

**First Session - Thirty-Ninth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**DEBATES**  
**and**  
**PROCEEDINGS**  
**Official Report**  
**(Hansard)**

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authority of  
The Honourable George Hickes  
Speaker*

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
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BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
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CALDWELL, Drew	Brandon East	N.D.P.
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DYCK, Peter	Pembina	P.C.
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GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, October 12, 2007

The House met at 10 a.m.

### ORDERS OF THE DAY (Continued)

#### GOVERNMENT BUSINESS

#### COMMITTEE OF SUPPLY (Concurrent Sections)

#### INTERGOVERNMENTAL AFFAIRS

**Madam Chairperson (Marilyn Brick):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Intergovernmental Affairs.

As had been previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

**Mr. Blaine Pedersen (Carman):** Good morning. I think where we left off yesterday at 6 o'clock, we were talking about out-of-province trips, Madam Chairperson. I understand there were four, but we were about to get into the pertinent details such as purpose, dates, who went, who paid and what were the costs.

**Hon. Steve Ashton (Minister of Intergovernmental Affairs):** I can run through '06-07. April, May, June, July, August, September, October, there were no out-of-province trips. In November 2006, there was a meeting with Stockwell Day in regard to EMO, actually DFA issues. In December 2006, I had meetings with the High Commissioner. I met with representatives of the British department of health in regard to pandemic planning in London. In January 2007, we had the provincial-territorial EMO ministers, the emergency measures ministers, in Vancouver. There was nothing in February. In March, I met with the FCM, and this was in regard to the federal budget. I actually did attend the unveiling of the federal budget in Ottawa.

In terms of the costs, the first was \$686.18. The second was \$1,086.09. The third was \$859.89, and the third was \$1,359.06.

**Mr. Pedersen:** Thanks for that, Mr. Minister. Just in going back through my notes last night and this morning, there was just one clarification and I wanted to go back. That was in regard to staffing and Clif Evans. You told the committee it was an appointment, a municipal affairs liaison. Is this the same Clif Evans that was an MLA for Lakeside, whatever the constituency was? Secondly, could you give some examples of what types of jobs he's actually doing since his appointment?

**Mr. Ashton:** I was quite up front yesterday. Mr. Evans is not only a former member of the Legislature, I did reference this, he's a former mayor of Riverton. He is involved in a wide variety of files and issues involving the 198 municipalities in the province. He's a liaison with AMM as well. I really value our relationship with the assembly of Manitoba Municipalities which does represent all 198 municipalities.

So he deals with specific issues as they arise and has been involved with a wide variety of issues and will continue to do so.

**Mr. Pedersen:** The other question in regard—that's fine for that, and I'm going to switch back to travel again.

Was there any travel by the Premier (Mr. Doer) or a delegation led by the Premier that was paid by this particular department and, if so, could you give us the pertinent details of that travel?

**Mr. Ashton:** There were a number of, we'll say trips. There were costs covered in terms of EMO-related issues in regard to various disasters. I know the Premier has made a point of visiting when there are disasters, and, unfortunately, of course, we've had a number this year. So that primarily includes in '06-07 we had a number of flood events and that was in various parts of the province: Morris, Emerson area, in one case Morris, in another Mafeking, Red Deer Lake, Swan River Barrows, Swan River, and the Red Deer Lake where we also saw flooding as well last year.

**Mr. Pedersen:** So there was no out-of-province travel then paid for your department on behalf of the Premier?

**Mr. Ashton:** No.

**Mr. Pedersen:** In terms of the Brandon office, where is the office physically located, the actual location of it?

I believe that when you were giving me a list of the staff, you also said that included the Brandon staff, if I'm correct on that and—yes, that's fine.

**Mr. Ashton:** The Westman Cabinet office is in the provincial building in Brandon. I'm not sure of the exact street office, but—

**Mr. Pedersen:** And the list of staff that you'll be providing me, that does include the Brandon office, then?

**Mr. Ashton:** Yes it does, and I can make sure we—actually, I can provide it now. In terms of the various Cabinet office positions: Donna August; Jennifer Nicholson; Gord Landriault, assigned out of the Westman Cabinet office; and Michelle Scott.

**Mr. Pedersen:** And would the minister just give us a description of the role and responsibilities of the Westman Regional Cabinet office?

**Mr. Ashton:** The Cabinet offices, including the Westman Cabinet office, also the Northern Cabinet office, have been in place since the 1970s. They provide contact with the public in terms of Cabinet and government and, while I don't have the same direct contact with the Brandon Cabinet office, I certainly know in the case of Thompson, both under this government and the previous government, it often will involve information that people are seeking on government programs and initiatives, co-ordinating visits by Cabinet ministers.

The reason they're located in areas outside of the city is obviously recognizing that perhaps in Winnipeg and surrounding areas, access to government and access to ministers is less of an issue, given the close proximity of the Manitoba Legislative Building.

The Westman Cabinet office, for example, I do know gets calls and has people coming in the office from all over Westman, and when you consider that there are parts of Westman that are five hours' drive from Winnipeg, it makes a real difference for people to be able to access those kinds of services in Brandon itself.

**Mr. Pedersen:** So you obviously can't speak for other ministers, but when people from the Westman area want to meet with Cabinet ministers, is that the purpose of the office there or is—Have you met constituents out there in that office, or is that the purpose of it, for the Cabinet to meet people in the Westman area?

\* (10:10)

**Mr. Ashton:** Madam Chair, I've had numerous visits to Brandon and, in many cases, the Cabinet office is key in making the arrangements. I may not necessarily meet there, but, for example, you know as Neighbourhoods Alive! minister, when I was in Brandon a short time ago, I had the opportunity to visit with the neighbourhood renewal corporation, to see a lot of the activities that Neighbourhoods Alive! was putting in place. A lot of the arrangements were made by the Cabinet office.

One of the big advantages the Cabinet offices have is—we have very competent staff, obviously, here in the Legislature, here in Winnipeg, but things are different in Brandon. They are different in northern Manitoba in terms of kind of logistics that people may not be aware of, you know, here in Winnipeg. I mean, I have had meetings in the Cabinet office and—I can't speak for other ministers, but whether it's meeting physically in the Brandon Westman Cabinet office or meetings that they arrange, it's very important.

I want to stress, too, this is something that's been in place in the 1970s. I know there was a similar office in Brandon when the members opposite were in government for the 11 years. I think it's been—you know, for the 30-plus years of experience, it's proven to be quite a successful model. I certainly feel it does help ministers and the public in terms of direct contact.

**Mr. Pedersen:** The Municipal Board, could I have a list of the current Municipal Board appointees? How much does it cost to operate? I'll just get all my questions out and then you can get them out. How much does it cost to operate this appointed board, the per diems, et cetera? What are the chair and vice-chair paid annually?

**Mr. Ashton:** What I was going to say yesterday, there's a fairly extensive list and this board is a large board and of course it does meet in panels, so there is a requirement for that. I can get the member an updated list. What I was going to suggest in terms of the other items he mentioned, which are basically

informational items, we can provide all that detailed information, probably even within a day or so. We'll try and get it by Monday or Tuesday next week.

**Mr. Pedersen:** Madam Chairperson, I'm going to turn it over to the Member for River Heights for a couple of questions.

**Hon. Jon Gerrard (River Heights):** Madam Chairperson, my understanding is that the Minister of Intergovernmental Affairs is the lead minister with respect to Forks North Portage Partnership. Can I ask the minister how many times this year he's met with the board, or the officials, staff of The Forks North Portage Partnership?

**Mr. Ashton:** The Member for River Heights is quite correct. We recently had a stakeholders meeting and of course, he's aware that Forks North Portage has the federal government, the provincial government and the City of Winnipeg as stakeholders. Minister Toews was at the meeting—it was actually in my office—Mayor Sam Katz was there; I was there. So there was a direct, formal meeting. I can also advise him that there's an upcoming annual general meeting and I will also be present at that.

I have had contact, as well, with The Forks at various, different times, particularly with Jim August, who to my mind is a very competent individual. I've had a number of opportunities to talk to him directly. So there have been both formal meetings and informal meetings. I also keep in touch, too, with the provincial appointees on the board. You know, I think it's important to have that level of communication because it's a very important board. As the member knows the history of it, I think The Forks is an absolute model for Canada in terms of taking a, you know, a rail yard, in many cases, you know, close to abandonment and turning it into a stellar tourist attraction. So I keep in close contact with Forks North Portage. I consider it to be a high priority item for the department.

**Mr. Gerrard:** I'm sure the minister is well aware that, some time ago, Portage Place, which was a pretty important part of the North Portage Development, was sold for \$1. There were concerns at the time raised both in terms of what this meant and what the future plans were. Can the minister fill us in on what the plans are for Portage Place?

**Mr. Ashton:** I don't know if the member knows the background of this. I mean, the shareholders own the land, not Portage Place itself.

In terms of the future for Forks North Portage, I think there are a couple of key elements there that are really important here. One is the fact that The Forks itself has a major advantage, to my mind, with the connection with North Portage because of the profits, if you like, that are made particularly from the parking in the downtown area with Portage Place. That allows both The Forks North Portage to essentially break even. It allows, for example, in the case of The Forks to maintain the kind of accessibility we have. I mean, there is limited parking using meters. Primarily it's free, and I think most people are actually quite shocked when they drive into a covered parking lot and they find that there is no cost. And I think that's been one of the key elements to its success. It's got limited barriers, if any, to access, and the two are very significant.

Now, in terms of, you know, the go-forward, the board has understood, I think, and the stakeholders, the degree to which, if we're going to see further improvements downtown, that it may mean with Forks North Portage, that they can play a somewhat larger role. When I say a somewhat larger role, I recognize also the importance of CentreVenture, which I think has had perhaps some difficulties, but it's a key component downtown, and there have been some discussions of that.

The Forks North Portage has also moved. I'm sure if the member has the opportunity to attend the AGM there will be a full briefing and full information available on the monetization. They've been working with existing assets to obtain additional funds, and there are a number of things happening in the area. But just in terms of general involvements, I think there's some real potential for housing in the immediate area. Ironically, it's about all the development downtown. We still have a problem with housing. In fact, the population in the downtown actually has only just begun to really start to increase again.

There's also, I think, some real need to stabilize the retail in the area. There are some anchor tenants, particularly Staples. I notice Shoppers has opened a new store as well, but we're also obviously aware of the importance in maintaining The Bay and some presence in that end of the downtown. Of course, where the Hydro building is there are going to be a lot more people downtown during the day. I think part of the challenge is to keep it as an area that people will see as a destination in the evening.

One other area, and I've raised this with The Forks North Portage, I think it has to be in terms of public safety. I'll be very up front here, and this is not anything that's a criticism of Forks North Portage because obviously it goes somewhat beyond where they're at, but I really think that we should be looking at security cameras in, certainly in and around Forks North Portage.

You know, I have had some experience with that when I was Minister responsible for the Tax Board. We brought in the security cameras. I know the member will know that. That's dropped significant crimes by about 80 percent, and I've raised this in discussions with various people at the City, but I think it may be something The Forks North Portage can take a lead in since North Portage, you know, has had a number of incidents. I want to stress isolated incidents, but I'm really of the view that we have to make sure that people have a safe sense of being downtown and a safe experience being downtown.

There are some policing issues, obviously, in the area, and I do know there are a number of businesses in the area that have requested the City of Winnipeg to provide additional policing at the cost of the businesses. I met with one business operator in the Exchange District recently and that's a concern. But I think we have to, when it comes to North Portage, we have to absolutely focus in on public safety. We can have all the retail outlets we want. You've got the theatre there. You've got all sorts of amenities. You've got a lot of things that are happening in the surrounding area with the Hydro building, MTS, but I think we have to have a strong focus on public safety, and I think, quite frankly, security cameras do work. They work in other jurisdictions. I think a real opportunity is there using them with traditional policing methods. By the way, we are, through Neighbourhoods Alive!, supporting special constables downtown with the Downtown BIZ, so we are part of that part of the solution too. Those are some of the immediate priorities.

\* (10:20)

It's been very well run up to now, but I think The Forks North Portage model, which is federal, provincial, City, could be used to even greater extent, not just in the immediate target area, but perhaps in some of the surrounding areas, building on their success to date.

**Mr. Gerrard:** Continuing with The Forks North Portage, one of the issues which I have raised in the

Legislature in June relates to the Upper Fort Garry site and the fact that there's a development on the table which might fragment that site. One of the options, which I know was being looked at, was the possibility that The Forks North Portage Partnership might take over that site as part of The Forks site and make it into an international destination, which it could and should be.

Can the minister give us an update on the status of the Upper Fort Garry site?

**Mr. Ashton:** Well I thank the member for the question. I really think that if you look at what happened with that site, it just is amazing that to straighten Main Street out we essentially lost a good part of the historical integrity of the site a number of years ago. I think the current proposal, which has good intentions in terms of providing housing options, has reawakened an interest in the site.

I do know there is some archaeological work that is being done currently because, quite frankly, one of the unfortunate parts about when development came ahead of heritage a number of years ago, there is not a complete understanding, to my knowledge, of exactly where the key elements of the fort are. That makes a real difference in terms of any of the proposals that could be brought forward.

But we would certainly be open to any type of solution that would preserve the historic integrity of the fort. I know that the land developers had built in a component of that, and I there was a fair amount of controversy on that. I don't want to comment on that. I'm not so much focussed in on what's happened thus far, but I think whether it's through Forks North Portage or, obviously, the Department of Culture, Heritage and Tourism has a fairly significant role to play. I think we have to redouble our focus on preserving our history.

Of course, on a similar note, and I know the member's probably aware of a lot of the discussions over King Street, the building that was recently—well, the City has actually put in mechanisms and will be putting in supports to keep the building from collapsing. This is the Exchange District. It's an amazing asset for this city. It has huge historic significance, and that building has huge significance.

*Ms. Erna Braun, Acting Chairperson, in the Chair*

I am pleased that there's been a fair amount of federal support up until now on specific projects; I know the current government has continued from the former government. But I think when we have issues

such as Upper Fort Garry or King Street still being ongoing issues, it shows the degree to which perhaps we need to refocus and maybe look at federal, Provincial, City of Winnipeg initiatives that will maintain that, and also, quite frankly, develop the sites. Once they develop the sites—I think the appalling part with Upper Fort Garry was the degree to which it was just obliterated with one small exception. It's got a huge role in terms of the history of this province.

So I don't think we have yet turned the corner on heritage. On the Upper Fort Garry, certainly, we would be open to any creative solutions. If it's through The Forks, which, of course, is just across Main Street, I think that could be a very interesting proposal; we'd certainly be open to it.

**Mr. Gerrard:** Does the minister see the day when the full block where the Upper Fort Garry was may be a national historic site and fully developed as an international tourist location?

**Mr. Ashton:** Well, I think the current developments with the City are that they are doing, certainly, the archaeological work. That's my understanding, and that will play a key role in determining where the significant historic aspects are, but I think that we should be looking at all sorts of creative options around that.

I do think, and I get back to what I said earlier, it's just appalling that, in the name of straightening Main Street out, we obliterated a good part of our history in that area. But thanks to the wonders of archaeology and the kind of work that they're doing currently, as I understand it, there may be an opportunity to identify sites that can be redeveloped and rehabilitated. Whether it leads to a full designation, I think, would then really start now, whether there's some ability to do it. Certainly, I think there are a lot of people in the city of Winnipeg that see it as a significant site and while I'm not, obviously, the Culture Heritage Minister, I can say just on a personal note, I think it has significant historical value and I think it's not being, or has not been over the last several decades, given the kind of treatment it deserves.

I actually think what's happened now, I know there's been a fair amount of controversy over the specific development and I, again, I'm not questioning the developers, I think their intentions were good, they're well-intended, but I think there's a real interest in the public in not only protecting the small site that's there—I mean I talked to a lot of

people, by the way, who barely even knew it existed, let alone what the historic significance was. I think it's very much on the radar screen and we would be very open, through The Forks North Portage, of being a part of the solution.

When I say we, I can only speak for the provincial stakeholders, but, certainly, I think there would be a certain amount of willingness with the City, and I would hope with the federal government, too.

**Mr. Gerrard:** I would hope that the minister will involve himself fully in the plans which have been proposed in the Upper Fort Garry site and the potential role of The Forks North Portage Partnership. Although there is a piece of the site where the Upper Fort Garry was, which is now under Main Street as it were, where Main Street was, that there is still a substantial amount of the site of Upper Fort Garry. There's some very creative ideas for the block, which is the majority of Upper Fort Garry, that could be used to make this a very significant international tourist destination, and that it would link in very nicely with The Forks situation.

Thank you.

**Mr. Pedersen:** I want to move into Provincial Planning Services.

Madam Acting Chair, there's a requirement for the R.M.s to have development plans, and I believe that's January 1, '08. If I'm not correct on that, I'm sure you will correct me, but there are some challenges for the municipalities to have these development plans in on time. Are there going to be any formal extensions, or is it on a case-by-case if municipalities need them? Particularly with the Clean Environment Commission report not in and the hog pause presently on, it's difficult for some municipalities to finish their development plans with this being in place.

So the minister could update us on that.

**Mr. Ashton:** Well, there are two components to the planning. One is the development plans are essentially done. There's been a lot in progress the last number of years of having updated development plans.

\*(10:30)

What the member, of course, is referring to is the intensive livestock operation component. We actually have, in our discussions with various

municipalities and including with the AMM, indicated our willingness to look at the situation on a case-by-case basis. We already have granted one extension, and I say on a case-by-case basis because we certainly encourage municipalities to continue the planning process if they can and certainly to the degree they can. I recognize there are still some outstanding issues with intensive livestock operations, most particularly the Clean Environment Commission review. But we have already granted one extension and we have signalled and will be continuing to signal that we're more than open to extensions on a case-by-case basis.

We also do provide assistance for the planning process; we recognize the financial burden on municipalities. So the member raised a good question, and the answer is we are flexible. But it's not in a blanket sense, you know, largely because there are municipalities that are continuing and many of them feel that it's important to nail down the entire planning process, including the intensive livestock operations, rather than delay it.

**Mr. Pedersen:** I have a letter here that's from the Neepawa and Area Planning District Board, and my understanding is that they were one of the first planning districts to have a development plan in to your desk—if I am not correct just correct me on this—but my understanding is that they have it on your desk. Has it been approved? Can we have an update on what is happening with Neepawa and Area Planning District?

**Mr. Ashton:** Actually, it is pretty well the first so the member's quite right about the significance of it. Working with the other departments as well to make sure that we can proceed with it and, I believe we are consulting with other departments currently.

**Mr. Pedersen:** So is there a time line? Have you been in contact with Neepawa and area in just letting them know as to the possibility of when—like you can't obviously have a hard-and-fast date, but some general sense of time lines?

**Mr. Ashton:** Based on past experience, I am advised that often, you know, where there are problems they often can be ironed out in a very short period of time. I have always learned too that you can't predict the future. If you start giving predictions or even guesstimates they come back to haunt you, especially when your every word is being recorded by *Hansard* and can and will be read back to you. In a ballpark sense, assuming everything goes appropriately, by the end of the year it would certainly not be an

unreasonable time frame, but you notice I qualify that about three different times. So, if we are sitting in Estimates next year and I am still the minister and you're still the critic, I am sure it'll be done by then. So I will be safe, but whether it's done by the end of the year, we'll find out.

**Mr. Pedersen:** So that's the firmest I can get, is by this time next year. I understand.

In related to that in the Neepawa area we have the Rolling River Hutterite colony is in a bit of a bind here. They have a hog barn in operation, but they've been stymied on the building of a manure-handling facility for it. I know this goes through Conservation and Water Stewardship, and all the rest, but is your department also involved in this particular case?

**Mr. Ashton:** Having been a former Minister of Conservation, you are quite correct this is Conservation. Our department is not directly involved in this; this would be the municipality, the Department of Conservation.

**Mr. Pedersen:** The only issue is, though, that it is also land use and it is with development permits. There were permits issued, and it must have been in conjunction with their conditional land-use operation which does affect—my understanding is the municipality gave approval for this, and it's come back and it's being held in a state of abeyance right now. Nobody seems to know where it's at right now.

**Mr. Ashton:** Well, advice, too. I know the member's probably aware of the conditional use process which is controlled by the municipalities and there are various other permits that are involved, but conditional use is essentially part of the municipal process, and I'm sure he knows the dynamics of conditional use. The scary part is after having been Conservation Minister, now being Minister of IGA, I actually get to the point sometimes where I really think I understand The Planning Act, but then I sit down with my qualified staff and I find out that a little knowledge can be a dangerous thing, or even a lot of knowledge can be a dangerous thing. But the conditional use process is essentially through the municipalities.

**Mr. Pedersen:** On another somewhat related under provincial planning services, the provincial land-use policies, is there a time line for the review under this? Public consultations, stakeholder consultations, what is the plan, or is there a plan?

**Mr. Ashton:** Yes. There has been some review of the provincial land use policies over the last number of years, but the broader review of working with AMM currently in terms of that and certainly we will have full engagement with municipalities in an open public process. And I think it's important to put on the record, too, that this is a priority also for the municipalities. I'm sure the member knows that. I think there's been a recognition of the importance of having updated and provincial land use policies and we have done a lot of work working with municipalities, whether it be in the Capital Region or other areas of the province to make sure the provincial land use policies are up to date and are followed. I really think this is an opportunity with the upcoming review, the full review to make sure that we are dealing with a state-of-the-art sense of land use and of the planning process and I can say that the AMM will be a key partner in that.

**Mr. Pedersen:** Would the minister give us an update on the Capital Region. How are these dollars being utilized and there are some recoverables. I believe it's \$183,000 if I'm reading it correctly. Could you explain what that is?

**Mr. Ashton:** I notice there has been a staff position that has been dealing with the issues in the Capital Region. Probably the more significant expenditure has been MetroQuest. Recoveries are through, I guess, UEDI and REDI, urban development initiative of the Royal economic development initiative. MetroQuest has been very significant. I've had an opportunity to meet on numerous occasions with municipalities in the Capital Region, and what's important is the degree to which it involves a co-operative approach with the City of Winnipeg itself. I think everyone that looks at the situation in the Capital Region will see that, in the long run, the real success of the Capital Region is going to be through greater co-operation, not just with the City of Winnipeg and the surrounding R.M.s, but also in many cases with the R.M.s themselves. MetroQuest was a good example where you saw a co-operative project, and I look forward to further co-operative projects in the future.

\*(10:40)

**Mr. Pedersen:** Is the Community Planning Services, and this is maybe referencing back to Provincial Planning Services, is there a difference between the two? Is the Community Planning Services also involved in helping municipalities work on their

development plans? What is the difference between the community and the provincial?

**Mr. Ashton:** On the Community side, Madam Acting Chair, that's really the micro-working with the individual municipalities. Provincial Planning deals with legislation and overall planning issues, so it's more the macro.

**Mr. Pedersen:** So are Community Planning Services actually involved in helping the municipalities do their development plans? In light of the Clean Environment Commission hearings right now, is there really much happening right now in that then?

*Madam Chairperson in the Chair*

**Mr. Ashton:** They do help municipalities in some cases. Municipalities have consultants which do this kind of work. That's one of the challenges for a lot of municipalities because, given the size of the municipality, and the member will know that, not having necessarily all the in-house expertise, so they do play a pretty significant role in working either with the municipalities or with the individuals or consulting groups who are performing the service for them.

**Mr. Pedersen:** The Neighbourhoods Alive! Program—and I was at your launch in Portage la Prairie. I know the minister takes great pride in it and justifiably so, perhaps. In the Estimates book, obviously, Portage, Dauphin, Flin Flon, The Pas and Selkirk are not included because it happened. It hadn't been announced yet. Is there enough budget in here, or where does the budget come from for that?

**Mr. Ashton:** I know the member was at the launch in Portage. I should mention, by the way, just briefly, that I wasn't able to attend The Pas yesterday because it conflicted with this. We've had great interest in all of the communities that we went to. Flin Flon there were 40 or 50 people. There was a good turnout in Selkirk, a good turnout in Dauphin as well. There was a fair amount of interest.

There is additional money—\$400,000—that recognizes the new communities. We thought it was important, in year one, obviously when we are setting up the advisory committees and starting to put the structures in place, also to have some of the opportunities for community projects available. I'm anticipating, depending on each community's follow up to the initial meetings, although from what I've seen, we have not had any difficulty in any of the communities in getting an advisory committee set

up. In fact, usually we have more people than you would normally see for an advisory committee.

There is an ability for communities to access funding even beginning this year, and I suspect we may see some work on the small grants program, which has proved to be very successful in the three existing communities. As we evolve over time, there will also be the neighbourhood development component. I do want to stress, too, it doesn't have to be a separate corporation. The member knows that from the meeting in Portage. If there's a similar organization, there is an ability for that organization to play the key role.

There is additional funding this year, and, depending on budget and Estimates in the upcoming year, I would certainly see the five new communities having similar opportunities, maybe on a slighter different scale, obviously, because of smaller population, but having similar opportunities.

My sense is it's really hit a need. The member knows about how the meeting went in Portage, but I talked to quite a few people afterwards, and there are a lot of things happening in that community, but this will add, not just additional funding, but additional impetus to getting community plans and getting things moving.

I was, quite frankly, very impressed in all of the communities the degree to which people have been involved in various different projects, and we also had a good turnout from our councils, as well. The city and town councils have been very supportive. With the additional money, I think we're going to see some major things.

**Mr. Pedersen:** In terms of the \$400,000, though, does that just come out of the department? Money is usually budgeted somewhere. Where does it actually come from?

**Mr. Ashton:** It is in the line Estimates and it's under Neighbourhood Support, page 45. So it's actually a specific component.

I should mention, too, perhaps, to further elaborate—I did mention this yesterday in the context of staff positions, but we have also added positions to deal with this, including one in northern Manitoba. So there is additional money, both for the staff co-ordination, and also for the communities themselves.

**Mr. Pedersen:** Just having been at the Portage meeting and done some reading on Neighbourhoods

Alive! and whatnot, I have just a bit of a comment on the Portage meeting. I was somewhat concerned, surprised, however you want to call it, at the lack of Native of people at that meeting. There's no doubt they suffer some of the worst poverty and housing issues, and where Neighbourhoods Alive! has been instrumental in helping them, and I was just somewhat surprised at the lack of representation at that meeting.

If the minister could comment on that, whether there's been further input from that group since then in Portage. It was more just a comment that I really wanted to make in regard to the representation there that night.

**Mr. Ashton:** I certainly appreciate the comment and, certainly, working with Aboriginal organizations and communities in the City of Portage, which has a bursting of an Aboriginal population right now, or Thompson, where we currently have a very significant Aboriginal population. Quite frankly, Madam Chair, if you look at all of the Neighbourhoods Alive! communities, you will see a fairly significant Aboriginal population and some of the socio-economic difficulties that are facing urban Aboriginal people.

One other thing I want to stress, by the way, I think it's a good point in the sense that if you just rely on a mailout and for turnout to take place, often what you'll see in the case Neighbourhoods Alive! is the people that are coming are people from existing organizations, and there are a lot of them. So it's a challenge for us to be working with the urban Aboriginal communities.

Now, that being said, there are the friendship centres and other organizations that have a real track record. One of the things we will be doing when we're setting up the advisory committee is really stressing the need for broad representation and making sure that Aboriginal people, and others that may not necessarily have been at the meeting, will be represented. I think, also, one of the key elements of having the staff in place is their ability to actually get out and talk to people about some of the potential advantages.

The other thing that Neighbourhoods Alive! has shown, by the way, and Thompson is a good example of this. It's had a real impact on creating some of the kind of community development structures that didn't exist before. That had a real advantage in my area, for example, in Eastwood,

which is predominantly Aboriginal population, because there weren't existing organizations. There was no real focus for many of things that happened there. So, by having the development corporation itself in place, it actually has allowed for a lot more involvement with Aboriginal people and development of water projects that are benefiting people in that neighbourhood. One of the big advantages of the neighbourhood development corporations to my mind is they don't necessarily direct things in the community, but they can activate the community. They can connect needs with supports. I think that's one of the huge advantages of it.

\* (10:50)

So I appreciate the member's point. I think that will be a key priority for Neighbourhoods Alive! in all five communities to make sure that Aboriginal people and other people who might not normally be involved or connected will be a major part of it. So I thank the member for his observation and I think his implied suggestion that we focus in on it. We will.

**Mr. Pedersen:** Just as an update then, has the advisory committee in Portage been struck yet then or is it still in the works? Just an update on that.

**Mr. Ashton:** Yes, they just completed obviously the final meeting in The Pas yesterday, so they'll be going through that over the next period of time. It just takes some time to get the advisory committees up and running. Obviously, you know, having some permanent meetings, et cetera, but I know the top priority now was really twofold. One is when the Estimates pass, we're in a position to allocate some of the additional funding but also to get the advisory committees up and running.

The experience of the other committees is it can often take even up to a year before you maybe move to the next stage in terms of incorporation. We want to do it right and you know, we've been in the other communities for six, seven years now. Some committees have ups and downs without getting into specifics, you know, in terms of the success of the boards and the committees.

My sense of having seen Portage, I don't think there's going to be any difficulty in Portage. A lot of interest and it's an amazing community in terms of its ability to get behind community projects. You know, of course, I got lobbied about the current plans in terms of the rec complex and I had to ask myself, how many zeroes were attached to this? But knowing

Portage, you know, they will probably get it built. They certainly proved they could do it in the past.

**Mr. Pedersen:** The new centre in Portage will be the MTS of western Manitoba.

In terms of these advisory committees and again, it's just for my own information, is there remuneration for the people on these or is this voluntary groups? I'm just trying to get my head around this whole thing as to how you—not maintain control, because obviously, it's supposed to be community control of it, but just as an overall aspect of how the program works.

**Mr. Ashton:** Well, the way it works, I think is—well, first it's a volunteer board. It's all volunteer and that's important, I believe, to maintain the community sense of it. The funds themselves are different. Sort of component funds, you know, whether it be housing or neighbourhood development. Some of the funds are controlled by either the advisory committee or the neighbourhood renewal corporation directly, particularly the small grants program. Other funds do go to government and we are involved with the approval process, really for two reasons. One is in some cases, we're able to connect people to other departments, other funding sources that are available, but second of all, obviously in terms of, you know, accountability, you know if you're talking about a 30 or 40 or \$50,000 grant, we have to make sure at the provincial level that it's gone through due diligence.

But, that having been said, Madam Chair, the advisory committee and the renewal corporation does have a significant role to play in terms of bringing those forward and recommending them. We rarely ever reject the proposals, largely because the neighbourhood renewal corporations and our project officers in Neighbourhoods Alive! are able to work through a lot of the issues by the time they reach that point. You know, I think that's important. I mean, we also are reminded, too, of the fact we get a plan, as part of what happens in a five-year community plan, so that helps focus in terms of what the community priorities are. But the general experience in the three communities we've been in now is that it works quite smoothly.

I can tell you there were some people probably a bit more sceptical initially about whether this would be a success or not but I don't think in any of the neighbourhoods in Winnipeg where we have Neighbourhoods Alive!—and we have expanded it, by the way. We have expanded it, the member is

probably aware, from 2005, we added a number of neighbourhoods in Winnipeg. Now we're expanding to five new communities outside of Winnipeg. Generally speaking, the response has been really good.

I know in my community, five, six, seven years ago, nobody would have had any idea what Neighbourhoods Alive! was, but now if you point to some of the projects it's been involved with, it has quite a high profile in the community, and it's quite something to see. It can be very simple things. I point to the major redevelopment we've had in terms of our play structures, and working with parents groups. It's been explored by the business community. It's been really exciting to see that, and a lot of this wouldn't have happened without Neighbourhoods Alive! and that's just one example. I can give many more, but the great part again is communities themselves can do a lot more.

Even the playground structures, a lot of them there was a lot of in-kind contributions from the business community, and to my knowledge, that's largely because, you know, if it was a government program, it has a different sense. But, when you have a community program, you've got much greater ability to partner with community groups and with the business community.

**Mr. Pedersen:** So, if our neighbouring communities around Portage la Prairie wanted to get involved, they should be applying to the advisory committees and working with the advisory committee then on their own projects? It's not just restricted to Portage la Prairie itself?

**Mr. Ashton:** It is actually focussed in on Portage, but there are projects. It's no different than Thompson where there are projects that benefit the entire community, because it's essentially a neighbored revitalization project. We found in Thompson that we—because they were a smaller community than Winnipeg, obviously, there's a different sense of crossover in terms of the neighbourhood impact. So it is focussed in on Portage itself, but I'd be surprised if there weren't a number of proposals coming forward that will benefit the surrounding communities. By the way, we're all in it together. I mean, in my community of Thompson, we do a lot of things that benefit surrounding communities, and vice-versa.

**Mr. Pedersen:** Under urban issues, is Intergovernmental Affairs involved in the sewer and water agreements with the City of Winnipeg?

**Mr. Ashton:** I assume, Madam Chair, you're talking on the planning side of the waste water facility and also some of the upgrading that's taking place in terms of the water issues. Essentially, we have the Infrastructure Department that is responsible for infrastructure-based funding and infrastructure generally, so we're not directly involved in the discussions related to the upgrade to the waste water treatment plant, and I can indicate, by the way, having been involved with this previously, it is a very significant upgrade. This is largely because the City of Winnipeg was not licensed. It now is and the West End treatment facility is going to involve two things. One is the significant reduction of nutrients for Lake Winnipeg which is important.

The second is, obviously, down the line. The City of Winnipeg is going to be required under the Clean Environment Commission to get rid of the combined sewer overflow systems in the older part of the city. So, certainly, our department would have an interest from the urban policy side, but it's essentially through the Department of Infrastructure that there would be discussions related to either federal or provincial involvement on the funding side. In terms of environmental issues that's the Department of Conservation through the licences that have been issued. I know we have one licence and I believe we're proceeding to the other two.

\* (11:00)

**Mr. Pedersen:** Is there any money coming out of the budget in Intergovernmental Affairs to the North End Housing Project or, for that matter, any other housing projects within Winnipeg?

**Mr. Ashton:** There has been funding to the North End Housing Project through the Urban Development Initiatives. I can give the member the details: \$100,000 over four years to increase their human resource capacity, and there was also funding, \$120,000 in 2005, \$40,000 in 2005-2006, and there was also work in terms of a development project manager, that's UEDI, the urban development initiative. The Winnipeg Partnership Agreement, of course, which involves the other governments as well: there was funding, \$140,000 over two fiscal years, to cover the salary for two project managers, and \$124,000 in November for disbursements in 2007. That's part of the \$140,000. So both the Urban Development Initiative, which is out of this department, and the Winnipeg Partnership Agreement, which is a tripartite agreement, evolved in working with the North End Housing Project.

**Mr. Ralph Eichler (Lakeside):** I would like to switch it over to the Treaty Land Entitlement that's going to be coming forward in the next two to four years. I know, and I understand that the federal government has mandated to try and get this done within the next two years, which is a huge undertaking, and we certainly support the TLEs, there's no misunderstanding about that.

What I am concerned about is I brought forward last week in the House, in regard to consultations with the municipalities and ensuring that, in fact, the land that's being bought under the osmosis of agricultural land or land for development, I think those had to be very clear in order for the municipalities to deal with these issues. I was wondering if the minister could maybe update the department's position on some of these transfers that are going to be coming forward and what assurances we'll have that municipalities will, in fact, have some say in the development of those lands.

**Mr. Ashton:** Well, our role is fairly limited in this area. It deals with service sharing agreements, recognizing that when you do have TLE transfers you will then end up with the municipality and the First Nation involved in the service agreement. In the member's question in the House and even in his most recent letter to me, I think there's an assumption that somehow the IGA is the lead department when it comes to consultation, and the member's wrong. It's the federal government and Aboriginal and Northern Affairs on the provincial side.

Now, in terms of Roseau, and I'm going to be responding to the member's letter which I read this morning, they have, I believe, received a letter from the federal Minister of Indian and Northern Affairs, advising that Charlie Mayer, I think a former MP that the member will be aware of, has been appointed by INAC to work directly with the R.M. council and Roseau River First Nation and INAC officials to resolve outstanding issues and including the municipal development and services agreement. I believe there are other municipalities that are have a similar sort of arrangement.

In addition to the appointment of a facilitator, we work with Aboriginal and Northern Affairs, which is the lead in terms of TLE implementation. There has been a guide to negotiating a municipal service and development agreement and municipal tax-loss compensation agreement facilitating process. I think the member's probably aware of that. But I'm not

sure where the member assumed that IGA was the lead in this. Essentially, the federal government is the lead and, within the provincial government, it's Aboriginal and Northern Affairs, and they are apparently consulting with the municipality. I don't know if Mr. Mayer has met with the R.M. of Rosser yet, but this information, I think, goes back a couple of weeks.

Now, the federal government has indicated its desire to accelerate the TLE process. Perhaps that's been part of what's happened and I, just to a large extent, can indicate we certainly support that. There were far too many delays in terms of processing the TLEs and created a lot of frustration and a lot of uncertainty, not just for First Nations but for municipalities as well. But the lead in this case is INAC and they are consulting with the municipality as I would expect they should.

As I said, I think the member's question was based, perhaps, on a misunderstanding of the role of the IGA. We're not only not the lead department in terms of the consultation, we are essentially not the level of government that essentially in this particular case is the prime contact. It is INAC. The treaties are under federal government jurisdiction, and the Province, our main role is through not only municipal services, but also where there are provincial interests in land, whether it be Crown land or other land as well. So we're involved, but more in terms of specific land issues. The consultation is clearly the federal government, and my understanding is—the member may wish to check with the R.M., but if Charlie Mayer hasn't met with the R.M. yet, he will be.

**Mr. Eichler:** I wasn't specifically talking about Rosser, but since the minister brought it up I appreciate the clarification, the help there. I have been in touch with Minister Strahl, and I have been in touch with Charlie Mayer in regard to Rosser specifically.

I do have to disagree with the minister, though, in regard to the municipality. I mean, they look to your department for support. He may not be the lead role in this, but I think that the minister has to assure that the municipalities have somebody they can go to, other than just INAC, and I think that's your department. If I'm wrong on that, then the minister can correct me on that particular issue as well since we're zeroing in on Rosser.

My concern is long term. We can use this as a mistake that we can be educated on, an issue that has

been mishandled, and, unfortunately, it may not be his department but the municipality and other municipalities, the precedent has been set in this particular issue. It is an issue that I'm hoping will go away, and we won't be able to let this happen again. And I don't know to the level or extent of which the minister can play, but I'm sure he'll correct me here right away. He's very good at that. I'm not trying to put blame on anybody; I'm trying to get to the matter of fact that the municipality had no say in what happened in that particular municipality.

Now, in this case, the land was transferred three days after the election. It was bought last fall. The Minister of Conservation (Mr. Struthers) and the First Minister (Mr. Doer) signed off on it. Normally, this process takes years. In fact, when they did meet with Roseau River, Roseau River said we want to leave this as agricultural land. That's what we're buying it for. Then, next thing you know, the land deal is done, is transferred from the Province to the federal government. Within weeks it's done, not years.

We did have a meeting because then at that time the Chief, Mr. Nelson, came public and said that he was going to build a casino, a gas bar and a convenience store and a hotel. That's when the flags really went up, because that land was then going into commercial status and a commercial development, again, without consultation with the municipalities. So they had turned down several applications for adjoining property that was zoned agriculture. I'm sure the minister is very familiar with the site. He goes by it, I'm sure, every weekend, back and forth to Thompson. It's right beside the livestock auction mart, right beside an asphalt plant. You know, it's set up for failure, and, unfortunately, there are no traffic zones; there's no sewer; there's no water. There just hasn't been enough discussion on this particular site.

\*(11:10)

In fairness to all taxpayers and in fairness to the reserve, I'm very concerned about how we get out of this mess and prevent future messes, but if we want to talk about Rosser, the TLEs are really where I was at in order to try and alleviate that next danger zone we're going to be getting ourselves into, and, hopefully, we won't make that mistake again.

**Mr. Ashton:** I think if the member has a criticism here, he should direct it to the federal government because, quite frankly, the process here is controlled by INAC and the federal government.

Our department, I said, is involved with municipal services agreement. We also provide some information about the process because it is something that is of concern to the municipalities, obviously. We also are encouraging the work of the Department of Aboriginal and Northern Affairs.

My understanding in Rosser, the notice that was given was very late notice, even to the provincial government, but it's the federal government in this case, and they have appointed a mediator. It seems to me that what may have happened is the federal government, in its desire to accelerate the treaty land entitlement process, which is a positive move, may have not provided the normal level of notice. I mean, normally, there's full circulation to provincial government departments, you know, they ultimately transfer under additions to reserve, that process that's there. And I just want to stress in this case we don't do the consultations because we don't control the process in my department.

So that was where I had some objection to the member's questions and we all make mistakes at times, but I think if the member has phoned the Minister of Indian Affairs, I think he's understood where the real process lies.

I know I can't ask the member questions, Madam Chair, but he may wish to elaborate what the response has been from Indian and Northern Affairs because, you know, we take very seriously the process that's in place. I have had experience in my own area where a very good working relationship between our City of Thompson and the Nisichawayasihk Cree Nation in Nelson House, and some real progress on processes we'll add to reserve in the city itself. This has taken actually several years of discussions and negotiations.

So it seems to me what happened in this particular case is, for whatever reason, INAC chose to proceed in the manner it did—and I fully support the treaty land entitlement process, our government fully supports it—so I'm not in any way, shape or form even criticizing the process that INAC did, but it seems to me that the member should be making more phone calls to Chuck Strahl's office.

I will provide him a written response too, so he has a more detailed idea of that.

I would remind the member, too, because I think he missed it in his letter to me, that I fully respect that the municipalities have concerns of that process. I did mention that in my answer, but I thought the

member's comments did go a little bit too far when he talked about, you know, the potential major problems of the rest of the TLE process.

Most of the TLE transfers have taken place today and the ongoing issues, if there is one problem with them, it's actually that they're taking forever. That's not good for the municipalities either and it's certainly not good for the First Nations.

I think the federal government—and do I have to say this, because you know, I may get struck by lightning here—it's understood, the federal Conservative government has understood that things have to change, that we just can't go 10 and 20 years of this process. So I think they're well-intentioned on this particular case, and I—whatever has happened in Rosser—and I hope I've provided some information that's of some use to the member, I hope that we won't give up the goal of the TLE transfers. These should have happened decades ago, in some cases. There are ways we can do it which minimize impact on surrounding communities.

So, if the member needs any more information, I will undertake here to keep him informed. Well, it sounds like if he's phoned Chuck Strahl's office he might want to give them a call again because they could probably provide much more information on why they went this route and what Mr. Mayer is currently doing, you know, what the current discussions are. I'm advised, as I said, that they have sent a letter to the R.M. indicating that Mr. Mayer will be involved, but I don't know if he's started that process, as well.

I do know that Mr. Mayer has also been engaged in the process with Roseau River First Nation, the R.M. of Franklin, because I am assuming that is a separate TLE. So Mr. Mayer seems to be the person of choice here for this. Actually, I have a lot of respect for Charlie Mayer. I remember him quite well. He may be a former Conservative M.P., but I am sure he's very competent and—I mean, not that I am going to reference previous discussions, but sometimes people who have been in politics and move on afterwards have a lot to offer. Sometimes we in the provincial government access their services, sometimes in the federal government.

**Mr. Eichler:** Thank you, Mr. Minister, for your comments, and they are fair comments. I guess we are going to have to agree to disagree on your department's role. I realize that it's through the Aboriginal and Northern Affairs Department. My concern to you, sir, is the fact that the municipalities

have to have somebody that can stand up for them, even though it is not necessarily your department, but the municipalities do fall under your mandate. If I am wrong on that, I guess you can tell me, but I understand you're the minister for that.

Now the concern that I have, and you brought up the other issue, and it's not just Franklin and Rosser, it's all about TLEs. And when you look about—just using your example with Franklin, there's some 4,000 acres of land that's been purchased by the Roseau River Indian band and I am not singling out them. This is not about one particular band; it's about the TLEs and that's where I want to focus my questioning.

The TLEs, the way they are coming about, because of the amount of land that is being transferred and we agree wholeheartedly this land does have to get settled. It has to get done in a way—in a timely way—but has to be balanced, because there is only one taxpayer at the end of the day. Now if you look at the 4,000 acres that you referenced to the R.M. of Franklin, if that tax base is now gone from the municipality, there are only a few taxpayers left to pay those taxes. So, once that becomes reserve status, unless there's some type of a service agreement, which if it is left as agriculture land there's not a lot of services that need to be provided other than gravel the odd road once in a while. There would be no residences; there would be no garbage; there would be no fire; no ambulance services. So, basically, there's not a lot of cost that the municipality is going to be able to share. Where that money, if it was in still normal residence and taxes and farmland taxes, that would generate some type of revenue for the municipality. That's my concern, it's about where the municipality is going to be as a result of the TLEs on some of these municipalities where the land will be granted reserve status and there'll be no taxes coming back to a particular municipality.

**Mr. Ashton:** Well, first of all by the way, I want to get back to the premise the member's question: they do contact the Department of Intergovernmental Affairs. What happened in the case of Rosser is that the notification didn't come from the federal government until a very late time in the process, and the member outlined all the circumstances. He represents the R.M. He certainly knows probably some of the events, you know, that have happened. I fundamentally disagree with the premise of the member's question. He somehow crafted the question before, and he is repeating it now, that

suggests that somehow the minister or the department was responsible for not having the consultations. It was INAC which basically directs and controls the process.

\* (11:20)

Now, we are involved with other areas, and I want to just let the member know that, when it comes to TLE compensation, municipalities, obviously, can experience a net property loss. There is tax loss compensation that's provided by the Province and often, what will happen is, as much as the new reserve doesn't have to access services, it usually ends up doing that, and is usually much more cost-effective through the municipality. So it then leads to a municipal services agreement. I think that's important to put on the record. So it doesn't lead to a donut hole in terms of taxes. There is some compensation available, but there is every ability for municipal servicing, and that's what we're involved in as a department because we are the department that does provide services in municipalities.

I just want to stress that we didn't control the process. The federal government controlled the process in terms of Rosser. We're involved in various different issues but, right now, the consultation is taking place between INAC and the department. We are involved in, and obviously continue to be involved with discussions with the municipal services agreement. I mentioned that earlier as an area that we'd be involved. Discussions are one thing, consultations are another. Certainly, Madam Chair, there's enough evolution of discussion about what consultations are with First Nations, the constitutional requirement consultations. So I appreciate that when dealing with the municipalities, that they would expect full and open consultations.

Clearly, there is a process now with Mr. Mayer. I trust that it will be a productive process. I just want to stress again here, we are involved. We are not the lead department within government, but we work with Aboriginal and Northern Affairs. The federal government, basically, in terms of this situation, as with other situations, has a significant impact because of the time frames that they follow. The key thing to remember here too is, the transfer and the addition to reserve takes place through the federal government. First Nations can and do buy land all the time. It may have interest in the land. But it can only become a reserve when the federal government goes through the process and adds it as reserve land.

So, in this case, not only are they the prime part of the process itself, they are the key players. What we can do as a provincial government is, through the support here on the tax compensation side, through negotiation with municipal services agreements, through helping municipalities, as we do through IGA, know what the process is, and provide information to them and work in terms of that concern. We can be part of the solution and part of the problem. Our Province, our government, has said we want to be part of the solution. But I just want to stress here, again, that the prime process itself is a federal process.

I know the member has phoned Minister Strahl. I think he knows that too. I trust that Mr. Strahl will be forthcoming with a detailed explanation of what happened and why and where it's headed. My view is, to a certain extent you can't change what happened, but you can certainly work constructively for the future. We're seeing these discussions taking place with the R.M. of Rosser. You mentioned the other situation with the other municipality. My view on that is that where reason prevails, you can deal with a lot of these concerns. We have a lot of very successful additions to reserve, through either the TLE process or through, what are often called urban reserves, but where there is a negotiated process.

Generally speaking, I'd encourage the member to look at Saskatoon, for example, where they've had a fair amount of success, but around the province, where there's been transfer. In many cases, it adds benefit for surrounding communities. It brings new economic development, new jobs, and I certainly have seen that in areas in my part of Manitoba where that's made a difference.

So I just want to stress again, we are there to support the municipalities, but this is by and large a federal process, but our commitment is to be part of the solution at the provincial level.

**Mr. Eichler:** Thank you, Mr. Minister, for your comments. I hope that the provincial government is there financially for the municipalities as it moves forward and I hope there's enough money in the budget to cover those shortfalls as they come forward with respect to the land bases can be transferred.

One other comment I'd just want to leave, and you don't need to comment on it, but when it comes to the assessment, we're going to see land values

skyrocket within the province of Manitoba as a result of the TLEs. There's no doubt about that. So it's going to put a false sense of value out there on assessment for farmland, which is going to have a huge impact on the farmers, especially young farmers. The tax base will go up, the values go up. We see in Saskatchewan double from last year to this year. That has a lot to do with a false sense of the economy, which really is not there.

I want to switch hats and this has to do with geotherm assessment on residences. I had a constituent call me the other day. He put a geotherm system in. It cost him around \$18,000 and he says: Why am I being penalized for being green for putting in a geotherm system? He said: The money that I spent to save money is going to cost me money for the rest of my life.

So I was wondering if the department is looking at ways of maybe reassessing this particular issue in order to encourage more development of green projects and green heat.

**Mr. Ashton:** Just one brief comment on the first part of the member's question. There's no doubt the land values are going up. They're going up here. They're going up in Saskatchewan. House prices are going up. That's a sign of the strength of the economy. In rural Manitoba, in particular, if you look at the price of grain for example, one of the key factors with the price of land in any rural community, I'm talking about agricultural land, not developable land, is obviously your ability to make an income from it. Certainly, with some of the difficult times we've seen in agriculture, there are pressures.

My sense, by the way, the impact of TLE is going to be far less than even the impact of existing purchases. We have immigrants coming. I note, whenever I go anywhere in rural Manitoba now, the accents are changing. In part of southern Manitoba, you see a lot of German immigration, a lot of British immigration, people coming as immigrant farmers, which, I think, is huge.

I don't think it can be pegged on TLE. It's the general strength of the economy and the rural economy. I won't get into a political discussion about it. I'm tempted, but I think people spoke in the election anyway, and I think that was one of the factors. I wouldn't want to leave the impression that TLE is somehow going to drive up the land, but you do raise an important point, by the way, though, and that is it's just like housing. High prices are good for existing landowners and existing homeowners.

I'm a homeowner in Thompson. The value of my house has gone up dramatically, but I certainly see what it's like for my kids who are in their twenties and their ability to purchase a house. I could buy a house—the house I'm in currently, I bought for \$70,000. It's probably worth over \$200,000 right now. Young families trying to get in the market are often at very great difficulty.

Now, you compound that with the agricultural situation because land is, if you just calculate the cost per acre and how much it's gone over the period of time, you have a lot of existing farm operations where it's going to be a real burden on young farmers in terms of taking over the land. What's good for the homeowner and the farm owner is not necessarily good for the next generation.

We're working on it in terms of the geothermal. You raise an interesting point. The normal process with assessment is obviously market value, but when you're putting in issues related to energy efficiency, you're also trying to reduce your operating costs, so I think that's something we will certainly look at.

It's going to be a growing issue. We have the highest-per-capita number of geothermal installations in Canada. Actually, we're very well placed internationally as well. Sometimes these things develop because of all the good things that are happening in the province, but I can understand the homeowner's concern. We're certainly working with the department on it.

\* (11:30)

**Mr. David Faurschou (Portage la Prairie):** I would like to ask the minister, as we're on the topic of assessment, there were discussions years back when I was on the government side of the House and legislative assistant to the minister, to merge the assessment branches that operate in and out of the city of Winnipeg. Winnipeg operates its own assessment branch, and the rest of the province is handled by the other branch. Cost efficiency, effective delivery of services is always on my mind. I'm wondering why the two are still separate and apart, yet the minister's department pays for both.

**Mr. Ashton:** Our focus has been on making sure that our assessment services are at a proper level across the province. We do work, obviously, with the City. We think that right now it is more important on the efficacy of the assessment system, and through the use of technology and through the constant efforts to improve it, we've come a long way.

Some of the history, if you look what happened in Ontario, for example, they delayed and delayed and then hit the wall with it when they updated their assessments. We made a real move a number of years ago, Madam Chair, to move toward market-value-based assessment. I think that's really important.

Basically, the key element here is we are working with the City to make sure that property owners inside the city are treated in a similar fashion to those outside of the city. But it's probably not much different from many other municipal services. You still have, in the city of Winnipeg, where public health inspection differs between different parts of the city. Of course, I'm sure the City would want the Province to take over the entire thing.

*Mr. Gregory Dewar, Acting Chairperson, in the Chair*

Our focus here is less on who provides the assessment service, but making sure it's an efficient and up-to-date system. I think we've had some very good co-operation there. I think our efforts significantly help the City; there's been a whole series of issues that the City's had with assessments. By the way, I recognize there are always people that don't like how their individual home is assessed, but it's systemic problems that you look for, not for one individual home.

**Mr. Faurshou:** I do appreciate and I think the minister in his dialogue actually gave good reason that we should have one assessment branch that covers the entire province. I want to state that I have absolute confidence in all personnel engaged in the assessment branch. We have led the nation with the incorporation of technology and advancement of procedures. I think that I'm still left wondering as to why the City of Winnipeg administers its own assessment branch and the Province pays for, perhaps not its entire, but does give \$3 million towards the City of Winnipeg to operate their assessment branch. We operate an assessment branch ourselves.

So has the minister entered into any discussions with the City of Winnipeg to merge the two assessment operations into one, undoubtedly, to capture a more cost-effective delivery of that service?

**Mr. Ashton:** Actually, we do provide a grant to the City that is \$3 million; it doesn't cover the full costs. Our focus is on the system itself in terms of the city,

moving toward a more regular cycle of assessments, because often you get that assessment shock when you go a number of years and you actually have a renewed assessment. I don't think that it would be wise at this point in time to get into us picking up the specific service, because I'm sure the City would be quite glad to have us pick it up at our cost. With all the other priorities with the government within the department, I think working co-operatively with them is the most important. There's been really no approach. The City, I think, has the same sort of focus as well. They're not asking us to take over their assessment practice. To my mind, we can have consistency by having a common best practice, and that is currently what's taking place.

**Mr. Faurshou:** I'd like to leave with the minister at least the consideration that discussions take place, that we are looking to have the assessment services here in the province provided for in the most cost-effective manner. Would he at least agree to look at what the cost might be and the potential savings? Would he be agreeable to at least doing that?

**Mr. Ashton:** Mr. Acting Chair, the department's view, and I concur with it, is that there are really no real potentials for cost-saving in the sense that—assessment is fairly labour-intensive, as the member knows, requires a lot of site visits and a fair amount of travel. I know people, our assessors, so it's similar to our regional offices. We feel that we have efficient regional offices. We're committed to our regional offices throughout the province. We believe they are efficient, and my view by the way is—you know, I think this is a view that probably the member would agree too.

This is often one of the issues that comes up with any provision of government services, and my view is that the regional approach is far better than the central approach because it's often incorrect to assume that you have a central process that would work better. That's why we have regional offices. Essentially, the City of Winnipeg would be its own regional office even if it was part of the government. Very little would change in terms of that. So the bottom line here is we have a regional system. The City of Winnipeg has its system and we think we're going to make far more progress by focussing in on the degree to which we have an up-to-date system for Manitobans and a system that recognizes the key principles of assessment rather than the organizational structure.

**Mr. Pedersen:** Under the Farmlands School Tax Rebate program, and I am sure that the minister will tell me what all the percentages are and the rebates and whatnot, but we're up to somewhere around 65 percent now, with a target of 80 percent.

My information that I've received is that it costs \$400,000 a year in administrative expenses to rebate that program. Very simply—I am not a computer geek by any means—but to me the simple way to do this is to give the rebate credit at the time the tax bill is issued. You would save \$400,000 in administrative costs. Why isn't that done?

**Mr. Ashton:** I'm sure the member will be asking for—maybe he didn't get the opportunity to ask the Minister of Agriculture—and I appreciate he's probably trying to give me the opportunity to demonstrate my knowledge of agriculture coming from a constituency where I do not have any farmers. I have producers, fishers, but I will undertake to pass that question, concern on to the Minister of Agriculture (Ms. Wowchuk).

**Mr. Pedersen:** Well, I hope you do, because I know it's under the Department of Agriculture or Agriculture and Food, but it's still through your department. You're issuing the tax notices and I understand that this is administrative; you can correct me if I'm wrong, but this administrative expense, is this out of your department or then is this out of Agriculture? Whose department is paying for this administration?

**Mr. Ashton:** It's the Department of Agriculture.

**Mr. Pedersen:** Well, I just ask you then to please pass it on and I will also do it, never fear.

Another issue that I want to bring up is the Ellice Municipality in regard to expropriating land for the Fort Ellice. I know that we cannot talk about that because it's before the courts and there's further legal action. That's the issue, or that's the reason for bringing the issue up, but the bigger issue here is that, is the minister contemplating any changes to the act? There have been a lot of concern expressed. I've had a number of phone calls to myself, and some of the other members have about the powers of municipalities being able to expropriate land. Is there any review coming under that in light of this action that was taken?

\* (11:40)

**Mr. Ashton:** Yes, and I do know, as the member knows, that it wouldn't be appropriate to talk about a

specific case, and I appreciate that he wasn't either. It was just with the general issue. He is quite correct that municipalities have authority on The Municipal Act to acquire land through expropriation. They must follow the rules outlined in The Expropriation Act itself. Having had some experience with expropriations in other departments, I can tell the member that there is a very clear delineation where you have dispute over, say, a land value or a dispute over the purpose of the expropriation itself, and I'm not commenting on the existing lawsuit because that would be inappropriate. But the act does provide for hearings where circumstances warrant, so, even though there's this power in The Municipal Act, it follows all of the requirements in The Expropriation Act.

I appreciate the expropriation is never an easy step that one takes. You have to balance the public interest with, obviously, the interests of the landowners themselves. I would certainly be reluctant to weaken the ability of municipalities because there are many cases where municipalities do need that ability for very significant matters of public interest, particularly with infrastructure projects. We certainly do. I look at many of the highway improvements that we have been involved with in the last period of time, and I'm not talking about the actual capital itself, but they would not take place without the right of ways. If you didn't have the ability for expropriation, they would not happen.

So I would certainly welcome, perhaps through correspondence or further discussion, if the member has any specific elements of this expropriation process that he feels, or perhaps constituents and others feel are inappropriate. But my sense is it's often, and I hate to say this, but it's often the concern about the process that has more to do with the end result than the actual process itself. People don't like expropriation if they're one of the affected landowners. I shouldn't say that in the general rule, but, generally, there are some people that will not like it. As I said, there are protections for the public in there, but I'd be very wary of weakening the ability of municipalities to act in the public interest with all the guidelines, all the regulations under The Expropriation Act.

**Mr. Pedersen:** I'm again being just very careful about this because it is before the courts, but we need to examine this particular instance as it continues to unfold. We've talked about Community Planning Services here in the community. That is, perhaps,

one of the questions that's going to come out of there. I would just urge the minister, and we will have further correspondence and talks about this as it continues to unfold, but there is a real genuine concern out there amongst landowners. I very well understand that municipalities have to—and I've watched expropriation, and it was for the betterment in this particular case that I was watching for. So, no, we don't want to weaken them, but we sure want to make sure that municipalities don't, without proper planning, use it under the guise of expropriation and with a lack of community planning process.

**Mr. Ashton:** Actually, without referencing the specific case, I would agree with the member. The key thing is, obviously, that a municipality has to have a valid municipal purpose. But I also think it has to be clearly understood that expropriation is the last resort. We have a whole process on The Expropriation Act we follow provincially that does protect the landowner's interest, as well as the broader public interest. But I think the member is quite correct that this is not there for arbitrary purposes. It is for a significant municipal interest, and the same thing on the public side.

*Madam Chairperson in the Chair*

I can speak more, perhaps to avoid the specific case from experience, if you look provincially at how many times expropriations do take place, it's very rare, actually, and very specific and follows a whole process in which there's often a voluntary purchase, and 99 times out of 100, the voluntary purchase often is successful. It's only in the one percent, and the dispute in a lot of cases is not even over the expropriation itself.

You can, under the act certainly make the case that it's not for an appropriate public purpose, and that's usually when hearings are held, you know, if it's actually a question on the purpose itself. But the reality is that in a lot of cases it's a dispute over the land value and I appreciate that, and particularly in the rising property market, too. I suspect you're going to get more concerns about that as well, because I think people know what land is selling for, but even then we do have a board, we have a process that can deal with appeals as well.

But I appreciate the point. It should be for a genuine municipal purpose, and it should be not done outside of a proper municipal plan.

**Mr. Pedersen:** The Municipal Finance and Advisory Services, PSAB, and, again, it's just wonderful how

everything has an acronym, but Public Service Accounting Board. It's requiring the municipalities to—how they do their accounting. It's out of Enron and Conrad Black and all the rest of them, but I've talked to a couple CAOs who have some real concerns about implementing it. Once it's in and running, it might be okay, but it's how to come at a value for a road, whether it's a dirt road or gravel road or whatever it is and to get this, and it's the workload that's involved.

I know that the Province has people in place to help them get on an advisory process, but is there any, from a labour point or a financial point, any assistance for the municipalities to get onto the PSAB process?

**Mr. Ashton:** We are doing workshops; we do have a staff person that provides assistance and AMM also has a staff person who also provides assistance. I appreciate the concerns of the CAOs because it is a significant shift. We've gone through it provincially over the last number of years, but on the other hand, it's a very—the current system we have provincially, for example, by extension at the municipal level, does provide a much better accounting of capital assets and the value of those assets and also your ability to amortize improvements to roads or other elements of infrastructure.

I think that's been one of the weaknesses, certainly 10, 20 years ago, and the Member for Portage la Prairie (Mr. Faurschou) being the former Transportation critic at the time I was minister will recall that we used to—I inherited a system where roads were considered an operating expense. The was no ability to capitalize an asset that can last 40 years, in the case of a gravel road 20 years in the case of the surface on a road.

I think the current evolution of accounting for municipalities is going to be just as helpful as it has been to us. I mean, yes, you need the money to invest, but you also need a financial framework that actually doesn't penalize long-term investment in infrastructure, so we do provide assistance, both through staff and through workshops, and we'll continue to work with municipalities to get a more up-to-date presentation of public finance.

\* (11:50)

**Mr. Pedersen:** There's no real justifiable opposition to do it, and I don't think there is from an accounting point of view. But, again, I just want to reiterate it's the labour portion of it that's really bothering the

CAOs. They have a tremendous workload right now and this is not helping. I believe the deadline is January 2009 that it has to be done. So they're facing, and that sounds like a long time away, but we all know how time flies and workload is heavy and all the rest. So I would just appreciate it if the minister would take it under advisement that the CEOs do need some physical help on this, not just in an advisory capacity, but also in the actual workload of it.

And the other, well, really, the question is, what happens if the municipality shows an operating deficit because of this process?

**Mr. Ashton:** It's actually, it is a good question. Obviously, the member knows that you can't run a deficit on current legislation.

We'll certainly make sure that we work with municipalities if there are problems that do develop because of the new system. It's not the intention here to have a dramatic impact on municipal finances. I know, in talking to all of the 198 municipalities and the AMM, that one of the big issues is always the sensitivity of municipal finance to a lot of factors, but on the expense side, particularly the rising expenses in terms of maintenance for municipal roads, some of the construction costs that are there. So the intent of this is to have a system that meets all the accounting guidelines, but not to put the municipalities in a financial difficulty.

But we're still some time off really in terms of this, I mean, January 2009. The member is quite correct in terms of the actual implementation. And, you know, my sense is it probably will be less onerous if people realize in the sense that there is a template that we do provide that is there.

I mean, there are issues. Obviously, an evaluation of assets, which the member referred to, but even then it's easier than one thinks because even though every municipality is a little bit different maybe, there are—notably the provincial highway system—there are a lot of municipal roads that are, some of them are in as good a shape as the provincial highway. Some of them are clearly much more limited-access, but there are *[inaudible]* are out there per kilometre. *[interjection]*

It sounds like the member has experienced a number of those.

**Mr. Pedersen:** Mr. Minister, just as a suggestion then, perhaps. Can you take a municipality and help

them get through the system quicker than January '09, so that you can—and typically what I'm looking for is a municipality that would record a deficit so that it would really help the municipalities to plan to get through this whole process.

Like, it's good to have consultants, and it's good to know the process and all the rest, but until you actually have a test run of this, we don't want to get to January '09, and have a test run where all of a sudden you have a major problem with the municipalities showing deficits, which is not in the legislation.

**Mr. Ashton:** Actually, you know, I just want to stress that January 2009 is not a wall that we're going to hit, here. We're working with municipalities right now. We'll have even more information over the next month or two that will give us a clear picture whether it's going to impact.

But I will say on the record that I think the member has raised an important point that we're more than aware of. We've seen it provincially. You know, shift in accounting measures and systems. It can lead to quite a different sense of what the provincial presentation of books are, and we're complying with all the GAAP regulations. We made some significant changes that reflect, with provincial finance, and as I said, I'll perhaps take the member's concern under advisement, and perhaps keep him posted as we proceed.

I also want to stress, by the way, I appreciate the burden on the CFOs and CAOs. That's another challenge for municipalities. It's recruitment and retention. It's a tough job. My former special assistant's gone that route out in B.C., so I know you're on call 24 hours a day. You're expected to work miracles with, you know, limited budgets that you have at the municipal level. You're expected to keep in constant contact in terms of, whether it be accounting or other issues. So I certainly appreciate that we don't want to make the burden any greater on the CAOs and CFOs of our municipalities. I think we're making real progress in this area right now.

**Mr. Pedersen:** Under the Building Manitoba Fund, I would ask the minister to provide a list of all projects funded under the Building Manitoba Fund since its inception and, specifically, a breakdown of the dollars being allocated such as from personal income tax, corporate income tax and from road-related tax revenues.

**Mr. Ashton:** I can indicate that this is exactly the request that was filed through FIPPA. It should be out by Monday, I think, yes. Within days. We'll have all the detailed information that the member requested.

**Mr. Pedersen:** Thank you. I'll look forward to more reading.

**An Honourable Member:** The cheque is in the mail.

**Mr. Pedersen:** Yes. The cheque is in the mail.

The Brandon charter. There was an election this spring, and I'm told that we lost the election. I've been reminded of that a number of times, but there was some talk about having a Brandon charter so that Brandon could be treated similar to the Winnipeg charter. Does this government have any thoughts, any ideas on implementing that?

**Mr. Ashton:** Yes, there was an election, that's right. I hate to rub it in but, well, I believe one of the member's candidates, maybe the member's leader did raise this in Brandon along with getting a casino and various other things. You know, I could be rather political and say that horse racing, yes, that the people have spoken, but, actually, whatever the thought was behind that, it's not something that's being raised by the City of Brandon itself in our discussions.

Under The Municipal Act, we have given broad powers to all municipalities, everything from tax increment finance, for example, through to the ability for additional revenue sources. That option is available for Brandon. So that has, I think, dealt with a lot of those concerns. In The Municipal Act, changes brought in in 2004, Brandon now has similar authorities that are available to Winnipeg under the City of Winnipeg Charter. They are using that. The best example of that is the revitalization, redevelopment of the Renaissance District.

If Brandon felt that they needed additional powers, we'd certainly be more than willing to talk to Brandon. Certainly, we have a very good working relationship with our second-largest city. I know they have some concerns around the planning side, the planning district side, and that's been dealt with. The Planning Act amendments, the member may be aware of some of the issues there related to planning district and their concern that they have appropriate representation for Brandon. So we've dealt with that.

I have a lot of respect for our second-largest city, representing our third-largest city, being here at the table with the representative of the fourth-largest city. Fourth-largest city is Portage, just in case there's any confusion. I did check the census. I think the key element, too, to stress is that we, both in terms of municipal finance and in terms of the powers that are available to municipalities, you go to a lot of other provinces, they are demanding the kind of legislation and the fiscal framework that we have for our municipalities. We are definitely a leader across the country, and I think it's reflected here in this context in Brandon, but all of our municipalities have greater fiscal capacity and greater autonomy, powers that are available under The Municipal Act or The City of Winnipeg Act.

\* (12:00)

**Mr. Pedersen:** On page 78 of your Estimates here, why is the expenditure for Rural Community Development, gaming money, down slightly from last year?

**Mr. Ashton:** It's all based on the VLT revenues, so it just reflects the aggregate level of VLT revenue.

**Mr. Pedersen:** I would like to switch over to EMO, some questions about that. The budget is up 27.6 percent over the previous budget year. Are there some highlights as to why that is up that high?

**Mr. Ashton:** First of all, we have added five additional FTEs. This is related to the work that's required under the plan we're doing for avian influenza. There's also an allocation for a general salary increase. These are the transfers in the Adjusted Vote. If the member would like, I can also give an update in terms of the changes here. New for 2007-2008, the current year, there was one FTE increase for the emergency exercise program, the salary hours for the six additional FTEs, again another allocation for salary increase and the usual in terms of operating expenses and also benefits, et cetera, that accompany those staff positions. So it's primarily to do with additional staff and the supports that are required for those staff.

**Mr. Faurshou:** On the topic of expenditure of EMO, I would like to ask, has the department actually issued any cheques emanating from the disaster that Elie had this past summer with the first recorded F5 tornado in Canada?

**Mr. Ashton:** A fair number of people have received cheques, specifically with catastrophic claims. We're working with the municipality and a number of

others in terms of finalizing the claims so that they can be paid off. But the cheques certainly have gone out to a fair number of individuals already.

**Mr. Faurschou:** I know the persons are going to be most appreciative of any and all help because we are just absolutely so fortunate that there was not a loss of life in that catastrophic event.

I wonder is the department capping the assistance available to Elie residents at the announced—million dollars, was it. Or is it yet undetermined as to what potentially the capital outlay from the Province for assistance will be?

**Mr. Ashton:** I want to stress that whenever we have announced programs we provide an estimate of what the damage is, but we have never rejected any claims. In some cases, our estimates are very accurate; some cases, they're not. It's very difficult to get into it, and it was particularly difficult to estimate the damage from the tornadoes because most of the tornado damage is insurable. So, essentially, we're dealing with non-insurable aspects of the disaster, particularly clean-up which is probably the biggest element.

The bottom line is, for that, we really have worked very hard with any and all claimants. I want to also echo the words the member said about the response, not just with EMO but all of the provincial departments and agencies and the municipalities and many volunteers and volunteer organizations as well. It was just incredible.

The member's quite right. It's amazing no one was even more seriously hurt let alone killed because it did go through a very populated area. I think that's huge, the fact that that did occur. When we announce a program, we don't set a budget and restrict it to that. If people are in need and are eligible for disaster financial assistance, we will pay the claim.

**Mr. Faurschou:** I do truly appreciate the minister's position and the department being there for the Elie residents, but there was one point in the minister's response about having an item or property that is insurable. There are some situations that are potentially grey areas, and I want to provide one of those grey areas. The local organization was putting together a ball tourney for the weekend, and they were set up for the ball tournament, that the proceeds would support the local Children's Wish Foundation which they had identified as a needed event to support.

They'd rented two portable toilets. The portable toilets, under the contract which you receive from the supplier, are that you break it, you fix it, or you replace it. Obviously there's not even a piece of plastic of the portable toilets to be found. They've vanished with the tornado. So you've got this charitable organization trying to raise money, and they're going to have to take the first \$2,000 of their raised funds to pay for the two toilets because it has been determined by your department that those portable toilets could have been insured. Yes, they could have been insured by the supplier, but the person that's renting them doesn't run out and buy spot insurance on portable toilets. It just doesn't happen.

So I think with a little bit of latitude as to whether they can be insured or can't be insured, the department, in this case, should act with a little bit of compassion.

**Mr. Ashton:** I appreciate that there are always going to be these kinds of situations. There is an appeal process. I do want to indicate that so it's not the final process. There's the Disaster Financial Assistance appeal board so people can appeal it through that. I would encourage people to do that if they feel that there is an issue here of fairness under the existing regulations. One of the reasons that board is there is to ensure that there is a completely objective indication of whether it is coverable or not.

Now, since this is a federal-provincial program, we're always very careful in terms of following proper procedures. We don't want to end up with all sorts of problems with an audit down the line for approval of items that were not legitimate. So there has to be that determination.

\* (12:10)

I, with Chuck Sanderson from EMO, we'll take a look at it. I wasn't aware of that myself. It is difficult. In some grey areas you run into, is insurance available, is it readily available, is it affordable? We deal with this all the time. We often deal with it with basement flooding situations, for example. So we do have some experience in dealing with it. The bottom line is it's there for damage to property that's not insurable, but in these kinds of situations that's easier said than done.

So we will take a look at it. I wasn't aware of this, but I thank the member for raising it.

**Mr. Faurschou:** I do appreciate it, because the Children's Wish Foundation, I mean, it's a very, very worthwhile organization.

I would like to ask the minister, because in Portage la Prairie, Elie, we saw numerous tornados this year, some in which a lot of damage was incurred, and others, fortunately, mostly cropland, and it was minimized. But I'm gravely concerned about early warning. How do we get the word out to individuals of imminent tornado touchdown or potential tornados or violent storms?

I had the privilege of touring Environment Canada's weather office here at the VIA Rail Station. I'm absolutely taken by the amount of information that comes forward. They have different technologies now available, whether they be specific warnings that come onto your FM and AM bands or separate emergency transmission of messages—those also exist. They had suggested that they go into schools, principals' offices around the province.

What I'm asking the minister at this point in time is this: Because we have seen an increased frequency of violent weather here in the province of Manitoba this past year, is the department undertaking an effort to make Manitobans more readily aware of potential danger from storm activities? I might just ask the question: Do our air raid sirens that are still sitting out and around, are they still operational or are they not?

**Mr. Ashton:** First of all, the member raises a good point.

Immediately after the tornados, one of the things that I did do as minister is contact the AMM. We've now started a joint review with AMM and EMO of exactly what the member is talking about, which is the system that's out there.

Now, we have been working federally, you know, with the federal government, in terms of a Canada alert system. I was somewhat disappointed that wasn't in place in the last federal budget. That's the consensus of ministers across the country, including Alberta, where they have their own warning system. They feel that, in the world of satellite TV and all the technology that's out there that's not provincially based, this is the appropriate way to go.

The review that we have with AMM and EMO would also look at public education as well because I was quite concerned, and many Manitobans were quite concerned, about the reckless behaviour that

you saw. Now, some people, perhaps not realizing they're putting themselves in danger—but there are people that were after the next YouTube video hit on the Internet that we're really—I mean, tornados don't move that fast until you get caught in the middle of one. You know, it just amazes me, and I saw situations where people could have potentially been trapped because tornados can also come around and you can have no way to get out. So I think public education has to be a part of that.

We are going to look particularly with the radio stations that are out there. That is something that's locally broadcast, except for the satellite radio. Through the Broadcasters Association of Manitoba, there are radio stations that we're very good at that. I was up in, you know, my constituency at the time, and I certainly heard the warning from on CBC at the time. So it's very well established.

My sense, though, is that we also need to be working with Environment Canada in terms of weather forecasts, et cetera, to make sure we have proper protocols. There were some issues that were raised at that time, and that's outside of our jurisdiction, obviously; it involves the federal government. I'm not being critical.

My view of emergencies—and I'm sure everyone would agree with this—is after every significant event, you can always do better. After the '97 flood we came that close to the floodway being inundated, so we now have another floodway expansion. We have \$130 million worth of improvements to dykes, including community dykes and individual homeowners' dykes. And we had a major flood just recently, fourth worst of the century last year and one home evacuated. So that's a good example with flooding where we've made a difference, both on the mitigation side and the rest. You can't necessarily mitigate against tornadoes, but—and weather includes looking at air raid sirens. There are jurisdictions that use that. I think we're going to have to work on that.

Now the positive side. Certainly, I can always confirm this, that through various different mechanisms, certainly people in EI were aware of what was happening, but I also have talked to people in some of the municipalities that are involved, including in Westman. There is still a bit of a gap, I think, between the sense of, well, you're here, and then what do you do? There were some people who were trying to leave; some people were going to their basements, and, I mean, yes, your safest place is the

washroom in a basement if you have one. But I also think there's an interest out there now from the public generally to maybe look at tornado proofing through education. Quite frankly, with climate change, we're going to end up getting more and more tornadoes; that's the prediction. And you know what happens in Minnesota? You know they have a different kind of system. They're quite advanced in their use of television, but we'll look at any and all possibilities, and this is aimed at being brought in for the next tornado season, if I can use that word.

**Mr. Pedersen:** I just have one quick question here and I'd appreciate a fast answer if it's possible. Is the EMO over budget because, given the number of storms you had, what is the position of the budget for this year? Is it over and if it is over, how much?

**Mr. Ashton:** It's not over yet. We've had significant flooding in November. You can get early flooding in February, March, and there is the allocation that's there but, you know, we've never turned Manitobans down that are eligible for disaster assistance based on the budget. If we have to go above that, we will. So it's early yet.

**Mr. Pedersen:** Just before we go to line by line—because we did want to wrap this one up— I would just like a clarification and again, so I understand completely, there was some request for lists, and you said you would provide lists. Just the time line involved in these. I would hate to come back and nag you when they're actually coming in and whatnot, but actually I wouldn't mind but I don't need to if it's not necessary.

**Mr. Ashton:** Once we're done Estimates—and I've always said the great thing about Estimates is how much staff time, very valuable staff time, very valued staff people, are tied up getting ready for, and then being part of this unique element of parliamentary system. But I think most of the information, we're going to go through it. Most of the information is fairly readily available and some of it has already been requested by FIPPA. That's coming out, so I'd say in the next week or so we should be able to provide that. I'll try and get it to the member this week. I must admit there was a time when I was opposition critic and actually I came back the next day to Estimates and I said, wait a sec, you promised to get me this, that, and the other and it's like, oops. So, a year later, I haven't got the information, so I'm very sensitive to that. It helps to be in opposition, not too long, is my experience, but—different perspective.

**Mr. Pedersen:** I'll remember that. It's good to be in opposition. Some days I have trouble realizing that.

Again, just before we go line by line, I would like to thank the staff, both for the meeting we had yesterday morning, I believe it was. I found it very informative and appreciate the time that they set aside for that and also to the staff for coming here today to provide the minister with answers. It's very much appreciated by myself and my colleagues. So we're ready to go through line by line.

\* (12:20)

**Madam Chairperson:** Thank you.

Resolution 13.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$34,029,900 for Intergovernmental Affairs, Community Planning and Development, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 13.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,368,600 for Intergovernmental Affairs, Provincial-Municipal Support Services, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$195,291,300 for Intergovernmental Affairs, Financial Assistance to Municipalities, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,401,000 for Intergovernmental Affairs, Emergency Measures Organization, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 13.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$185,000 for Intergovernmental Affairs, Costs Related to Capital Assets, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

The last item to be considered for the Estimates of this department is item 13.1.(a) Minister's Salary contained in resolution 13.1.

At this point, we request that the minister's staff leave the table for the consideration of this last item.

The floor is open for questions. Seeing no questions:

Resolution 13.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,192,200 for Intergovernmental Affairs, Administration and Finance, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

This completes the Estimates for the Department of Intergovernmental Affairs. This also concludes our consideration of the Estimates in this section of the Committee of Supply, meeting in room 254.

I would like to thank the ministers, critics, all honourable members and departmental staff for their hard work and dedication during this process.

On a personal note, I have appreciated the collegial manner in which members have worked through this process. I very much want to thank all members for providing me with a positive experience entering my first budget Estimates process, thereby ensuring that I have enjoyed my initial foray into this job for the Assembly as Chairperson of the Committee of the Whole.

Committee rise.

**SCIENCE, TECHNOLOGY,  
ENERGY AND MINES**

\* (10:00)

**Madam Chairperson (Bonnie Korzeniowski):** This section of the Committee of Supply has been dealing with the Estimates of the Department of Science, Technology, Energy and Mines.

Will the minister's staff please enter the Chamber.

We're on page 145 of the Estimates book. The floor is open for questions.

**Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines):** Before we start, Madam Chair, I'd like to introduce the staff that joined me at the table. We have John Clarkson, who is Deputy Minister of Science, Technology, Energy and Mines; we have Craig Halwachs, who is Director of Finance and Admin—I got his title right; and Leigh Anne Lombard, who is Senior Financial Officer. And I got it right.

**Mr. Cliff Cullen (Turtle Mountain):** I just want to conclude on a couple of points from our discussion yesterday. We were talking about geothermal, and the minister talked about having the installers qualified. I know there has been some discussion with the people in the geothermal field with the previous minister in terms of developing an association. I just wonder if the minister could advise the committee where they're at in that particular process of forming the association.

**Mr. Rondeau:** What I'd like to state is that the organization has been moving forward. There's an association that's been established. It's called the Manitoba Geothermal Energy Alliance. It's a not-for-profit industry association that represents the major installers in Manitoba, and the MGEA has indicated that it's working to advance further quality assurance for Manitoba industry through collaborating with partners such as the Canadian GeoExchange Coalition and the International Ground Source Heat Pump Association. It's working on an industry code of ethics, and other obligations placed upon its industry members to make sure that there's quality. Furthermore, the MGEA, in conjunction with the Canadian geothermal group, is delivering qualified certification for geothermal installers.

So the association is there. They're working on codes of conduct and standards; they're working on quality assurance; and they're working on the training and certification for the installers. All that is proceeding, and we think it's going to help make sure that people have confidence in the industry.

**Mr. Cullen:** So the intent of the association is to be a self-regulating body, is my understanding, with the education component included. Is the government responsible for licensing of those individuals or those companies or those installers?

At this point in time, I'd like to turn the questions over to my colleague from Lakeside. I know he has some points that he'd like to ask the minister.

**Mr. Rondeau:** The appropriate staff member who knows the association is going to be down in 30 seconds. We'll provide an answer at the beginning of the next member's question for the alliance and licensing and all the rest. What we are doing is that we're working with the association to make sure that there are appropriate standards, make sure it's all nailed. So that standards, quality, training, assurance—and now that he's at the table and I've delayed long enough, I can answer the question about licensing.

I'm informed that we don't license as a Province, but the association does license.

**Mr. Ralph Eichler (Lakeside):** Good morning. Mr. Minister, I have a few questions in regard to the wind turbine energy power that's being developed in province. I was wondering if the minister could update us as far as where the applications are at and what involvement his department plays in that.

**Mr. Rondeau:** The applications, Hydro has sent out an RFP. They evaluate them. It's Hydro's RFP, so it doesn't fall within this ministry itself for the RFP or the results of the RFP.

**Mr. Eichler:** Just a follow-up question to that. With respect to funding, is there any funding that's been applied for, or is the government planning on funding any of the initiatives that have been put forward by the some-20 companies that are looking at increasing wind turbine power within the province of Manitoba?

**Mr. Rondeau:** We've provided some funding to selected wind-monitoring towers. We're not providing funding or support for any of the proposals, per se. What we're doing is that we're looking at the energy source so that the data—I understand that there have been a number of wind monitoring stations that have been put up, some with government assistance. That's where our department is going right now.

What we believe is that provides people the data on the economics behind the wind power.

**Mr. Eichler:** I don't need it right now. Could we get a list of the companies that received funding for the data gathering from the minister?

**Mr. Rondeau:** I want to clarify that these were some community monitoring. We don't provide funding for all the monitoring stations. I'd be happy to get the member a list of the community monitoring stations that we had funded. But we don't fund all the wind monitoring that's done in the province.

\*(10:10)

**Mr. Eichler:** I want to switch gears a full 180 and go on to the MIOP loan program. I hope you can stay with me, Mr. Minister. I know it's pretty difficult, as quick as I am.

On the MIOP loan program, are there any delinquent loans that we need to be concerned about?

Is everything up to date? Are there any major write-offs that we're looking at in the past year?

**Mr. Rondeau:** I'm sorry, Madam Chair. I can't respond to that with this hat. You'll have to ask me later on the CTT hat. It's not part of the Science and Technology hat. And I'm sorry about that.

**Mr. Eichler:** Could we take the question as notice and put it to me in writing then at a later day, rather than have me hang around for your other staff to come in?

**Mr. Rondeau:** I'll have to figure out how we can move forward on that response. We'll figure out how we can move forward on your response.

**Mr. David Faurschou (Portage la Prairie):** I appreciate the opportunity to be able to ask the minister questions this morning in an area that is, indeed, on the leading edge of the future for Manitoba.

We are, though, plagued by situations that have been long-standing issues in the field of agriculture, and that being the disposal of waste products. Also, too, the honourable minister is probably aware of his colleague entering into a collaborative agreement with the Canadian Food Inspection Agency of the federal government to look at covering the expenses that are eligible under this program that are a business and feasibility studies for a program that will effectively deal with outbreaks of catastrophic nature in the livestock industry or in the fowl industry, as we've seen with the avian flu that plagued a farm in Saskatchewan. And we're all very familiar with the BSE outbreak around the world that has curtailed our cattle industry's prosperity. In any event, the Department of Agriculture and the Canadian Food Inspection Agency has issued a program of support which will only take in applications up until December 31 of this year. To date, I understand that there have been no applications received.

First off, I might just ask the minister: Is he familiar with the proposal to ask for these advanced technologies in hazardous waste disposal?

**Mr. Rondeau:** I am familiar that Conservation just sent out some regulations on the household hazardous waste, but it isn't involving directly this organization. Nor does the issue on agriculture involve directly this department.

The whole thing on the household hazardous waste, which has been sent out for consultation, is

part of the Conservation Estimates. So I have to say that that belongs to that department. And if it's an ag issue, what would happen is, the Department of Ag would take the lead on that. Whether it's federal or provincial, it's the ag that would take the lead on that issue.

**Mr. Faurschou:** I do appreciate the different departments that are involved in an endeavour such as this. But because this involves such advanced technologies that have been presented in principle, I thought maybe the department might be aware. And maybe I was in error in saying hazardous waste disposal. It is actually the handling of Specific Risk Material, SRM program. As it pertains to, as an example, cattle afflicted with BSE, the program is one where we have no current ability to deal en masse with an outbreak, or to even handle materials currently that are considered waste products from our slaughter industry here in the province.

The minister is probably aware that just south of the city of Winnipeg the Brady Landfill site has been given the notoriety of being one of the highest methane gas emitting sites in all of Canada. This, primarily, is coming from the deposit of more than 40 metric tonnes per day of waste products from our slaughter industry here in Manitoba.

I would like to ask the minister, because of his Technology side within his department, whether there are any personnel who are available to consult and to vet, potentially, some of the advanced technologies that would use these waste products, some potentially emanating and being considered specific risk material, and to convert these products into usable energy, such as has been proposed by biofuel systems technologies that employs a process that actually sees the generation of electricity from the composting and ultimate burning of the compost materials.

**Mr. Rondeau:** I have to let the honourable member know that we're not involved with the ag issue. Where we are involved is we are working with other departments, different groups, different levels of government, to work on the whole methane gas issue. We have a bioenergy group within the department that is working on biofuels and alternate energy sources, et cetera.

I have to let the member know, which I am pleased to do, the interdepartmental working group has been established to deal with the management and mitigation strategies which will focus on capturing and utilizing the methane gas and reducing

the amount of organic waste being sent to the landfills in the first place, through composting or other methods. So the interdepartmental working group is working on that. We are working with other levels of government to look at the methane gas capture. That can happen in a number of ways. What we are trying to do is capture the methane gas, make the best use of it, and see what options we have to deal with the greenhouse gas, methane gas issues, but also use it as a potential new energy source.

So we are trying to do that. That is what this department is working on. We will continue to work on that, and we hope to have some working solutions in the near future.

\*(10:20)

**Mr. Faurschou:** I do concede that I am a little disappointed that the department that I believe is the leading edge for technology, such of what I speak is perhaps out of the loop on this one. It is something of an initiative, through Agriculture, unquestionably, but the technologies that are being considered to deal with specific with specific risk material have applications that would address many of the concerns that the department of which he has just spoken are concerned with. I would think that the applications are there from this technology of which I speak could be considered for the concerns to which the department is now addressing itself.

I would like to see this government, for this type of technology, have a single-window-door, if you will—entry into a department where it will vet, whether it be for waste products that might be a concern to the Department of Conservation or whether it be waste products that emanate from agriculture or elsewhere—I believe that there should be one department in which this type of technology could be vetted. I'm really asking the question: Where in government does the expertise to evaluate the new technologies exist?

**Mr. Rondeau:** I would like to let the member know that the lead for the department would be the department who has specialists. If it was an Ag issue, it would be there. I have to let you know, though, that we do have a joint Agri-Energy Office. When there's new technology, they look at the application of new technology. They look at new, incorporating energy and agricultural issues. It's called the Agri-Energy Office.

An example of where they've worked on this is the biodigesters. We have a new organization that's

working on biodigestion. ARDI funded it. It's been developed through the Agri-Energy Office. The evaluation is through the Agri-Energy Office, and it's exactly what the member opposite was talking about.

It's taking new technology, trying to use it in the Manitoba context. It's evaluating it as far as agriculture is concerned, their perspective, and the energy perspective, and trying to figure out how to incorporate that, so there is a single window with the Agri-Energy Office. Number 2, what we want to do is make sure that there's not just one perspective. You'd have the new energy perspective and the agriculture perspective brought together with people who discuss it and work with the project jointly.

An expertise of new technology does exist. The integration does exist. I'm pleased to say that you don't want to just put it in one department because there are different perspectives on how to use and incorporate technology. You want the ag specialist there. What happens is that this Agri-Energy Office takes the expertise of both and combines them together and creates a single window for the new technology.

**Mr. Faurchou:** I do understand what the minister is saying. I'll use another example through the department of the environment. There is a waste water products concern emanating from the McCain Foods potato processing, potato processing plant in Carberry, and they are looking to address this situation as good corporate citizens they are. But they're looking at some technologies, but all of a very costly nature, virtually to a prohibitive point of continued operations.

I'm wondering whether or not I could suggest to the McCain's manager at the Carberry plant perhaps contacting your department might see McCain look at technologies that perhaps will address this situation that they are having to address for more cost-efficient or cost-effective technologies.

**Mr. Rondeau:** I'm pleased to inform the House and the honourable member, I've actually been to the Carberry plant a couple of times, had a tour, actually know a lot of the people involved in that.

What we often do in government, which makes a lot of sense, is when it's an interdepartmental group, we bring all the players to the table. In this case, I understand CEDC is involved as a central co-ordinating body. That's the Community and Economic Development Committee of Cabinet. Their staff gets involved. They co-ordinate into an

interdepartmental working group. They bring to the table Energy people, which were at the table. They'll bring a Water group. They'll bring Conservation. So they'll bring people all to the table. They'll work through the issues and so what you then have is you'll have all the solutions there. You have all the issues there and so that's what you do. I understand that this is going on now where there is an interdepartmental working group looking at this and other issues.

So what you want to do is not deal with it in a silo but deal with it across government. We're doing that, I understand, with this process now, and we're doing it among other areas. What we don't want to do is it's not just an energy issue or not just a technology issue. Often it's a water and technology and all these different issues, so what you do is you bring all the departments together. You come up with a comprehensive solution with the proponent or the company and then you move forward.

What we find is that, say if you're going to work with a company that's competing and selling into the U.S. and all this, it's not just a trade issue. It's a trade, energy, whatever, technology issue so that's why we bring CEDC in. They would be the lead and co-ordinating role among different departments of government.

**Mr. Faurchou:** That is what should be happening without question but as of just 10 days ago, they were in contact with the honourable Member for Turtle Mountain (Mr. Cullen), their MLA, to once again express the progress or lack thereof in consideration of the situation they need to deal with.

I want to ask of the minister in consideration of yesterday's announcement with the expansion of the hog processing plant in Neepawa with the purchase by Hytek and also, too, the expansion of the second shift of the Maple Leaf plant for hog slaughter in Brandon. Carberry's proximity to both of those slaughter plants—could it possibly be considered that we look at technologies that would incorporate the disposition of both the by-products from the McCain potato processing plant as well as the by-products, waste products from the two plants that are within a very short distance of Carberry?

\* (10:30)

**Mr. Rondeau:** I can assure the member that that's exactly what we're doing and we will do. I'll pass the member's suggestion on to this department through this department to CEDC and make sure that what

we're trying to do is exactly what the member has suggested. Also, to alleviate your concerns, I'll do it in real time, as I've just nodded and the Blackberrys are starting shortly.

**Mr. Faursehou:** I just want to leave this topic with an emphasis on timeliness. We have the opportunity to get federal funding on this potential project, and the correspondence from the CFIA is that applications must be in hand no later than December 31, 2007, for consideration, although with the program they are looking to continue to deal with this up until 2008. But it's important that we recognize—if we can't meet that deadline and have a proposal before them, then let's get on with it right now and contact the federal government and see if we can have an extension. We're talking very substantive dollars here.

**Mr. Rondeau:** I'd be pleased to pass the urgency of this issue on to my department who will pass it on to CEDC. I, like the member opposite, believe that we need to continue to make sure that we have whatever economic activities possible. I, like the member opposite, agree that we have to work with our federal counterparts to make sure we get the biggest bang for the buck. So I'll pass it on to the department. I've already got the nod from the deputy minister. So I would assume that, if it hasn't been passed today, it will be passed first thing on Monday.

**Mr. Faursehou:** There have been a lot of changes as it pertains to tire recycling here in the province in the last very short while.

Can I ask the minister, is the newly revamped, industry-run Tire Stewardship Board under his responsibility?

**Mr. Rondeau:** The regulation is under Conservation; the monitoring is under Green Manitoba, which is under this department.

**Mr. Faursehou:** Seeing that you do have some involvement there, I would like to leave this information with the minister, he, as well as every other motoring Manitoban, has prepaid their recycling of the tires that are on the vehicles today when they purchased the new tires. That money was to be put in trust, and currently the reserve that is available that should be in excess of \$8 million does not exist. I think most persons understand where the money was expended on tires—for collection of tires and disposal of tires, they did not have a levy on them. So this was outside the mandate of the Tire Stewardship Board, but it was a necessary endeavour

to collect all of the tractor tires and industrial tires and large off-road tires.

So it is a concern to me that the new industry-run entity responsible for the recycling of tires is already behind the eight ball because they don't have the \$8-million reserve fund that should exist. I did mention this to the Minister of Finance (Mr. Selinger) as it being an unfunded liability because you don't have to go very far to find somebody who remembers paying the levy on their tires that they just bought to put on their car.

So I ask the minister for this consideration and to talk with his Cabinet colleagues to make absolutely sure that the industry is provided with the monies that all of us have prepaid for the disposition of tires.

**Mr. Rondeau:** The role of this department will be to monitor to make sure the recycling occurs. It's not to establish the regulations in the first place. So I have good confidence in Green Manitoba, which is under this department, to monitor the recycling activities as is appropriate under this department.

**Mr. Faursehou:** I look to the minister and ask for him to expose his business savvy, which I know that he has, and understand that there should be a pot of money already available to the new entity that currently does not exist.

Now, government instructed, it was a government instruction to the previous Tire Stewardship Board, to clean up all the excess tires, which was the right thing to do. All Manitobans effectively benefited from that, because we've talked about the pooling of water in discarded tires and the potential for mosquito multiplication and, obviously, the West Nile concern. It was the right thing to do, but it still—this was supposed to be monies dedicated for a very specific use, and that was a disposition of the tires that are currently on the roadways of Manitoba today.

So I would like the minister to carry forward with the common-sense positioning that we need not tie the hands of the new entity because they don't have the resources to do what they have been asked to do.

**Mr. Rondeau:** I can assure the member opposite that Green Manitoba will ensure that they monitor the plans for the recycling of the tires when they go forward, and I can assure you that Green Manitoba does a very, very good job as far as understanding the importance of recycling, understanding the

importance in the department of where they're going to go.

Just to let the member know, Green Manitoba has just undertaken an electronics gathering, and we had, I had personally, thought that they would do well at a certain level. I'm very, very pleased that they exceeded my expectations and got 300 tonnes, between 250 and 300 tonnes, of material gathered, and this is stuff that they've undertaken this last year. Green Manitoba has been very creative, very flexible and looked at problems as well, but what we have to do is make sure that we follow what this department can do. That's making sure that we monitor the plans of the new recycling council, make sure that they meet expectations.

**Mr. Faurchou:** I'm glad the minister brought up the electronic waste topic. This has been long overdue to address the mounting amounts of aged computers, obsolete electronic equipment.

I would like to ask the minister that if this particular program was of a very limited time frame and a substantive amount of electronics equipment did get gathered in that very short time frame—but for the rural community of Portage la Prairie a few days were used up in just getting the word out and the products were just starting to flow in when the program terminated. I hope that the program will get out of the pilot stages and get into some normalcy of handling the mounds of electronic equipment that are obsolete.

\* (10:40)

**Mr. Rondeau:** Madam Chair, as I mentioned in the first day of Estimates, I am pleased to say that what this whole process was to do was to gather the amount of existing electronic waste out of the current system. What I also said was that we expect another round in the new year to gather what's existing out in the communities back in so it's disposed of accurately. So we have done one round. It exceeded my expectations. I never thought that we would get 250, 300 tonnes in one fell swoop. So the first round was very, very successful of gathering this waste that has been accumulating out in the communities. We expect another round in the new year and gathering as much as out there again in.

As I mentioned earlier, what we're trying to do is make sure the material is disposed of appropriately, so whether it's lead or mercury or whatever the chemicals are out there, it's gathered. We're trying to reuse as much as possible; hence, we have computer

schools and libraries. What we're trying to do is do exactly what the member suggested in the previous questions. Take what's out in the community that's sitting there, that's not disposed of, and bring it in, dispose of it appropriately, reuse it. So we're trying to do exactly what the member has been moving forward into the previous questions. We're doing that through Green Manitoba. Three hundred tonnes is a lot of material, 250 or 300 tonnes, and so we're moving forward exactly how the member opposite is moving forward and suggesting.

**Mr. Faurchou:** Yes, we can talk about this program a whole lot more than time will allow today, but it is definitely necessary. I think if the minister's department wants to work efficiently in the collection of obsolete computer equipment, for instance, if you just went and put the word out to the school divisions that have warehouses that are full of obsolete, discarded computer equipment.

Anyway, I'd like to ask the minister about technology as it pertains to hydro generation. Does the minister actually have Manitoba Hydro within his portfolio?

**Mr. Rondeau:** No, Madam Chair. I don't have Hydro reporting to me. We have an Energy department which is more establishing policy and working with groups, whether it's energy conservation, or new generation, but I don't have Hydro directly reporting to me as a Crown corporation or the board.

**Mr. Faurchou:** Well, within that Energy side of things, I would like to ask the minister about a particular program that one of my constituents brought to my attention, that Manitoba Hydro is encouraging all consumers to look to high-efficiency furnaces and to make the conversion and is offering supports to do so. It was quite curious to the constituent that contacted me that these support programs are for furnaces, high-efficiency furnaces, that burn natural gas, and when he asked about if he could possibly get a high-efficiency electric furnace and still qualify for the program, the answer was no. I find it very curious that Manitoba Hydro, selling electricity, would be encouraging persons to put in gas-fired high-efficiency furnaces and not electrical.

**Mr. Rondeau:** As that's a Power Smart program, it's more appropriate, or is appropriate, to ask the Minister responsible for Hydro.

I can let the member know what we are doing as far as energy efficiency. We've been working on bringing together partners on low-income energy

efficiency. We've been pushing on the geothermal front. We've been pushing on building codes, things like this.

What we do is we work on the policy objectives which is trying to conserve and working through that. We don't run the Power Smart program.

**Mr. Faurshou:** I think it'd be of everyone's best interests to consider burning a green energy, which hydro-generated electricity is, versus a non-renewable, fossil fuel, greenhouse gas emitting power source or energy source. I leave that with the minister. It was only told to me and I have yet to confirm that information, but I trust the individual that provided me with it that it was accurate.

Is the minister engaged, too, in the promotion of energy development by individuals that would potentially have a windmill or a low head in-stream water generating, electrical generating plant? Is the minister, department involved in such things?

**Mr. Rondeau:** We agree with the member opposite about where we should be heading in energy conservation. That's why we're pushing often the geothermal options because that takes it where it becomes very, very sustainable. Actually, I can confirm with the member opposite that, when I put it in my house, I was very, very pleasantly surprised because it's a much more consistent heat or cool. So you can put it on 21 degrees and it stays on 21 degrees. So it becomes very, very effective. It stops the greenhouse gases; it's more consistent; and it's a very good system. I would suggest that, if the member wants to check it out, he can come to my house for coffee sometime and I'll show him the system.

The other thing is that on the community wind or micro-hydro, yes, our department does work with community groups on a regular basis. That's why, again, we have the community monitoring stations. We have things like this because we believe that new energy and renewable energy does offer an economic opportunity to the First Nations, to community groups, et cetera. So we have been facilitating that type of development. Again, we're not the purchaser of the power; we're the facilitator.

**Mr. Faurshou:** I think, too, the department can go one step further and not just be a facilitator, but can also be an instigator or an initiator of programs that I think would benefit us all, environmentally speaking, as well as being more cost-efficient in processes. I will say that I've often wondered as I drive by the

waste water treatment plant in Portage la Prairie to see the flare stack burning off the gases that accumulate through the digestion process of the, for the most part, the potato peels that come out of McCain's as a lost energy when it's just being burned off into the atmosphere.

\* (10:50)

So I leave that with the department. I think that there is opportunity to initiate. They have the expertise whereby persons may not have in the various areas around the province, whether it be a waste water treatment plant or somebody that has a dam on a stream or even on the Assiniboine River. I often look at all of the water that goes through the flood control dam on the Assiniboine at Portage la Prairie and say that there could be electricity generated from that constant flow of water. But I appreciate what the minister is attempting to do. It is encouraging that we are, I believe, going down the pathway.

Further to this, the wind-generation initiative that went out, there were requests for proposals. I understand that there were an overwhelming number of interested parties expressing their desire to put up wind farms throughout Manitoba. I'm wondering whether the minister's department is engaged in sorting through all of the individuals that have shown interest, in vetting whether one entity is more to the advantage of Manitobans to another.

**Mr. Rondeau:** In answer to your first part of your question, we have been proactive in funding some community wind monitoring stations. We have been active in working with lots of proponents on new energy. Hence, we have some proposals on biodigesters. So we have been active.

One of the interesting parts of this whole new energy is that it is a moving target. It's very quick and it's very fast and so we're trying to be nimble. We're trying to work with multiple partners to move new energy development, new initiatives forward, but it is a very quick field. It's changing a lot.

So the department, I have to compliment. The staff worked very, very hard. They worked with multiple groups to try to move things forward but, with the price of energy, with the price of technology, incorporation of new technology, it is moving. I agree with the member opposite where we have to work with groups. We will continue to do that proactively and actively. The department itself works very hard.

As far as the RFP, though, it does rest with Hydro. Hydro issued the RFP for wind. They're the ones who are evaluating it and they're the ones who are moving forward with it. We encourage wind development and we encourage new energy initiatives, but we haven't issued the RFP out of this department. It's been out of Hydro.

I have to admit that I think that wind is a very positive move. I'm glad that we have the St. Leon wind farm up and running, and I look forward to what we can do in the future. But we don't offer the RFP, nor do we technically evaluate it. That is in Hydro's bailiwick, which follows directly under the Minister of Finance's purview.

**Mr. Faurchou:** I will say, though, on the topic of geothermal that the honourable minister has made mention of, I believe, to my knowledge, one of the very first, if not the first geothermal heating-cooling plant was established in Portage la Prairie in 1978-79. It is the Canad Inns in Portage la Prairie where I have my constituency office. It has advanced technology where the cooling and heat is generated from the ice-making plant for the curling rink; it's the loops out in the ground and, with the wells and water used on the premise, it really, truly is very cost-efficient. To have that size of facility in technically geothermal heating and cooling, it's something to note. So I am familiar with what he speaks and how it goes.

Before I leave the minister and pass on to other colleagues, I'd like to ask the minister about progress emanating from the committee that evaluated the progress made in regard to the Mining Community Reserve Fund that was in clean-up process. Also, too, wondered if the minister's department is actively updating and, as it was stated that we're on track at the time, if the minister would update as to the progress there.

*Ms. Jennifer Howard, Acting Chairperson, in the Chair*

**Mr. Rondeau:** I can inform the member opposite that the balance of the Mining Community Reserve Fund as of June 30, 2007 was about \$14.7 million.

**Mr. Faurchou:** I'd like to ask the minister, once again, is that an adequate amount of money for the anticipated expenditures that will be required to fulfil the obligations of the department?

**Mr. Rondeau:** I'd like to introduce John Fox, who is the assistant deputy minister for the Mineral Resources division. He's now at the table.

As far as the mine closure regulation, what we have is we established in the last few years a new mine closure regulation which says that all the mines have to have adequate resources in a mine closure plan that's approved by the department. That's separate from the fund. There's the Mining Community Reserve Fund and then there's the mine closure fund. What we've undertaken is a new regulation which says that all the operating mines have to have a mine closure plan, and it has to have appropriate reserves in it to close the mines or to appropriately close the mines. That's the new regulation that came in a few years ago. They actually have to have a mine closure plan that's approved by the department, which is separate from the Mining Community Reserve Fund.

**Mr. Faurchou:** I would like to ask, because it's been in the news recently, about the contaminated playgrounds in Flin Flon. Is the monies that it collected from the mining operation at Flin Flon applicable to assist in addressing the hazardous materials being emitted that are contaminating the surrounding area around the plant which encompasses the town of Flin Flon?

**Mr. Rondeau:** It's the company's responsibility to ensure that anything negative toward the environment that has been produced by the mine is cleaned up by that company. One of the things that we have undertaken, by this department, is to make sure that, if there is an environmental hazard, we as a government have undertaken to make sure that it's cleaned up expeditiously. We'll do that and then work out the legal and financial issues in the future, if necessary. But we understand that the company is responsible for this responsibility and is moving forward with the community to make sure that it's cleaned up.

\* (11:00)

We don't want to have any hazardous issues out there. So the company is responsible for it. The company is working forward with the community. If it doesn't expeditiously, this government will move forward on it and then worry about the financial issues at a later date.

**Mr. Faurchou:** The bottom line, though, obviously there have been monies paid into the fund. Are any of those monies available to the company to assist them in this particular case?

**Mr. Rondeau:** The Mining Community Reserve Fund is not meant to do that. It's not an environmental liability fund. What happens is that we have

more of a polluter pay issue where, if the company is responsible for a certain environmental liability, they're expected to pay for that environmental liability. Hence, if the company has created an issue on anything, whether it's an abandoned mine, they're responsible for it. If they're responsible for closure plans or they're responsible for a certain environmental liability, they're expected to pay it. That's the existing regulations.

The Mining Community Reserve Fund is more meant to pay for when a community has experienced a mine closure, it's meant to look after the economic well-being, the future well-being economically of that community.

So, we'll provide for economic development officers; we'll provide for other plans. The Mining Community Reserve Fund is more meant to look at the future of a mine that's closed. It's not meant in any way to address the environmental liability. The environmental liability is addressed by the company involved.

**Mr. Faurshou:** Thank you for clarifying that. I would like to ask about the existence of fuel oil and gasoline, diesel fuel tanks that were buried and still remain in the ground after a service station closure. Is this within the department's purview, and does there exist any support for persons that now own the properties that were not aware of the tanks' existence until well after the acquisition?

**Mr. Rondeau:** Madam Acting Chairperson, that falls directly under Conservation, not under this department's purview.

**Mr. Faurshou:** I had to ask the question, Madam Acting Chairperson, being that mineral resources, mines and petroleum are under the minister's responsibility, and it is a bone of contention that I have firsthand experience with, the underground tanks that remain after the station has been closed, and it annoys me to the nth degree that those tanks have not been extracted and the sites cleaned up after years upon years of service and operation.

So, I thank the minister for the information provided me this morning, and I would very much like now to turn the questioning back to the honourable Member for Turtle Mountain (Mr. Cullen), the official opposition critic.

**Mr. Rondeau:** I'd like to thank the honourable member for that. The Petroleum branch is on the petroleum production. So this is more the oil industry near Virden, and it has more to do with that. It

doesn't have to do with the distribution in gas stations. So the interesting part about the industry is that we are very, very pleased as far as the branch is concerned. We changed the regulation so the abandonment of oil wells, the abandonment of new issues, we've actually created a fund so that former oil wells are now abandoned properly. We're going back and making sure that the environmental issues are taken care of. So we're very pleased with that.

We're pleased that on a go-forward basis oil companies don't just walk away from their lands. They are abandoned properly. The water table, water resources are dealt with appropriately, and that was my concern when we were looking at the Petroleum branch and the environmental issues. So we're making sure that everything is done appropriately on the go-forward. In the past, any oil wells that were inappropriately abandoned, we're trying to go back and make sure that they are abandoned appropriately.

The gas stations do not fall in the purview of this department, and it's in environment and Conservation.

**Mr. Cliff Cullen (Turtle Mountain):** I certainly thank the Member for Portage la Prairie (Mr. Faurshou) for his comments this morning.

I guess in talking about the oil industry and the mining industry in Manitoba, things certainly seem to be developing fairly well in the oil patch in southwestern Manitoba. I just want to get at some comments from the minister and staff in terms of what they foresee happening in the future in terms of the oil business in Manitoba. I guess the second part to that is, is if there is anything the Province will be doing to help that particular industry into the future.

**Mr. Rondeau:** Just to give you a historical discussion on the industry.

In 1999, we had about 28 wells drilled, and the expenditures in the industry were about \$57.1 million; 2000, 68 wells at \$84.8 million; 2001, 104 wells at about \$90.8 million; 2002, 97 wells at \$97.9 million; 2003, 94 wells at about \$99.6 million; 2004, the price of oil started to go up, 119 wells at \$116.8 million; 2005 is a good year where we had 285 wells at \$243 million spent; 2006 was another big jump at 478 wells and about \$400-million expenditure; and 2007 was 300 wells with about \$295 million basically estimated as expenditures.

So the industry has gone up. I've met with the different companies at different times. We've endeavoured to work with Finance and different

groups to discuss and deal with their issues, and I'm pleased to say that the Petroleum branch is active on a number of issues, whether it's finance issues, whether it's cross-border issues, whether it's transportation highways issues. So what we do is we bring the issues from the department, through the department—sorry—from the industry and we deal with them on a regular basis.

I just came from Virden—when did we go to Virden? A month ago, a few weeks ago? Two months ago I went to Virden. I met with a bunch of the people in the industry, I met with a bunch of companies and we discussed their issues. On a regular basis, I go there, I meet with the companies involved, and we try to address whatever issues they bring up. Because of this good relationship with the industry, we continue to work with administrative, regulatory issues and move it forward so that there aren't any issues in the future. We also discuss environmental issues, making sure that they're addressed.

\* (11:10)

I know that when I just met with the company, one of the companies involved, we talked about flare-out gases and making sure that we can try to use them in the future, so alleviating them, capturing them. One of the things that we talked about was that in the past there was a whole pile of trucks driving on the roads that collect the oil from out in the fields and drive it to a central area. What we've done is that we've worked with the companies to make sure there are more pipelines, which are better environmentally and better as far as the roads. We've worked on sequestering CO<sub>2</sub>, and we've worked on moving forward to make sure that the flare gases are utilized whenever they can.

**Mr. Cullen:** Does your department, then, serve as the regulator, the watchdog as well, in terms of some of the legislation? Do you have a role in there in terms of either environmental impacts or anything in terms of regulations or being a watchdog for that industry?

**Mr. Rondeau:** In general, Madam Acting Chair, under the oil and gas, we inspect the facilities, but there is the division under The Environment Act, and Conservation looks after more of the regulatory role, environmental role. So there are the two.

One of the things I like about this is that we often work with the department of environment to discuss issues to make sure that we are—although

they have the regulatory role, what we want to do is make sure that the regulations make sense and are easily adhered to and the companies understand them.

**Mr. Cullen:** We have a couple of pipeline projects that I think will be proceeding in Manitoba. Both Trans-Canada Pipeline and Embridge are proposing to lay some more pipe through Manitoba and make some changes to their pipelines.

I'm just wondering what role your department has with those companies. I understand a lot of the regulations are federal, but does the Province play a role in terms of how either that development will go forward, or what role do they play with the pipeline companies themselves?

**Mr. Rondeau:** It's basically a federal process, but Manitoba Conservation works with the feds and with the companies. It doesn't deal, generally, with our department.

Now I know that I met with Embridge and with Tundra and a number of the companies in the field. What we try to do is discuss with the companies any issues they have, but it's a federal process. So the feds, because it goes from one province to other countries, they discuss the issue, because it's a federal issue. Pipelines are federal.

The environmental issues deal with Conservation. But what we try to do is we discuss it with the companies to see if they have any issues. It's a Conservation issue, a federal issue, not this department.

**Mr. Cullen:** In terms of the mining in Manitoba, just to switch gears a little bit, I'm just kind of curious on how your department sees mining development over the next few years in Manitoba, in general terms.

Specifically, my in-laws have quite a connection to Bissett, so I'm curious on their behalf how the Bissett mine is doing now. You could give us a bit of an update on that. I know the Rousseaus spent a lot of years in Bissett. I know the minister knows Lil Rousseau, a former constituent of his who has now moved out to Glenboro. I'm sure, if you could provide me an update of how things are going in Bissett, I would certainly endeavour to pass that on to her and to the family.

*Madam Chairperson in the Chair*

**Mr. Rondeau:** I can let the member know that the mining industry has been going very well in

Manitoba recently. I can go through some of the things that's gone on.

New mines. I'll tell you what's going on in the province. Exploration is about \$50 million, which is unbelievably high compared to previously, so we're about \$50-million worth of exploration in the province. Inco, which is CVRD now—CVRD Inco said in 2005 that it would spend \$45 million in 2006 to develop the 1-D Lower; Buckle Lake near Wabowden is by Crow Flight and is moving forward where they're doing a bankability, feasibility study; San Gold produced their first gold bars. I understand the Minister of Education (Mr. Bjornson) was at that first gold pouring. It was a community celebration and that's the only way I can phrase it. In fact, the Minister of Education was saying there were so many people there he didn't get lunch, so I still owe him lunch.

Hudson Bay Minerals is moving forward as far as advanced mineral exploration projects, so lots of things are going forward. If you want me to go through all the details, I'd be pleased to. There are a couple pages of what's moving forward, and I'd love to brag on it. I can tell you just a couple. HudBay Minerals has continued to advance their Lawlor Lake zinc discovery; in Snow Lake, that's been moving forward to advance their project. The Lawlor Lake discovery is emerging as one of the largest and highest base metal discoveries in the Snow Lake area in a while. Also, Snow Lake HudBay has announced the advanced exploration on the Bur deposit near the company's Snow Lake concentrator.

Why I like these is because, in the case of Snow Lake, we focussed—the previous questions we were talking about the community reserve fund, and it's talking about what we're doing as far as when companies open a mine, they start extracting materials. So what you want to do is you want to find new materials in order to continue the new deposits, and then you can continue to have mining and mineral resources in these communities.

So, in the case of Snow Lake, one mine closed. We worked with the community to have an additional mineral exploration grant so that there would be more additional exploration in the area. With this advance exploration and exploration, we have more potential for a mine to develop in the future. So that's exactly what the Mining Community Reserve Fund is doing. So they did additional exploration in that area using the community mine reserve fund; so then they found some interesting

results, which may result in a mine in the future, which will allow the community to continue in the future. So that's very, very positive.

We also have a number of other ones, like Carlisle Goldfields incorporation movement in Lynn Lake, which is the same sort of thing, where Lynn Lake has had difficulties in the community with the mines closing. So what we're trying to do is have additional exploration in the area. So Carlisle Goldfields is looking at Lynn Lake as a potential mine in the future. Again, Garson Gold Corp. is doing some diamond drilling and resource definition at New Britannia Mine in the Snow Lake area. So there are lots of new areas there.

Mustang Minerals is looking in the Lac du Bonnet area which, again, our constituent might be interested in, because it's in the Lac du Bonnet area. They are doing a scoping study on potential nickel deposits and copper deposit.

\* (11:20)

Independent Nickel Corp., which was previously Seymour Exploration, is also looking at a successful first phase on drilling mineral leases in the past producing Lynn Lake mine.

Again, CVRD is moving forward on a number of projects in nickel near Thompson. Rolling Rock is looking near Red Sucker Lake, and Victory Nickel is looking at some things near Wabowden. So lots of things are going on. I'm very please to see how a lot of the exploration has targeted where previous mines have been. So what they're doing is looking at potential new mines in the future. But a lot of this takes a lot of time between exploration, then advanced exploration, then feasibility studies and where they're going in the future.

I can inform the member that \$50 million is a great number for exploration, and we're looking at where it's going in the future. Things are happening. Lots of explorations are going forward, whether it's gold, uranium, nickel, or even diamonds. Lots of explorations are moving forward, and we're very pleased with what's happening in the future.

**Mr. Cullen:** In your report, there's a reference to the potash project. It would appear that any results that have been ascertained so far look fairly positive in terms of their exploration.

Could you give me a bit of a feel for where that particular program is at and if the minister has a

sense of when development might actually start on that side of the province?

Because we know that Saskatchewan has developed—a tremendous, positive corporation developed out of their potash mining. It's just across the border to Manitoba. So we're obviously interested in having something being developed here in Manitoba.

**Mr. Rondeau:** Madam Chair, is it possible to agree to a two-minute timeout while the staff is getting the answers to this question? We can do a two-minute timeout and get it in about two more minutes.

**Madam Chairperson:** Is there a will for a recess?  
[Agreed]

*The committee recessed at 11:23 a.m.*

*The committee resumed at 11:26 a.m.*

**Mr. Rondeau:** Thank you, Madam Chairperson, and I thank the member opposite for that short break.

I understand that as far potash is concerned—I'll turn off my phone—Agrium has done some exploration on a potash permit, as a 3-D seismic has been done, and they're moving forward on that.

As far as the other major potash area, BHP Billiton has bought 57 percent of the Potamine—51 percent of Potamine, it's Mr. Clarkson's writing—bought 51 percent of the Potamine project, is committed to do \$15-million exploration over the next while. More work is still to be done to evaluate the deposit to see if it's commercial and whether it can proceed.

**Mr. Cullen:** The minister talked a little bit about uranium exploration. We know that Saskatchewan has quite a reserve of uranium there, and they may be developing that industry in the future, of course, depending on how the next 30 days turn out in Saskatchewan.

Alberta has talked quite a bit about nuclear power. I just want to get a bit of a perspective on your thoughts on nuclear energy and just what role Manitoba has the potential to play here in terms of nuclear energy or storage of any waste material that might be generated from there. So what role—is there something that could be positive for Manitoba in terms of nuclear energy?

**Mr. Rondeau:** I'd like to draw the distinction between the exploration production of uranium and the potential energy source of nuclear. There is a difference, and one of the cautions I offer the member opposite is that just looking for uranium, mining uranium is different than the potential of nuclear production or nuclear energy in the province. So, if the member wants to chat about or ask questions about uranium mining, that would be totally different than a potential nuclear reactor or production of nuclear energy in the province.

As far as uranium mineral exploration, we do have some companies looking for uranium or potential uranium deposits, but that's totally different than the potential nuclear power plant or production of nuclear energy in the province.

\* (11:30)

**Mr. Cullen:** Well, I would certainly agree with the minister. There are certainly two different areas there of interest, but I know we've had a facility in near Pinawa. I'm just wondering, what is the status of Pinawa? Is there an ongoing role that the Pinawa facility can play in the future here in Manitoba in terms of what's happening in the nuclear industry?

**Mr. Rondeau:** I'm not sure about the status of Pinawa as a facility. It doesn't fall under our purview as a department. That's more under the federal government. It was a federal government-initiated location. The production or the operation of the facility is totally different from this department.

As far as looking forward for uranium and the potential for uranium, I have to say that we have some companies that are looking forward as a mineral for uranium, which is, again, separate from a nuclear reactor or any nuclear power production. What we're talking here in this department, generally, is we are having companies conduct mineral exploration for uranium as a mineral, which is totally different than having any reactor that's producing electricity under electrical purchase or production in this province.

One of the things that often happens is people confuse the two, where they say you're producing uranium as a mineral that leads to, and I'd like to caution the members and say: No, we don't have a nuclear power plant. We don't have plans for a nuclear power plant, from what I understand. So that's totally different than the production of uranium as a product.

**Mr. Cullen:** We talked briefly last week about energy sales into Saskatchewan and Alberta. Given that Alberta is looking at establishing a nuclear power plant there, do you think there will be opportunity for us to sell electricity into, first of all, Alberta and, second of all, Saskatchewan?

**Mr. Rondeau:** Any power sale is done through Manitoba Hydro. What we've been encouraging as a department, as a government, is the construction of an east-west grid, additional transmission and additional integration of lines. The reason why is because, as a province, we believe that because we produce so much green energy, hydro-electricity, renewable energy and, hopefully, in the future, more wind energy, the power is actually sold by Manitoba Hydro. What we are doing is, as a policy moving forward on additional transmission, we believe that an east-west power grid enables wind to become more of a stable base power. If you only have a few wind towers, it becomes an intermittent power which is hard to incorporate. If you have an east-west grid and a consistent grid, then you can have additional wind turbines built, which become part of a base grid or a base power supply.

We believe that by having additional transmission we can have additional sales. An east-west grid that goes from Alberta, Saskatchewan, Manitoba, Alberta and other provinces allows us to have the opportunity to sell into other markets, and this is huge. When one is asking about whether Alberta's going to have a nuclear plant or other things. We don't know, and we're not involved in Alberta's power mix. But what we believe is Manitoba has a huge opportunity to be a green power supplier. So, when you talk about greenhouse gases, when you talk about additional energy sales, we believe Manitoba has potential. We're encouraging the east-west grid because for me, if we have the transmission east, west and south, we have additional opportunities for the province, additional opportunities for not only spot sales, for firm power sales. We're encouraging the transmission lines so that Manitoba Hydro has further opportunities to sell into different markets.

I know the member opposite has been in business before, and he happens to know that, if you have the opportunity to sell to three or four people, you might get a better price than if you have the opportunity to sell to one person. So that's why we see the opportunity of additional transmission opportunities as additional opportunity to get to more

customers, which offers more opportunity and better price maybe for Hydro.

**Mr. Cullen:** I certainly agree with the minister that we have tremendous potential here in Manitoba in terms of marketing our energy. I think we have to make sure that we don't just limit our production of energy to Manitoba Hydro. I think there might be other ways for us to generate energy and market that energy. We do have the capacity to develop waste recovery, biomass projects, and those types of things that I think we have to have a serious look at.

Just reading that Saskatchewan, what they've just come out with here is, they call it a net metering program, and what it actually does, it allows people within the province of Saskatchewan, if they have a facility of some description, it doesn't matter what form of energy, but they'll be generating energy. They have the capacity to put that energy on the Saskatchewan grid and, in essence, sell their electricity that they've generated, their power they've generated, into the provincial system. Then, in essence, they can get a credit for that particular generation of energy.

So, to me, it seems like a wonderful concept. We've started that concept here in Manitoba with the addition of the wind farm. I'm just wondering if the Province is looking at adding capacity for other types of systems to interconnect into the existing grid that we already have.

**Mr. Rondeau:** I'd like to introduce Shaun Loney, who is the director of Energy Policy. I didn't have the slightest idea of what his title was—"Energy Guy" doesn't cut it.

I'd like to inform the member that, as far as the net metering policy, I understand that Manitoba Hydro has a net metering policy. It has been in existence for some time. Therefore, that sort of fits into the new wind, so that you have new wind, or community wind, or whatever. These projects can go forward, and they can forward and actually work with the net metering policy exactly as Saskatchewan has. Manitoba Hydro has it, which means that if you're producing some sort of new energy source, whether it's biomass, whether it's any sort of new wind, you can go for a net metering policy, which means you could have a hydro bill of zero. Then, after you get to a hydro bill of zero, you can actually have an income based upon what your energy production is.

\* (11:40)

So that's the policy that Manitoba Hydro currently has that allows you to do community wind, new wind, biomass or any other energy source and get a zero hydro bill by depending on whether your production is what your consumption is. That's what the whole net metering policy is. It's a policy by Manitoba Hydro. It's not from this department, although we helped develop it, and it's moving forward on any new, any new energy source.

So I, like the member opposite, agree it has a potential for community economic development, and it has a potential for where we go in the future.

**Mr. Cullen:** So, in terms of moving forward, if some individuals have a specific project that they want to move forward on, do they contact your department, or is that a Manitoba Hydro responsibility?

**Mr. Rondeau:** Manitoba Hydro would be behind the powers, so they'd talk to Manitoba Hydro who has the net metering policy in existence right now.

**Mr. Cullen:** So, from Manitoba Hydro's perspective, anybody that came forward with a proposal or an idea to generate energy, I'm assuming that Manitoba Hydro would have to look at whatever that particular process was, and it would have to fall within their particular criteria. Is that a role that your department could be playing too here in terms of, you know, a new source of energy?

In my mind, it's really about proving some of the technology that's out there. How do we take it from where we are in the research stage and get it actually on line so that it's actually benefiting Manitobans?

**Mr. Rondeau:** We would work with community groups, with their technology, or building their business plans or building their economic plan to move forward. So, in other words, if a group has a biomass or wind project or community wind project, they could work with our department to develop the plan, develop the concept and develop moving forward. However, the whole question about the net metering policy is really a Hydro question. It's whether Hydro buys it. The policy is that they have net metering policy and they can do purchase agreements and all of this, but that should be addressed to Hydro.

So, if it's a question on technology or incorporating the technology or the business plan or the wind monitoring, our department can help. If it's the purchasing of the power, that's the Hydro question.

**Mr. Cullen:** Just to kind of give you one example of the reality out there. The Member for Portage la Prairie (Mr. Faurschou) talked about the McCain plant in Carberry. The McCain plant in Carberry consumes \$6 million of natural gas every year in their processing. Obviously, it's in their interests to look at other means to operate their facility there. The problem is that there are some small research projects out there in different forms of energy. The problem is getting it from that research to the practical side of things to a facility of that size. So, in my view, that should be a role for your department. How do we make those connections and how do we move those processes along?

**Mr. Rondeau:** I understand that our department would work with companies to commercialize new technology, to bring this new technology forward in a business plan or in a proposal to Hydro, and then Hydro would work with the company.

So this is the absolute thing. If a company has an idea, they would come to our department, they would work with the department to sort of say: I have a \$6-million bill. I'd like to incorporate new technology, or integrate new technology to decrease that bill. They would come to my department. They would bring that up forward with the Energy Development Initiatives, and that's Mr. Loney. I can give you how you spell his name if necessary so you can get him on the phone number directly. Then Hydro would work with the actual purchasing of the new technology or the new incorporation of the technology into their net metering policy.

**Mr. Cullen:** In the particular case with McCain's, they like to have an on-site process to generate their own electricity or power. I guess there could be an opportunity, given the size of the plant, whatever it would be, to sell it back to Manitoba Hydro. That would be down the road. I think, initially, they would like to get just the energy there that would meet their requirements to run their processing plant.

I'll just give the minister the heads up. I know McCain's have been in the province, and they've talked to various departments about their waste treatment facility. Given that the minister is wearing two hats, I am going to be forwarding some correspondence, you know, basically on behalf of McCain's to see how his departments might be able to assist McCain's on both sides, on both the waste water treatment and also on the energy development side. So I'm going to be forwarding that to the minister. Hopefully, people within his department

will be able to assist McCain's in developing, it's a \$16-million project they're looking at, at least. They certainly want to do what's right environmentally, and I know they have a lot of local support. So I just wanted to pass that on to the minister. That's what I will be doing very shortly.

**Mr. Rondeau:** Madam Chair, I would be pleased to pass that on to the department or departments that I work with. As I have done in the past, what we try to do is to work with the different companies, work with the different proponents. The one thing I find with the department is they're very eager to work with companies in incorporating new technologies and working with Hydro to do it through the net metering process.

So, if you have a letter, please send it in either the CTT or the Science, Technology, Energy and Mines hat, and we will provide it to the department in real time. They will react in real time and try to work with them to incorporate the technologies to facilitate not only saving the money, not only saving the greenhouse gases, but to do better processes and corporate energy efficiencies, so that they use less energy and they save more money.

I, like the member opposite, like to be very pragmatic in doing it, regardless of any other considerations, to make sure that the companies are getting the biggest bang for the buck and saving. I, like the member opposite, believe that you can do it on conservation, save money, and do the right thing. But often it's hard to incorporate the new technology.

\* (11:50)

That's where my department comes in mind. We send off Shaun Loney and his staff to work with the companies and work through the processes. They are sometimes complicated. New technology is always difficult. That's why we've got the EDI department, and they do a great job.

How you spell his name? Loney is L-o-n-e-y. His name's Shaun and he's the manager of Energy Development Initiatives. I encourage you to send me the letter and I'll send it to him, and he'll deal with it.

**Mr. Cliff Graydon (Emerson):** I've only a couple of questions for the minister. One of them is going back to the wind farms and technology. We certainly agree that it's one of the greenest technologies that are around. I certainly believe in it. I think it's important that these developments take place.

I probably have some concerns, and I've been getting a number of letters—I'm sure he has as well—about some of these concerns. So, when we are advancing a technology such as wind farms, does your department, in the process of advancement, take into consideration the impacts of such a development on individuals who perhaps are not involved in a development around it, or are not in favour of that development and are not going to be a recipient of some of the benefits of that development? Is that part of your mandate, Mr. Minister?

**Mr. Rondeau:** That is a very good question, and I thank the member for that question, because it goes to the heart of any new development. What we need to do as a department, we work with the community to incorporate the technology, incorporate any of the issues in integrating the technology. So we work with the communities to sort of say, here are the impacts, here are the issues, here are the things that you should consider as a community. We also work with the developers on the same sort of thing.

The second part of it is that the community itself does work with the Department of Conservation on the environmental licensing. That is where the individuals, that is where the communities, do have impact. So we work in two ways. The first one is working with the community on the integration of the technology and the impacts. The second one, the community itself does have influence on the environmental licensing, and the individuals themselves have impacts on the environmental licensing of any of the new developments.

**Mr. Graydon:** Thank you, Mr. Minister. I want to dwell on this just a little bit longer. I believe there are some red flags that are coming up. I'm concerned about these flags. As we've seen Hydro develop over the years, and we're dealing with some of the issues today that were created at the first dam that was built. We are dealing with some of these issues today. I'd like to point out that some of these wind farms and the proposals that are being put forward today are being put forward on prime agricultural land. If individuals either don't care to be involved or have not been involved in this and have received no benefits, and yet their agricultural activities are going to be restricted, I think that your department needs to take a serious, serious look at this prior to the development.

The consultation part that does take place within the communities, some of that consultation, I think, is more than well presented. It is professionally

presented by individuals to the community that probably doesn't have that same professional advice on hand. Some of the complaints that I've received are people have signed contracts and have no way to get out of them. I'm just putting that on the record for your information, Mr. Minister, but the impact on land and people that are not involved in these and it impacts their livelihood, I think this could come back to bite us at some time.

How are you addressing that?

**Mr. Rondeau:** Thank you very much for the question.

Again, this is something that I think the opposition and the government need to have open communications to make sure that there's open dialogue, to hear the issues and make sure that we listen to the people who have concerns, because as a government we need to, and as an opposition we need to, because these developments aren't here for a year or two, they're here for lots of years. So, when we are moving forward on this or any other development issue, we listen, because there are pros and cons in every issue. We need to listen to what the people are saying who have concerns because we have to listen to them and take them very, very seriously and make sure that, when we do development, we incorporate any of the concerns into future developments so that we know what we're doing.

So, when we're talking about the wind towers, there are only wind towers installed after agreement with the land holders; it's not done beforehand. The land holders have to be listened to, what the concerns are, listen to what other developments have happened and make sure we incorporate any of the concerns that have done.

Some of the things that we have to know is that the impact on the land and people—we make sure as a department, as the Department of Agriculture, we go, we talk to people, we talk to them about what the impacts are, what people have said in the past and how the people incorporated their concerns in the future development plans in the past.

So we also have to understand the technology. We have to make sure that we tell people who are thinking about moving forward in the technology that they seek independent, third-party advice; make sure that they talk to other people and figure out how they can integrate the concerns and how they have dealt with the concerns in the past.

Examples of that are, that the aerial sprayers had concerns about wind farms and about the safety of their members and all this. It is by doing plans and making sure that the towers are in line, making sure that there are certain rules, that the concerns of the aerial sprayers can be addressed.

\* (12:00)

It's also important to note that farmers, if you go to the St. Leon centre, these are not where you put up a tower and all of a sudden you can't use the area around it. What happens is that you put up a tower and you can farm right around the tower. You can farm right up to the base of the tower basically, and so this does not preclude farming. What it means is that you have to set up rules and systems where farming and the wind technology can work together, and so there is an integration of the technology with the current practice and with future practice, not where because you're going to have a wind farm, you're going to remove the agriculture. What you want to do is you want to set up a symbiotic relationship where you have the agriculture plus the wind farms that can work in harmony, and then you take all the concerns that people have written to you or written to me. They have the concerns, and you take those into consideration. You make sure that people understand it, and you try to develop the wind farms so that the concerns are heard and addressed.

So that's what you try to do as you develop, because these things aren't developed for five years. They're not developed for 10. They're developed for decades. So that's what we're trying to do. I think what you do when you develop a wind farm is you want to make sure that people have as much information as possible, they are aware as possible, and they have—as a government department, we want to make sure that people hear (a) the issues, but also understand how these issues have been addressed in the past so that their concerns can be alleviated if at all possible.

**Mr. Graydon:** Thank you, Mr. Minister, for that response. I agree that consultation is terribly important. Communications are terribly important. You're absolutely right. You can farm right up to the base of the—or within a couple of wind—it's not a big issue for the first tower; it may not be a big issue for the second tower. However, the contracts to date are private contracts. They have clauses in them that are gag clauses in the contracts. I'm sure that you're aware of that. You should also be aware that in those contracts you can farm your land; there's no question

about that, but you cannot build a building on it without the approval of the people that have the contracts for the towers.

Those are the types of issues, Mr. Minister, that I think your department needs to address as we go forward with these. Certainly, not opposed to that type of development at all. I just think all the cards need to be on the table because there are going to be some concerns and, I believe, can be some major issues come down the pipe.

So I'm putting that on the record for your information, Mr. Minister. I'd like to carry on with the Technology part of your portfolio, and I'm not exactly sure if cell service fits into that, but throughout my constituency cell service is either non-existent or borderlines on very poor. It creates certain obstacles, many obstacles, as you can well imagine as communications are important for a number of reasons: for the economic development of any area, for the safety issues, in the event of a natural disaster that we don't lose our land lines, 911 calls from accidents. We have places on 75 highway between Winnipeg and the border that the cell service does not work. It doesn't exist.

So for those types of situations, for the safety of their home-care workers that deliver an excellent service throughout our communities in all types of weather at night and day as well, their cell service is—that's the only communication they have in many cases, and it doesn't work. The safety of our schoolchildren on buses is being compromised because, even though they do have radio control, a head-on accident will take out your radio. If that radio fails, there's another problem.

This is also an issue for the cottage owners who have no access to land lines throughout our whole area. It's certainly a cause for concern for their security systems and for the things that they leave, because their cottages are very vulnerable in these situations and, in many cases, uninsurable.

So, Mr. Minister, being as technology is, if I understand, part of your portfolio—and I understand that cell service is a technology—is there anything that your department is doing to address this situation, or is anything coming up that can address this situation that we have in the Emerson constituency, and many other constituencies as well?

**Mr. Rondeau:** I thank the member for the question. One of the interesting parts about the technology is that, through cell service, CRTC actually directs the

telecommunications in the country. How service is provided is directed by CRTC.

Now, the interesting thing is the basic telephone system is still the basic telephone on-line service, and although I have written a letter to the federal minister to try to get him to extend plain old telephone service—which is POTS—and say why don't you extend that, not have plain old telephone service as your basic level of service. Maybe what we can do is look at having cell service or other levels of service. And I know that even yesterday I had talked to the president of MTS about how we can extend plain old telephone service to be cell service or Internet service and things like this. So things like that have been there. I've written to the federal minister. I've talked to the president of MTS regarding this.

Right now cell service is determined by the business case. It's not determined by provincial government policy, so it's a business case. I know that the member knew that at one point we owned MTS. We do not own MTS anymore. So we can't direct MTS as a Crown or as policy of government to extend the plain old telephone service to be cell service. I know that we didn't sell the Crown, it was the members opposite. So when the members opposite sold MTS, what happened was the business case—not only is the business case on basic service but they also have to be able to make a profit on it. So there is an issue on it. The extension of basic telephone service to cell service has been an issue. I know we've tried to address it, but right now not only do you need the capital cost to extend the plain old telephone service, you need the cost of the service plus a profit motive because it's now a capital company. I would direct the member to a member called Gary Filmon who's on the board of MTS; you might know him. He is presently on the board of MTS and he might be able to extend the service, through the board, to your area. But it is not a Crown, MTS is not a Crown corporation, and so there is a profit motive to extend telephone service.

\* (12:10)

I know it's been critical on areas in the north and in rural Manitoba. I know that in the past if it had of been not a Crown, I question whether the plain old telephone service would've been extended to all parts of the province. But now it's a private, independent company. It has no direct control by our Province or this ministry and so it is frustrating. Whether I get a call from northern Manitoba or rural

Manitoba or whatever, I often say, please write to MTS; please write to the federal ministry, and please see how you could be extended.

So, if you have any influence with Mr. Filmon, with the MTS, or any of those things, I encourage you to use it to change where it's no longer the wired phone as a basic telephone service, and whether it can be extended to self service and Internet, because that becomes more and more what people are desiring, and less and less they want the old telephone service. We don't have the tools right now to extend that effectively to the entire province, although we'd love to do it.

**Mr. Graydon:** Thank you for bringing me up to speed on what really took place with MTS. I may not have been totally aware of it. However, that wasn't really what the question was. The question was to do with technology. I'd like to bring to the minister's attention that the technology that does exist in the cell service today is both digital and analog. I would like to express that I've been informed that analog will not continue. Analog seems to be a system that has worked poorly in our area, in places, but at least it worked, where digital doesn't work at all.

So the question was to do with technology and cell service, any technology coming up. But thanks again for the education that I might have missed some time along in my career.

**Mr. Rondeau:** We'll continue to look at whether we can incorporate technology and encourage MTS to adopt technology that will allow cell service throughout the province. I know I've been in discussions with MTS and see whether we can get full service of cell phone, of Internet and all that through the province, because we believe that it is the opportunity to allow people to have good economic opportunities throughout the province.

So, whether it's in the North, which doesn't have cell phone or broadband issues, or whether it's the south, we believe that all Manitobans could have economic benefits if they were connected, cell phone and whatever. Whether it's health benefits for safety, or whether it's economic benefits for getting into business opportunities, those are all things that Manitoba should concern. But we do have problems because we do not control, it is no longer a Crown, and that does create some difficulties in integrating.

The frustrating part is that Internet and cell phone services are becoming more and more essential. People expect them to be delivered, but we

don't have an economic way of delivering them, nor do we have a regulatory right way because the CRTC controls it. So, yes, I encourage you, if have any influence with certain board members or the Crown corporation, talk to them and say that we would love to have a method of extending service. If you have suggestions in the future as to how we can extend service, I'm open to them.

**Mr. Cullen:** The minister speaks of opportunities. I was looking at the Environment Canada and it talks about the greenhouse gas emissions across Canada. I noticed that we have a couple of facilities here in Manitoba which are in the top 30 in terms of greenhouse gas emissions. Actually, the top one in Manitoba, interestingly enough, is the Brady Road Landfill in terms of methane gas. Then, just a little further down the road is the Brandon generating station which currently uses coal. So I just wanted to bring that to the minister's attention.

I personally believe there's a tremendous opportunity to capture methane gas from landfills around the province and convert them into an energy source. Again, as we've talked about before, possibly putting it onto the Manitoba Hydro grid. So there's tremendous potential for that.

In the interest of time, I know we want to get things wrapped up here. I'm certainly prepared to go through line by line, But, just as a final question, I had a phone call last night, and the constituent had heard there was going to be a, I believe it's a one-day conference. He quoted it on October 23 at the Fort Garry Hotel. My understanding is it's Climate Change: Challenges and Opportunities.

I'm just wondering if the minister is aware of that particular meeting? The question the individual had was he understood that it was sold out and wondered if there might be an opportunity for them to get at the table. *[interjection]* That was a representative from the board of the Manitoba Cattle Producers Association. So, if we're talking about climate change and greenhouse gases, I know the cattle producers have had the fingers pointed at them and, I think, it would certainly be beneficial to have one of their members at the table on that particular day.

**Mr. Rondeau:** Thank you very much for the question. It was good. We are organizing and putting on a conference. I am very pleased that you know about it. It's discussing about the climate change and developing an action plan. It's talking about a number of workshops. I have called a few people

directly to invite them to it. I'm very pleased to say it's oversubscribed, very oversubscribed, so we're dealing with that. If you get me the name of the Cattle Producers Association or the people that want to attend, I will ensure that they're participants on it. What we've been doing is we've actually been moving people from government departments off it and having people from the public take their place. So that's very good.

I am very pleased to see that the whole conference was oversubscribed. We're talking rather oversubscribed. So that's how we're dealing with it. We're taking the government people who would normally take part in the conference, moving them off as participants and having public people participate. What we're going to do with the government people who need to know what's going on in the conference, we're going to provide them a transcript or information on what went on in the conference. So that's how we're dealing with it.

It's going to be interesting because I've even talked to the City of Winnipeg mayor and other people about the conference. They were very, very excited about it. It will be interesting to see the results. I'm very excited about how it's moving forward. It will deal with things like the methane and gas capture. It will deal with agriculture. It will deal with other things. So that's why, if you have names that you can provide to me, we will ensure that they get spots.

**Mr. Cullen:** I appreciate the minister's comments on that. I will endeavour to get the names to his staff. I think that would be most appreciative.

I wonder, too, when the conference is over, if you could send me a transcript of the event or report that comes out of there, whatever form that takes. I would appreciate an opportunity to have a look at that.

At this time, I'm certainly prepared to go through line by line.

**Mr. Rondeau:** In response, I'll get you a report from the conference, and thank you.

\* (12:20)

**Madam Chairperson:** Resolution 18.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,250,800 for Science, Technology, Energy and Mines, Energy, Climate

Change and Green Strategy Initiatives, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 18.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$19,348,800 for Science, Technology, Energy and Mines, Science, Innovation and Business Development, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 18.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$28,316,000 for Science, Technology, Energy and Mines, Manitoba Information and Communication Technologies, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 18.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,147,500 for Science, Technology, Energy and Mines, Mineral Resources, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

Resolution 18.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,820,300 for Science, Technology, Energy and Mines, Costs Related to Capital Assets, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

The last item to be considered for the Estimates of this department is item 18.1.(a) Minister's Salary, contained in resolution 18.1. At this point, we request that the minister's staff leave the table for consideration of this last item.

The floor is open for questions. None forthcoming.

Resolution 18.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$704,900 for Science, Technology, Energy and Mines, Administration and Finance, for the fiscal year ending March 31, 2008.

**Resolution agreed to.**

This completes the Estimates for the Department of Science, Technology, Energy and Mines.

The next set of Estimates to be considered by this section of the Committee of Supply is for the Civil Service Commission. What is the will of the committee?

**An Honourable Member:** Twelve-thirty.

**Madam Chairperson:** The committee is recessed till 12:30. Is it the will of the committee to call it 12:30? *[Agreed]*

The hour being 12:30, committee rise.

Call in the Speaker.

### IN SESSION

**Madam Deputy Speaker (Bonnie Korzeniowski):**  
Is it the will of the House to call it 12:30? *[Agreed]*

This House is adjourned and stands adjourned until Monday at 1:30 p.m.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, October 12, 2007**

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