappointed to a degree that decentralization has not been carried out as far as it should have been by now, if the government was really committed to what it had promised last year prior to the election.

I am also disappointed at the number of jobs that have been lost in rural Manitoba because of cuts in this last budget. I hope that this minister, who is both responsible for rural Manitoba and for Decentralization, will take back to his cabinet my concerns and the concerns that have been expressed by other people here, that if rural Manitoba is going to survive we must have a serious commitment. We must have services provided both in rural and in the northern part of Manitoba.

The other part of the whole decentralization process that bothers me is the idea of transferring jobs from one community to another in rural Manitoba and trying to call that decentralization. I look particularly at the regional housing office that the members across the way seemed to think was quite funny the other day when the member for Dauphin (Mr. Plohman) asked a question on it. I had also written a letter, but we were looking at two different areas.

Dauphin has a regional office. People in rural Manitoba were led to believe that there were going to be regional offices set up to provide the service that was eliminated when the housing authorities were taken away. If this government is telling us that the job the people in Swan River and Roblin are now vying for is the one that is in Dauphin, I am quite

frankly disappointed in this government, that that is the service they are going to provide for the Parkland.

Decentralization is going to be moving jobs from Dauphin or to Swan River or Roblin, and as the minister said well, since Dauphin and Swan River cannot get along, we will move it to Roblin. -(interjection)-

\* (2300)

The minister implied it. He implied it and that would be the part that is really, really disappointing, if that is the kind of decentralization that we have. I would expect a lot more out of this government, particularly a government that has rural representatives, a large number of rural representatives, people who know the needs of rural Manitobans and the need for services.

I hope that the minister will be sincere in his commitment to rural Manitoba and sincere, as well, about filling those positions. I also hope that he will be sincere when he looks at further decentralization to provide the services to the Parkland and particularly to the Swan River area that have been seriously neglected and hard done by in many areas. Thank you.

**Madam Chairman:** Resolution 139: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5 million for Decentralization for the fiscal year ending the 31st day of March 1992—pass.

This concludes the section of Decentralization. Committee rise. Call in the Speaker.

### IN SESSION

**Madam Deputy Speaker (Louise Dacquay):** As previously agreed, the hour being past 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

**Legislative Assembly of Manitoba**

Monday, June 3, 1991

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